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### AT A GLANCE

- 489 employees in FY17
- Oversee nearly \$2.5 billion in state procurement annually, including negotiating more than \$21 million in contract savings and increasing purchasing from diverse businesses
- Reduced Capitol complex energy consumption by 21% percent and increased reliance on renewable energy sources to nearly one-third of annual usage since 2008
- Manage more than 280 construction projects and 850 property leases
- Monitor facility conditions and asset preservation needs of over 6,000 state-owned buildings
- Oversee a fleet of more than 1,800 vehicles, increasing use of electric and fuel efficient vehicles
- Trained over 1,350 public officials and stakeholders about open government laws in FY18
- Provided direct training and informational resources to more than 10,812 individuals with developmental disabilities or family members in FY18

### PURPOSE

The Department of Administration is a core central service agency serving the Governor, legislature, state agencies, local governments, and the public. Our mission is to benefit all Minnesotans by leading innovation, creating solutions, and providing exceptional services. That mission is achieved by focusing on diversity and inclusion, customer satisfaction, technology optimization, sustainability, employee engagement, and best value.

The purpose and benefit of effective centralized core administrative services is to achieve better value for state agencies by leveraging economies of scale, ensuring open and fair competition, reducing risk, and promoting success through standardized processes. Centralizing and standardizing core services, things like—procurement processes, contract terms, leasing, risk management, and many other centralized administrative functions—makes it easier for policy-makers and the public to be aware of what is expected to occur, and what does occur, in government, and to evaluate both.

Specifically, we provide enterprise leadership for a broad range of professional services and business functions essential to the efficient operation of government, including:

- overseeing real property and sustainable state operations;
- helping agencies comply with state procurement and contracting laws while also achieving the best value in purchasing goods, services, and vehicle fleets;
- overseeing state facilities' construction and leasing;
- providing property, liability, and workers compensation insurance coverage for state operations;
- establishing best practices for state grants administration and training agency staff;
- leading state 2020 Census efforts and providing government and non-governmental agencies, businesses, and the public with population data and demographic services;
- providing financial management and human resource support to a growing number of small state agencies, boards, and commissions;
- operating the Capitol Complex and other buildings efficiently and keeping the Capitol grounds beautiful;
- providing technical assistance to small businesses seeking federal or state contracts; and
- overseeing state and federal historic preservation laws and administering the state and federal historic preservation tax credits.

In addition, Admin provides key services directly to the public. We help individuals and organizations understand and access their rights to government data. We provide opportunities for those with developmental disabilities

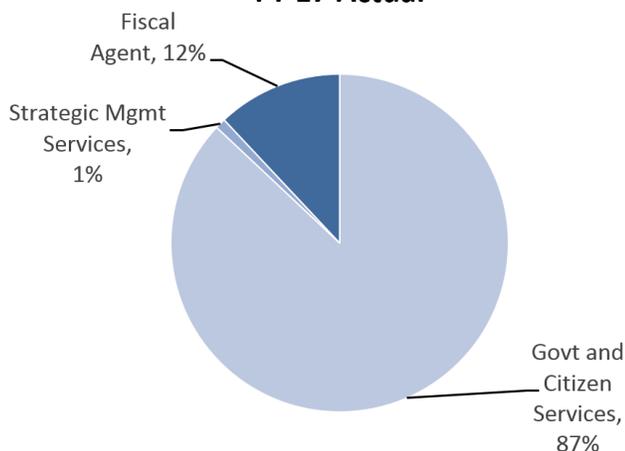
and their families to advocate for their rights to education, work, and community participation. And, we provide assistive technology so those with physical disabilities can lead more independent and productive lives.

By ensuring Minnesota’s executive branch agencies receive excellence in enterprise services, Admin contributes to the statewide outcome of: **Efficient and accountable government services.**

By providing persons with disabilities assistive technology to help them be productive and involved in their communities, Admin contributes to the statewide outcomes of: **Minnesotans have the education and skills needed to achieve their goals; and Strong and stable families and communities.**

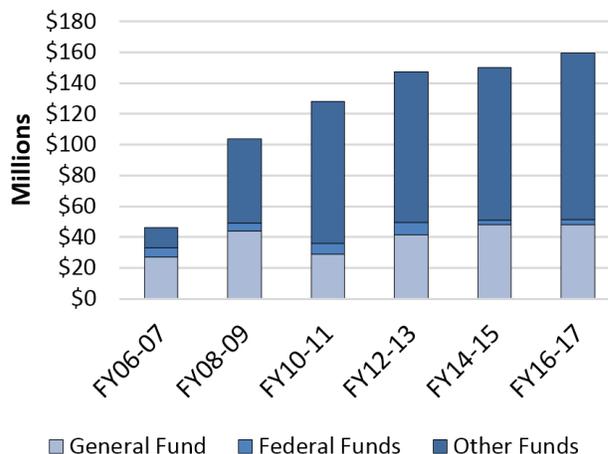
## BUDGET

**Spending by Program  
FY 17 Actual**



Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

Our mix of funding is as complex and diverse as the services we provide, with fully 87% of funds spent through the internal service, special revenue, and enterprise funds we manage. Additionally, more than half of the general fund dollars we are appropriated are passed on to, or spent on behalf of, other entities via our fiscal agent program.

## STRATEGIES

We utilize multiple strategies and service delivery models to support the statewide outcomes of efficient and accountable government services and ensure the best value in government administrative services. These include:

- Sustainable services that leverage our enterprise expertise in fleet, leasing, construction, facilities, and purchasing services, and the expertise of our partner agencies to advance environmentally sustainable operations, avoid costs, and reduce the State’s carbon footprint.
- Real property services that provide a single, enterprise-wide inventory of facility conditions necessary to strategically plan for asset preservation, workforce, and citizen service investments.
- Procurement services that leverages bulk purchasing opportunities to achieve best value by developing contracts for use by multiple government units; standardizing and consolidating purchases; and aggressively negotiating contract terms and pricing.
- Facilities management services such as maintenance, engineering, and energy retrofits that provide well-maintained facilities necessary for the daily operations of the state’s executive, legislative, and judicial branches.
- Construction and space leasing services such as serving as the state’s leasing agent and owner’s representative on construction projects. We provide efficient and effective oversight of capital

construction projects, ensure facility solutions that meet the space needs of state agencies and their customers, and facilitate effective management and optimal use of state real property assets.

- Government-to-Government shared services that provide financial and human resource services to small agencies, boards and commissions, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
- Government management consultation to help agencies on achieve energy reduction goals, comply with open government requirements, reduce workers' compensation costs, and reduce the state's reliance on gasoline.
- Public services that include assistive technology, demographic services, and resources for people with developmental disabilities. We also facilitate the public's access to state government by educating citizens on their rights to government data, granting permits to stage public rallies, and administering public spaces in the State Capitol building.

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The Department of Administration's legal authority comes from:

M.S. 13 (<https://www.revisor.mn.gov/statutes/?id=13>)

16B (<https://www.revisor.mn.gov/statutes/?id=16B>)

16C (<https://www.revisor.mn.gov/statutes/?id=16C>)

4A.02 (<https://www.revisor.mn.gov/statutes/?id=4a.02>)

176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>)

138.31-138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>)

307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>)

# Administration

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General	22,326	25,821	23,810	25,506	25,610	25,607	27,740	26,617
2000 - Restrict Misc Special Revenue	4,059	3,876	3,754	7,638	5,264	4,057	5,264	4,057
2001 - Other Misc Special Revenue	38,470	39,543	35,588	44,257	44,915	38,117	44,915	38,117
2301 - Arts & Cultural Heritage	11,329	9,910	10,917	9,973				
2403 - Gift	44	253	514	186	440	173	440	173
3000 - Federal	1,388	1,689	2,321	3,282	3,351	3,358	3,351	3,358
3800 - Permanent School	131	509	948	356	300	300	0	0
4500 - MN Bookstore	1,304	1,223	1,189	1,275	1,305	1,329	1,305	1,329
4501 - Coop Purchasing	8,779	20,461	23,868	38,296	27,050	28,075	27,050	28,075
4502 - Surplus Property	1,462	1,304	1,797	1,392	1,454	1,496	1,454	1,496
5000 - Master Lease	8,703	7,265	14,159	18,780	19,115	18,900	19,115	18,900
5100 - Fleet Services	8,714	8,307	8,391	9,147	9,113	9,893	9,113	9,893
5203 - Central Mail	10,767	9,171	8,838	9,494	9,451	9,625	9,451	9,625
5300 - Risk Management	11,646	13,646	10,682	13,553	13,651	13,666	13,651	13,666
5400 - Plant Management	55,298	54,849	49,948	60,799	59,608	58,518	59,608	58,518
<b>Total</b>	<b>184,420</b>	<b>197,829</b>	<b>196,723</b>	<b>243,934</b>	<b>220,627</b>	<b>213,114</b>	<b>222,457</b>	<b>213,824</b>
Biennial Change				58,408		(6,916)		(4,376)
Biennial % Change				15		(2)		(1)
Governor's Change from Base								2,540
Governor's % Change from Base								1

## **Expenditures by Program**

Govt and Citizen Services	159,497	172,098	169,832	218,710	205,629	198,116	207,670	198,557
Strategic Mgmt Services	2,044	2,756	3,447	3,530	2,988	2,988	2,577	2,557
Fiscal Agent	22,879	22,975	23,445	21,694	12,010	12,010	12,210	12,710
<b>Total</b>	<b>184,420</b>	<b>197,829</b>	<b>196,723</b>	<b>243,934</b>	<b>220,627</b>	<b>213,114</b>	<b>222,457</b>	<b>213,824</b>

## **Expenditures by Category**

Compensation	35,885	38,893	41,356	46,804	48,352	49,402	48,788	49,546
Operating Expenses	95,862	106,828	98,953	112,846	107,498	106,615	107,843	106,981
Grants, Aids and Subsidies	12,483	10,944	13,685	12,327	4,124	4,132	5,124	4,332
Capital Outlay-Real Property	22,945	10,826	13,800	31,283	32,212	23,995	32,212	23,995

# Administration

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Other Financial Transaction	17,245	30,338	28,929	40,674	28,441	28,970	28,490	28,970
<b>Total</b>	<b>184,420</b>	<b>197,829</b>	<b>196,723</b>	<b>243,934</b>	<b>220,627</b>	<b>213,114</b>	<b>222,457</b>	<b>213,824</b>
<b><u>Full-Time Equivalents</u></b>	<b>449.84</b>	<b>475.60</b>	<b>500.86</b>	<b>544.31</b>	<b>548.35</b>	<b>548.86</b>	<b>553.35</b>	<b>550.36</b>

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		2,867	350	1,199				
Direct Appropriation	24,397	23,544	24,375	23,844	24,396	24,396	31,526	25,406
Open Appropriation	818	699	775	700	1,625	1,622	1,625	1,622
Receipts	641							
Transfers In	4,668	3,758	4,094	4,428	2,887	2,887	2,887	2,887
Transfers Out	871	911	612	692	411	411	5,411	411
Cancellations	4,668	3,785	3,973	3,973	2,887	2,887	2,887	2,887
Balance Forward Out	2,659	350	1,198					
<b>Expenditures</b>	<b>22,326</b>	<b>25,821</b>	<b>23,810</b>	<b>25,506</b>	<b>25,610</b>	<b>25,607</b>	<b>27,740</b>	<b>26,617</b>
Biennial Change in Expenditures				1,169		1,901		5,041
Biennial % Change in Expenditures				2		4		10
Governor's Change from Base								3,140
Governor's % Change from Base								6
Full-Time Equivalents	82.96	86.62	84.76	95.10	93.16	92.24	99.66	95.24

## 2000 - Restrict Misc Special Revenue

Balance Forward In	2,171	2,162	3,122	6,823	3,452	2,253	3,452	2,253
Receipts	5,785	7,410	10,255	7,064	7,171	7,134	7,171	7,134
Transfers Out	2,158	2,804	2,800	2,797	2,790	2,787	2,790	2,787
Net Loan Activity					(316)	(91)	(316)	(91)
Balance Forward Out	1,740	2,892	6,823	3,452	2,253	2,452	2,253	2,452
<b>Expenditures</b>	<b>4,059</b>	<b>3,876</b>	<b>3,754</b>	<b>7,638</b>	<b>5,264</b>	<b>4,057</b>	<b>5,264</b>	<b>4,057</b>
Biennial Change in Expenditures				3,457		(2,071)		(2,071)
Biennial % Change in Expenditures				44		(18)		(18)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.19	10.01	9.29	12.24	12.20	12.20	12.20	12.20

## 2001 - Other Misc Special Revenue

Balance Forward In	31,135	30,563	28,062	31,177	26,085	19,688	26,085	21,822
Receipts	26,657	29,461	32,194	32,798	32,210	33,719	32,210	33,719
Transfers In	12,420	13,541	15,027	14,881	14,889	14,984	20,523	15,125
Transfers Out	7,205	7,706	8,517	8,514	8,581	8,669	8,581	8,669

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Net Loan Activity							(3,500)	(1,000)
Balance Forward Out	24,538	26,316	31,179	26,085	19,688	21,605	21,822	22,880
<b>Expenditures</b>	<b>38,470</b>	<b>39,543</b>	<b>35,588</b>	<b>44,257</b>	<b>44,915</b>	<b>38,117</b>	<b>44,915</b>	<b>38,117</b>
Biennial Change in Expenditures				1,832		3,187		3,187
Biennial % Change in Expenditures				2		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	33.62	32.90	33.69	35.57	35.68	35.73	35.68	35.73

## 2301 - Arts & Cultural Heritage

Balance Forward In	441	1,689	412	373				
Direct Appropriation	12,398	8,785	10,937	9,600	0	0	0	0
Transfers In	183	170	475	289				
Transfers Out	183	170	475	289				
Cancellations	68	248	58					
Balance Forward Out	1,442	315	373					
<b>Expenditures</b>	<b>11,329</b>	<b>9,910</b>	<b>10,917</b>	<b>9,973</b>				
Biennial Change in Expenditures				(349)		(20,890)		(20,890)
Biennial % Change in Expenditures				(2)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	3.01	2.45	2.40	2.58				

## 2403 - Gift

Balance Forward In	693	705	903	727	749	817	749	817
Receipts	56	415	288	208	508	8	508	8
Transfers In			50					
Balance Forward Out	705	867	728	749	817	652	817	652
<b>Expenditures</b>	<b>44</b>	<b>253</b>	<b>514</b>	<b>186</b>	<b>440</b>	<b>173</b>	<b>440</b>	<b>173</b>
Biennial Change in Expenditures				402		(87)		(87)
Biennial % Change in Expenditures				135		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Full-Time Equivalents		0.23	0.22					

## 3000 - Federal

Receipts	1,388	1,689	2,321	3,282	3,351	3,358	3,351	3,358
<b>Expenditures</b>	<b>1,388</b>	<b>1,689</b>	<b>2,321</b>	<b>3,282</b>	<b>3,351</b>	<b>3,358</b>	<b>3,351</b>	<b>3,358</b>
Biennial Change in Expenditures				2,526		1,106		1,106
Biennial % Change in Expenditures				82		20		20
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.40	5.84	13.43	18.35	18.60	18.60	18.60	18.60

## 3002 - Oil Overcharge

Balance Forward In	3	3	3	3	3	3	3	3
Balance Forward Out	3	3	3	3	3	3	3	3

## 3800 - Permanent School

Balance Forward In		169	205	56				
Transfers In	300	550	800	300	300	300	0	0
Cancellations		5						
Balance Forward Out	169	205	56					
<b>Expenditures</b>	<b>131</b>	<b>509</b>	<b>948</b>	<b>356</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>0</b>
Biennial Change in Expenditures				664		(704)		(1,304)
Biennial % Change in Expenditures				104		(54)		(100)
Governor's Change from Base								(600)
Governor's % Change from Base								(100)
Full-Time Equivalents		1.04	1.51	1.50	1.50	1.50	0.00	0.00

## 4500 - MN Bookstore

Balance Forward In	530	519	271	224	253	251	253	251
Receipts	1,243	914	1,143	1,304	1,303	1,218	1,303	1,218
Transfers Out			2					
Balance Forward Out	470	209	224	253	251	140	251	140
<b>Expenditures</b>	<b>1,304</b>	<b>1,223</b>	<b>1,189</b>	<b>1,275</b>	<b>1,305</b>	<b>1,329</b>	<b>1,305</b>	<b>1,329</b>

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial Change in Expenditures				(64)		170		170
Biennial % Change in Expenditures				(3)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.63	7.30	7.32	7.32	7.32	7.32	7.32	7.32

## 4501 - Coop Purchasing

Balance Forward In	23,170	39,048	44,411	42,871	30,283	29,955	30,283	29,955
Receipts	22,891	24,206	22,345	25,710	26,724	27,650	26,724	27,650
Transfers Out			18	2	2	2	2	2
Balance Forward Out	37,282	42,793	42,870	30,283	29,955	29,528	29,955	29,528
<b>Expenditures</b>	<b>8,779</b>	<b>20,461</b>	<b>23,868</b>	<b>38,296</b>	<b>27,050</b>	<b>28,075</b>	<b>27,050</b>	<b>28,075</b>
Biennial Change in Expenditures				32,924		(7,039)		(7,039)
Biennial % Change in Expenditures				113		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	54.50	61.36	68.55	79.32	84.30	85.68	84.30	85.68

## 4502 - Surplus Property

Balance Forward In	1,095	1,277	1,577	1,398	1,742	1,875	1,742	1,875
Receipts	1,643	1,571	1,621	1,736	1,587	1,628	1,587	1,628
Transfers Out			2					
Balance Forward Out	1,276	1,544	1,398	1,742	1,875	2,007	1,875	2,007
<b>Expenditures</b>	<b>1,462</b>	<b>1,304</b>	<b>1,797</b>	<b>1,392</b>	<b>1,454</b>	<b>1,496</b>	<b>1,454</b>	<b>1,496</b>
Biennial Change in Expenditures				423		(239)		(239)
Biennial % Change in Expenditures				15		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.19	7.60	7.94	8.25	9.25	9.25	9.25	9.25

## 5000 - Master Lease

Balance Forward In			0					
Receipts	8,703	7,265	14,159	18,780	19,115	18,900	19,115	18,900

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<b>Expenditures</b>	<b>8,703</b>	<b>7,265</b>	<b>14,159</b>	<b>18,780</b>	<b>19,115</b>	<b>18,900</b>	<b>19,115</b>	<b>18,900</b>
Biennial Change in Expenditures				16,970		5,076		5,076
Biennial % Change in Expenditures				106		15		15
Governor's Change from Base								0
Governor's % Change from Base								0

## 5100 - Fleet Services

Balance Forward In	6,020	3,600	2,257	2,448	2,343	3,892	2,343	3,892
Receipts	13,816	13,808	15,522	17,882	20,275	21,868	20,275	21,868
Transfers Out	7,521	6,946	6,940	8,840	9,613	11,415	9,613	11,415
Balance Forward Out	3,600	2,154	2,448	2,343	3,892	4,452	3,892	4,452
<b>Expenditures</b>	<b>8,714</b>	<b>8,307</b>	<b>8,391</b>	<b>9,147</b>	<b>9,113</b>	<b>9,893</b>	<b>9,113</b>	<b>9,893</b>
Biennial Change in Expenditures				517		1,468		1,468
Biennial % Change in Expenditures				3		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.82	8.76	9.04	7.75	8.25	8.25	8.25	8.25

## 5203 - Central Mail

Balance Forward In	1,768	119	216	99	20	69	20	69
Receipts	9,097	9,239	8,721	9,415	9,500	9,714	9,500	9,714
Balance Forward Out	98	186	99	20	69	158	69	158
<b>Expenditures</b>	<b>10,767</b>	<b>9,171</b>	<b>8,838</b>	<b>9,494</b>	<b>9,451</b>	<b>9,625</b>	<b>9,451</b>	<b>9,625</b>
Biennial Change in Expenditures				(1,607)		744		744
Biennial % Change in Expenditures				(8)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.08	8.99	8.81	9.29	9.29	9.29	9.29	9.29

## 5300 - Risk Management

Balance Forward In	24,409	24,727	22,917	22,247	20,572	18,799	20,572	18,799
Receipts	11,964	11,723	10,014	11,878	11,878	11,878	11,878	11,878
Transfers Out			3					

# Administration

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Balance Forward Out	24,726	22,803	22,246	20,572	18,799	17,011	18,799	17,011
<b>Expenditures</b>	<b>11,646</b>	<b>13,646</b>	<b>10,682</b>	<b>13,553</b>	<b>13,651</b>	<b>13,666</b>	<b>13,651</b>	<b>13,666</b>
Biennial Change in Expenditures				(1,058)		3,082		3,082
Biennial % Change in Expenditures				(4)		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.53	11.72	11.34	10.40	10.40	10.40	10.40	10.40

## 5400 - Plant Management

Balance Forward In	17,867	12,214	8,189	11,933	7,119	5,837	7,119	5,203
Receipts	66,342	69,356	74,706	77,101	77,897	79,114	77,897	79,114
Transfers In	324	324	324	324	324	324	324	324
Transfers Out	17,483	20,197	21,338	21,440	19,895	19,891	20,529	20,032
Balance Forward Out	11,752	6,848	11,933	7,119	5,837	6,866	5,203	6,091
<b>Expenditures</b>	<b>55,298</b>	<b>54,849</b>	<b>49,948</b>	<b>60,799</b>	<b>59,608</b>	<b>58,518</b>	<b>59,608</b>	<b>58,518</b>
Biennial Change in Expenditures				601		7,379		7,379
Biennial % Change in Expenditures				1		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	218.91	230.78	242.56	256.64	258.40	258.40	258.40	258.40

# Administration

# Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2019 Appropriations	23,844	23,844	23,844	47,688
<b>Base Adjustments</b>				
Current Law Base Change		200	200	400
Pension Allocation		27	27	54
Transfer Between Agencies		325	325	650
Approved Transfer Between Appropriation		0	0	0
<b>Forecast Base</b>	<b>23,844</b>	<b>24,396</b>	<b>24,396</b>	<b>48,792</b>
<b>Change Items</b>				
In Lieu of Rent Increase			500	500
Procurement Technical Assistance Center Match		441	441	882
Operating Adjustment		76	56	132
2020 Census Mobilization and Outreach		1,600		1,600
Building Efficiency Revolving Loan Fund		5,000		5,000
Office of School Trust Lands Funding		(187)	(187)	(374)
MN Emergency Alert and AMBER Alert System Upgrades (MPR)		200	200	400
<b>Total Governor's Recommendations</b>	<b>23,844</b>	<b>31,526</b>	<b>25,406</b>	<b>56,932</b>
<b>Fund: 2301 - Arts &amp; Cultural Heritage</b>				
FY2019 Appropriations	9,600	9,600	9,600	19,200
<b>Base Adjustments</b>				
One-Time Legacy Fund Appropriations		(9,600)	(9,600)	(19,200)
<b>Forecast Base</b>	<b>9,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Governor's Recommendations</b>	<b>9,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Open</b>				
<b>Fund: 1000 - General</b>				
FY2019 Appropriations	3,116	3,116	3,116	6,232
<b>Base Adjustments</b>				
Forecast Open Appropriation Adjustment	(139)	(1,296)	(1,500)	(2,796)
November Forecast Adjustment	(2,277)	(195)	6	(189)
<b>Forecast Base</b>	<b>700</b>	<b>1,625</b>	<b>1,622</b>	<b>3,247</b>
<b>Total Governor's Recommendations</b>	<b>700</b>	<b>1,625</b>	<b>1,622</b>	<b>3,247</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	7,638	5,264	4,057	9,321
<b>Forecast Base</b>	<b>7,638</b>	<b>5,264</b>	<b>4,057</b>	<b>9,321</b>

# Administration

# Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Total Governor's Recommendations</b>	<b>7,638</b>	<b>5,264</b>	<b>4,057</b>	<b>9,321</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Planned Spending	44,257	44,915	38,117	83,032
Forecast Base	44,257	44,915	38,117	83,032
<b>Total Governor's Recommendations</b>	<b>44,257</b>	<b>44,915</b>	<b>38,117</b>	<b>83,032</b>
<b>Fund: 2403 - Gift</b>				
Planned Spending	186	440	173	613
Forecast Base	186	440	173	613
<b>Total Governor's Recommendations</b>	<b>186</b>	<b>440</b>	<b>173</b>	<b>613</b>
<b>Fund: 3000 - Federal</b>				
Planned Spending	3,282	3,351	3,358	6,709
Forecast Base	3,282	3,351	3,358	6,709
<b>Total Governor's Recommendations</b>	<b>3,282</b>	<b>3,351</b>	<b>3,358</b>	<b>6,709</b>
<b>Fund: 4500 - MN Bookstore</b>				
Planned Spending	1,275	1,305	1,329	2,634
Forecast Base	1,275	1,305	1,329	2,634
<b>Total Governor's Recommendations</b>	<b>1,275</b>	<b>1,305</b>	<b>1,329</b>	<b>2,634</b>
<b>Fund: 4501 - Coop Purchasing</b>				
Planned Spending	38,296	27,050	28,075	55,125
Forecast Base	38,296	27,050	28,075	55,125
<b>Total Governor's Recommendations</b>	<b>38,296</b>	<b>27,050</b>	<b>28,075</b>	<b>55,125</b>
<b>Fund: 4502 - Surplus Property</b>				
Planned Spending	1,392	1,454	1,496	2,950
Forecast Base	1,392	1,454	1,496	2,950
<b>Total Governor's Recommendations</b>	<b>1,392</b>	<b>1,454</b>	<b>1,496</b>	<b>2,950</b>
<b>Fund: 5000 - Master Lease</b>				
Planned Spending	18,780	19,115	18,900	38,015
Forecast Base	18,780	19,115	18,900	38,015
<b>Total Governor's Recommendations</b>	<b>18,780</b>	<b>19,115</b>	<b>18,900</b>	<b>38,015</b>
<b>Fund: 5100 - Fleet Services</b>				
Planned Spending	9,147	9,113	9,893	19,006
Forecast Base	9,147	9,113	9,893	19,006

# Administration

# Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Total Governor's Recommendations</b>	<b>9,147</b>	<b>9,113</b>	<b>9,893</b>	<b>19,006</b>
<b>Fund: 5203 - Central Mail</b>				
Planned Spending	9,494	9,451	9,625	19,076
Forecast Base	9,494	9,451	9,625	19,076
<b>Total Governor's Recommendations</b>	<b>9,494</b>	<b>9,451</b>	<b>9,625</b>	<b>19,076</b>
<b>Fund: 5300 - Risk Management</b>				
Planned Spending	13,553	13,651	13,666	27,317
Forecast Base	13,553	13,651	13,666	27,317
<b>Total Governor's Recommendations</b>	<b>13,553</b>	<b>13,651</b>	<b>13,666</b>	<b>27,317</b>
<b>Fund: 5400 - Plant Management</b>				
Planned Spending	60,799	59,608	58,518	118,126
Forecast Base	60,799	59,608	58,518	118,126
<b>Total Governor's Recommendations</b>	<b>60,799</b>	<b>59,608</b>	<b>58,518</b>	<b>118,126</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	7,064	7,171	7,134	14,305
<b>Total Governor's Recommendations</b>	<b>7,064</b>	<b>7,171</b>	<b>7,134</b>	<b>14,305</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Forecast Revenues	32,798	32,210	33,719	65,929
<b>Total Governor's Recommendations</b>	<b>32,798</b>	<b>32,210</b>	<b>33,719</b>	<b>65,929</b>
<b>Fund: 2403 - Gift</b>				
Forecast Revenues	208	508	8	516
<b>Total Governor's Recommendations</b>	<b>208</b>	<b>508</b>	<b>8</b>	<b>516</b>
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	3,282	3,351	3,358	6,709
<b>Total Governor's Recommendations</b>	<b>3,282</b>	<b>3,351</b>	<b>3,358</b>	<b>6,709</b>
<b>Fund: 4500 - MN Bookstore</b>				
Forecast Revenues	1,304	1,303	1,218	2,521
<b>Total Governor's Recommendations</b>	<b>1,304</b>	<b>1,303</b>	<b>1,218</b>	<b>2,521</b>

# Administration

# Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Fund: 4501 - Coop Purchasing</b>				
Forecast Revenues	25,710	26,724	27,650	54,374
Total Governor's Recommendations	25,710	26,724	27,650	54,374
<b>Fund: 4502 - Surplus Property</b>				
Forecast Revenues	1,736	1,587	1,628	3,215
Total Governor's Recommendations	1,736	1,587	1,628	3,215
<b>Fund: 5000 - Master Lease</b>				
Forecast Revenues	18,780	19,115	18,900	38,015
Total Governor's Recommendations	18,780	19,115	18,900	38,015
<b>Fund: 5100 - Fleet Services</b>				
Forecast Revenues	17,882	20,275	21,868	42,143
Total Governor's Recommendations	17,882	20,275	21,868	42,143
<b>Fund: 5203 - Central Mail</b>				
Forecast Revenues	9,415	9,500	9,714	19,214
Total Governor's Recommendations	9,415	9,500	9,714	19,214
<b>Fund: 5300 - Risk Management</b>				
Forecast Revenues	11,878	11,878	11,878	23,756
Total Governor's Recommendations	11,878	11,878	11,878	23,756
<b>Fund: 5400 - Plant Management</b>				
Forecast Revenues	77,101	77,897	79,114	157,011
Total Governor's Recommendations	77,101	77,897	79,114	157,011
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	37			
Total Governor's Recommendations	37			

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: In Lieu of Rent Increase

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	500	500	500
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends additional funding of \$500 thousand in FY 2021 and each year thereafter for In Lieu of Rent (ILR) at the Department of Administration. ILR is used to fund space costs of the legislature, veterans' organizations, ceremonial space, the Capitol grounds, and statutorily free space on the Capitol complex in St. Paul.

The FY 2020 and FY 2021 appropriation for ILR is \$9.391 million annually. This proposal represents a 5.3% increase over the FY 2021 base budget.

#### Rationale/Background:

ILR funds rent expenses in the State Capitol and other buildings on the Capitol complex for entities that do not directly pay for their leased spaces, including:

- Ceremonial space - space in the Capitol Building such as the Rotunda, ceremonial grounds, monuments/memorials in the Capitol area, and the Governor's Residence;
- State Services for the Blind space - space used for vending operators and convenience stores at eleven building sites statutorily assigned to the State Services for the Blind (MS 2408.07. subd.7); and,
- Rent Waived space - Capitol public space and 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).

ILR-funded space is billed in the same manner and at the same rate as other tenant-occupied space in the same building. Lease rates in the Capitol building are increasing in FY21. Like other buildings on the Capitol complex, lease rates are increasing due to inflationary pressures such as compensation, supplies, and utility costs. The ILR funding model works well because it provides the budget consistency needed to plan for and conduct routine building operations and basic infrastructure maintenance to public and legislative spaces.

The restored Capitol has many additional spaces and systems that require maintenance including restrooms, elevators, HVAC and mechanical systems, and operable bollards and wedge barriers. The restoration allows for the Capitol's Loggia (the outside balcony on the front side of the building) to again be opened to the public, but such access necessitates more frequent and extensive cleaning to remove natural elements such as bird waste. Specific projects that will take place in this biennium include the application of balcony and loggia sealants, exterior window sealants, and caulking of drum and dome windows.

**Equity and Inclusion:**

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

**IT Related Proposals:**

N/A

**Proposal:**

The Governor recommends increasing the ILR budget to maintain the delivery of current services. ILR funding is critical as it is the only available source of funding for maintenance and operation of the facilities and space where rent cannot be charged on the Capitol Complex. This funding will provide for the known costs of operating and maintaining spaces utilized by veteran services organizations, the Legislative Branch, Services for the Blind, and the public while interacting with their government in St. Paul.

This recommendation also recognizes that with the renovation, some of the Capitol’s space has transitioned from office space to ceremonial and public spaces. With more space dedicated to public use, use of the Capitol building has increased. There is space available for reservation for the public and exhibition space, and statutory changes in the past several years support greater public use of the building. Such a change in space usage is a great benefit, but requires additional resources to pay for increased operating time for building utility systems, more custodial staff, reservations capability, greater restroom capacity, and added insurance.

**Results:**

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Facilities Management Customer Satisfaction	95%	95%	FY17, FY18
Quality	FMD Caused Service Disruptions	4	2	FY17, FY18

**Statutory Change(s):**

N.A.

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: Procurement Technical Assistance Center Match

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	441	441	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	441	441	0	0
<b>FTEs</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>

#### Recommendation

The Governor recommends \$882,000 in the FY 2020-2021 biennium to provide cost sharing funds for the Procurement Technical Assistance Center (PTAC). This funding represents the state's 40 percent of the total program budget and the required match for its Cooperative Agreement with the Federal Department of Defense Logistics Agency (DLA).

#### Rationale/Background:

The Procurement Technical Assistance Center (PTAC) program has been a program available to Minnesota businesses since 1991. The primary purpose of PTAC is to offer free counseling, education, training, certification, and guidance for Minnesota businesses including small, women, minority, and veteran owned small businesses wishing to sell their products and services to local, state, and federal government entities. Minnesota's program was first funded, in part, by a non-profit and then moved to another non-profit in 2003. In July 2017, the Metropolitan Economic Development Association (MEDA), the host, determined that they would no longer support the PTAC program and sought out the Department of Administration (Admin) to assume that role. PTAC's 5.5 FTEs were transitioned to state employment and have continued to offer PTAC services to businesses statewide.

Since joining Admin in July 2017, PTAC has had significant impacts across the state, including:

- Met with 1,104 Minnesota businesses;
- Conducted 6,549 one-on-one counseling hours;
- Hosted or partnered on 105 events with nearly 6,000 participants; and
- Assisted Minnesota vendors in achieving nearly \$300 million in prime and subcontractor contracts at all levels of government.

PTAC staff are geographically located throughout the state. Greater Minnesota personnel provide training and counseling services in a variety of communities allowing government services to extend to all Minnesotans. The ability to connect with a local PTAC representative makes government contracting less intimidating and more accessible for all women, minority, and veteran business owners.

Minnesota has a unique funding structure for the PTAC program, which has proved challenging. Other states that host PTAC programs receive their primary funding from DLA and the cost sharing as a budget line item. In Minnesota, the cost sharing is currently taking place via compensation and other expenditures of the Office of Equity in Procurement (OEP). A direct appropriation would allow Minnesota's PTAC to be funded and operate the same as other states' programs.

As a result of the current funding model, OEP personnel are required to focus the majority of their time on PTAC instead of OEP activities. A direct appropriation will allow OEP staff to fully dedicate its resources to serving state agencies in areas such as: expanding the Equity Select and Sheltered Market programs and streamlining the process; redesigning and growing the certification and recertification processes; identifying and engaging in targeted outreach; participating in pre-construction and pre-bid community meetings; and implementing the Disparity Study recommendations.

**Proposal:**

The Governor recommends new funding for PTAC to meet federal match requirements, which will allow OEP to provide its full array of services. This proposal will fund 40 percent of PTAC's 9.5 FTEs, which will include 3.5 FTEs in the Twin Cities Metro Area, as well as six FTEs located in Greater Minnesota. This will allow for better distribution of PTAC services across Greater Minnesota. The DLA will provide the remaining 60 percent of the total operating budget.

**Equity and Inclusion:**

The purpose of the PTAC program is to assist all businesses interested in government contracting opportunities, and has particular impact on small, women, minority, and veteran owned businesses. Much of the PTAC work is concentrated on assisting vendors who qualify under these categories with the appropriate local, state, and/or federal certifications, which helps promote equity and inclusion in our contracting practices.

**IT Related Proposals:**

N/A

**Results:**

This proposal is intended to allow Admin to maintain full levels of service for both PTAC and OEP.

**Statutory Change(s):**

N/A

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	76	56	56	56
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	76	56	56	56
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends additional funding of \$76 thousand in FY 2020 and \$56 thousand each year thereafter to maintain the current level of service delivery at the Department of Administration (Admin). This funding will support increased rent costs and prospective retirement costs at Admin.

Admin's direct appropriated general fund base budget is \$24.396 million annually in the FY 2020-2021 biennium. This additional funding represents a 0.3% increase in FY 2020 and 0.2% increase in FY 2021.

#### Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

While the department continuously seeks and finds ways to become more efficient with existing resources, base appropriation amounts assume no inflationary increases. Efficiencies alone do not offset the need for operating appropriation increases in order to maintain current service levels expected by Minnesotans and partner agencies.

#### Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For Admin, this funding will pay for increases in rent each year, \$2,000 in FY 2020 and \$5,000 in FY 2021. This increase will also support retirement costs – \$74,000 in FY 2020 and \$56,000 in FY 2021. Admin has 131 staff eligible to retire during the FY 2020-2021 biennium, with a total estimated payout of \$1.9 million. This funding will be used to pay the General Fund share, approximately 11%, of those retirement costs, assuming that about 30% of those eligible to retire will do so each year.

#### Equity and Inclusion:

N/A

#### IT Related Proposals:

N/A

**Results:**

This proposal is intended to allow agencies to continue to provide current levels of service and information to agency partners and the public.

**Statutory Change(s):**

N/A

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: 2020 Census Mobilization and Outreach

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	1,600	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,600	0	0	0
<b>FTEs</b>	<b>3.5</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends additional, one-time funding of \$1.6 million in FY 2020 for the State Demographic Center at the Department of Administration (Admin) to implement an outreach and engagement plan for the 2020 Census in Minnesota.

The FY20 base budget for the State Demographic Center is \$739 thousand. This includes \$190 thousand annually from FY 2018 to FY 2021 for additional staff at the State Demographic Center for the State's participation in the 2020 Census and to meet federal reporting requirements. The FY 2020 recommended funds will increase the budget for the State Demographic Center by 217 percent. Up to 50 percent of this funding will be passed on to community organizations as grants and the remainder will cover staff augmentation, technical tools, and other resources.

#### Rationale/Background:

An accurate 2020 Census is essential to the state because it serves as the basis for the distribution of more than \$8 billion dollars of federal funds to Minnesota each year, it determines the number of Congressional Districts the state will have in the coming decade, and it directs the distribution of political representation within the state through legislative redistricting.

The characteristics of people that tend to be missed by censuses are well-established by past research. Historically undercounted groups include renters, low-wealth communities, immigrants, people of color and indigenous people, highly-mobile residents, college-age students, children under five, and rural residents. While the primary responsibility of conducting the census falls on the U.S. Census Bureau, the state has the ability to boost participation in the census by making sure that local communities, governments, and organizations are fully supported to engage historically undercounted groups with whom they are connected.

These funds are aimed at reducing the number of Minnesota residents that are missed by the 2020 Census, as measured by U.S. Census Bureau post-enumeration surveys and demographic analyses after the census occurs. The census undercount varies from decade to decade, depending upon a number of factors that change over time. In 2020, these factors are expected to include declining survey response rates, a highly mobile population, underfunding of the U.S. Census Bureau, and increasing mistrust of governmental institutions—especially among immigrants whose fear has grown due to the proposal to add a citizenship question to the census.

**Proposal:**

The Governor recommends additional funding to increase the capacity of the State Demographic Center to support outreach and engagement activities in FY 2020. This will be done by hiring additional communications and program staff to organize and implement the various initiatives and deliverables, by purchasing the electronic tools that support census engagement and promotion statewide, and by administering grants to local governments and community organizations to implement the initiatives in their communities. The specific initiatives include:

- A Census Response Table initiative that will enable community groups to bring the census to historically undercounted communities by provide community tabling kits that can be brought to gathering places and events across the state (e.g. schools, community centers, libraries, grocery stores, etc.);
- A “Commit to Census” initiative to educate community members about the census and organize residents to commit to participate. This is the first census that people will be allowed to respond online or by telephone, and this initiative will deliver the information for people to fill out their census form in April 2020 by text/email;
- Communications to increase awareness of the census among Minnesota’s apartment building managers, owners, and renters;
- A job sourcing recruitment initiative to increase the likelihood that census takers hired by the U.S. Census Bureau in Minnesota come from the communities they are enumerating;
- A grant to support planned community efforts to engage historically undercounted communities; and
- Other shared services, including: the translation of educational materials, digital communications and e-organizing tools into additional languages, a P.O. Box mailing to rural Minnesota residents on how to participate in the Census, and the purchase of Census 2020 promotional items.

**Equity and Inclusion:**

The census initiatives are aimed at increasing participation by people of color, indigenous people and immigrants, and other historically-undercounted groups. Inclusion in the census will increase the visibility, funding, and political power to these communities.

Representatives of Minnesota’s historically-undercounted communities have been involved with on-going census efforts through the Minnesota Complete Count Committee, local complete count committees, and the Minnesota Census Mobilization Partnership.

**IT Related Proposals:**

N/A

**Results:**

The aim of these initiatives is to increase participation in the 2020 Census, especially among historically undercounted groups. Data for the following measures are produced and published by the Census Bureau.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Percent of census omissions		4.4%	2010
Results	Census self-response rate	81%	81%	2000, 2010

**Statutory Change(s):**

N/A

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: Building Efficiency Revolving Loan Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Transfer out	5,000	0	0	0
Special Revenue Fund				
Transfer In	5,000	0	0	0
Loan Issuances	3,500	1,700	1,040	1,248
Loan Receipts	0	700	1,040	1,248
Net Fiscal Impact = (Expenditures – Revenues)	3,500	1,000	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$5,000,000 in FY 2020 to establish a Building Efficiency Revolving Loan Fund (BERLF) at the Department of Administration (Admin). The funds will be transferred to a special revenue fund to establish a loan fund that will be used to improve energy and water efficiency in state facilities. Loans will be repaid by the agencies from the operational savings generated by the improvements.

#### Rationale/Background:

While there are opportunities in State facilities to make improvements to facilities or building operations that will avoid costs and reduce energy and water usage, agencies often do not have access to the upfront resources needed to make the capital improvements. The BERLF will allow agencies to "borrow" from the fund to make targeted investments to meet sustainability outcomes. As energy and water efficiencies result in future avoided costs, agencies will make payments to Admin to replenish the fund. As the fund is replenished, Admin will provide new loans, for new projects.

#### Proposal:

The Governor recommends creating a new Building Efficiency Revolving Loan Fund in order to address small-scale energy and water inefficiencies in state facilities, and all cabinet level agencies will be eligible to apply for BERLF loans. Project submissions will be reviewed and validated by Admin to ensure they meet the requirements established by the Productivity Loan Committee (PLC). The PLC will approve prioritized lists of projects and provide loans in accordance with Minnesota Statute 16B.87. Loan terms will not exceed five years in accordance with statute 16B.87 Subd.2.

#### Equity and Inclusion:

N/A

#### IT Related Proposals:

N/A

#### Results:

- Result based measure: Avoided Operational Costs
- Quality based measure: Reduction of greenhouse emissions
- Quantity based measure: The number of projects that were completed

Admin's Office of Enterprise (OES) Sustainability will collect the BERLF performance data in its Sustainability Reporting Tool (SRT). The data will be reported in OES' annual report and in the SRT's online public dashboard.

**Statutory Change(s):**

MS 16B.86 and 16B.87

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: MN Senate Building (MSB) Building Replacement Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Plant Management Fund				
Transfer Out	634	141	141	141
Special Revenue Fund				
Transfer In	634	141	141	141
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends a no-cost, technical change to create a Minnesota Senate Building (MSB) Building Replacement Fund to properly account for monies that are already being collected through lease rates to pay future asset-preservation costs for the Minnesota Senate Building. This change would align with other non-general obligation bond funded buildings on the Capitol Complex.

#### Rationale/Background:

Asset preservation needs are traditionally funded through General Obligation (GO) bond proceeds. Construction of the MSB was financed through the sale of Certificates of Participation (COP) rather than GO bonds. For buildings funded by other means, such as MSB, asset preservation needs cannot be funded with GO bonds. To address this, MSB lease rates have included amounts to be set-aside to pay for future building repairs to ensure proper care and maintenance of the building at least through 2039, when the building's COP debt obligation is met.

Proper accounting requires the creation of a dedicated repair and replacement fund to account for these funds, but there is not one for the MSB. In the absence of such a fund, the collected funds are accumulating in the department's general Lease Fund, an internal service fund used to account for the financing of all buildings on the Capitol Complex. The new fund would allow Admin to transfer the accumulated amounts currently in the Lease Fund to a dedicated fund, as well as to deposit all future MSB repair and replacement funds into this account.

#### Proposal:

The Governor recommends establishing a special revenue fund to hold funds collected from MSB lease rates for asset preservation work as described in M.S. 16B.307, Subd. (1c). Funding in this account will be used to address future projects, such as those that address life-safety hazards, building code violations, structural defects, hazardous material abatement, and the repair or replacement of major building components, such as roofs and HVAC systems.

This recommendation will not impact the lease rate at the Minnesota Senate Building. Beginning in FY 2016, the MSB lease rate has included \$1 per square foot for future asset preservation. Once a separate account is established, money will be transferred from the Lease Fund (5400) to a special revenue fund (2001) on a quarterly basis. As of the end of FY 2018, \$352 thousand has been collected MSB asset preservation, and Admin anticipates approximately \$141,000 will be collected annually until 2039.

**Equity and Inclusion:**

N/A

**IT Related Proposals:**

N/A

**Results:**

This change would provide the appropriate accounting structure for Admin to execute facility repairs at the Minnesota Senate Building.

**Statutory Change(s):**

M.S. 16B.24

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: Office of School Trust Lands Funding

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures (ADM)	(187)	(187)	(187)	(187)
Expenditures (DNR)	187	187	187	187
Other Funds (Perm School)				
Expenditures (ADM)	(300)	(300)	(300)	(300)
Expenditures (DNR)	300	300	300	300
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends moving the responsibilities of fiscal agent for the Office of School Trust Lands (OSTL) from the Department of Administration (ADM) to the Department of Natural Resources (DNR). This proposal does not alter the mission or work of the OSTL. It moves funding for the Office of School Trust Lands to the DNR at the same level that it currently exists at ADM. This proposal is, therefore, budget neutral.

#### Rationale/Background:

Since 2014, current law appropriates funding for OSTL to the ADM. Additionally, DNR, Department of Education and OSTL entered into a Memorandum of Understanding (MOU) that facilitates the OSTL working relationship with DNR. The multi-agency MOU establishes that ADM will be the primary fiscal agent for OSTL (consistent with current law) and that DNR will provide office space and operations support (fleet, IT, contract review, etc.). Although this operating structure works, it creates administrative inefficiencies as it requires DNR to bill ADM quarterly for the services provided to OSTL. This proposal seeks promote administrative efficiency by discontinuing the dual accounting and quarterly billing between OSTL, ADM and DNR.

#### Proposal:

This proposal moves the appropriations for OSTL from ADM to DNR. It does not change the purpose or function of the OSTL or request additional appropriations. It merely seeks to gain operational efficiencies by reducing the number of fiscal agents for OSTL.

#### Equity and Inclusion:

OSTL has not identified any protected class or group that this proposal would negatively impact.

#### IT Related Proposals:

Not applicable.

#### Results:

This proposal will increase administrative efficiencies to the OSTL, ADM and DNR.

#### Statutory Change(s):

None

## Administration

### FY 2020-21 Biennial Budget Change Item

#### Change Item Title: MN Emergency Alert and AMBER Alert System Upgrades (MPR)

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	200	200	200	200
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	200	200	200	200
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends additional grant funding to Minnesota Public Radio, Inc. (MPR) for upgrades to Minnesota's Emergency Alert and AMBER Alert Systems. The current, base grant to MPR is \$310 thousand annually in FY 2020 and FY 2021. In FY 2018, MPR received a one-time grant of \$400,000 for similar upgrades.

#### Rationale/Background:

This funding ensures that Minnesota Public Radio, as the backbone for the Minnesota Emergency Alert System (EAS), can continue to provide this essential service. This funding will support needed equipment repairs and replacements in rural Minnesota that are essential to radio broadcasts and emergency signals. Minnesota's radio, television, and cable broadcasters rely on and monitor MPR's radio network 24 hours a day. In the event of an emergency, the appropriate warnings and information can be broadcast by all media organizations to audiences across the state. These broadcasts may include state or federal emergencies, a nuclear disaster, a natural disaster, Emergency alert, or an AMBER (child-abduction) Alert.

MPR has built a statewide radio network with more than 80 stations and translators throughout the region. MPR's signal reaches 95% of the state and over 900,000 listeners tune in each week. There is no other media organization in Minnesota that has this statewide reach, which is why MPR has been designated as the backbone for the EAS. This network allows MPR to distribute the EAS signal statewide to all MN broadcasters.

The maintenance of this critical network faces a variety of problems that state funding eases. Much of the network was built thirty to forty years ago and key infrastructure now needs to be updated, repaired, or in some cases replaced. Minnesota weather can also cause unexpected and large scale equipment damage. In addition, as technology continues to change, MPR's stations need to be kept up to date to ensure maximum working order and coverage.

#### Proposal:

Many of the MPR stations cover smaller communities in Greater Minnesota, and these stations are not financially self-supporting. No general fund dollars are spent on metro stations or any MPR employee salaries.

The Governor recommends additional funding to MPR for upgrades to Minnesota's Emergency Alert and AMBER Alert Systems. The increase will provide necessary funding for infrastructure updates, repairs, and, in some cases, replacement. Many of the MPR stations cover smaller communities in Greater Minnesota, and these stations are not financially self-supporting. No general fund dollars from these equipment grants are spent on metro stations

or any MPR employee salaries. Up to 5% of the amount appropriated can be used by the Department of Administration for their costs to administer the grant.

**Equity and Inclusion:**

N/A

**IT Related Proposals:**

N/A

**Results:**

At the federal level, EAS is overseen by the Federal Emergency Management Agency (FEMA), the Federal Communications Commission (FCC), and the National Oceanic and Atmospheric Administration (NOAA). The EAS is tested through MPR on a monthly basis, and the FCC also conducts periodic EAS testing. These tests ensure that the system is working properly and identifies issues that need to be corrected. MPR must comply with all EAS laws and regulations. MPR's components of the system must properly function during all tests and fully disseminate and coordinate alerts and warning messages during actual emergencies. This additional funding will help ensure important, necessary information is successfully disseminated across the state, and that MPR remain compliant with federal regulations.

In Minnesota, the Department of Public Safety oversees the Integrated Public Alert and Warning System (IPAWS) – EAS is a part of this system.

**Statutory Change(s):**

N/A

**Program: Government and Citizen Services**

**Activity: Council on Developmental Disabilities**

<http://mn.gov/mnddc> and <http://mn.gov/mnddc/pipm>

### AT A GLANCE

The Council provides information, education, and training including:

- Dissemination of more than 1 million publications and downloads about developmental disabilities during the past biennium.
- Reached milestone of 1,000 Minnesota Partners in Policymaking® graduates in May 2018.
- Creation of the largest online archive of Minnesota and national developmental disabilities history.
- More than 100,000 downloads of Emergency Planning App for people with autism spectrum disorder.

### PURPOSE & CONTEXT

The Minnesota Governor's Council on Developmental Disabilities fulfills the requirements of the federal Developmental Disabilities Act (DD Act--P.L. 106-402) for Minnesota. The mission of the Council is to provide information, education and training to people with developmental disabilities and their families in order to increase their independence, productivity, self-determination, integration and inclusion (IPSII) into community life.

Developmental disabilities are significant disabilities that begin during the developmental period, impact three major areas of functioning, and last throughout a person's lifetime. Approximately 1.8% of Minnesotans have a developmental disability. The Council was first appointed in 1971 and the Department of Administration has served as the federally designated state agency since 1991.

### SERVICES PROVIDED

The DD Act requires that 70% of the federal allocation must be spent on program goals approved by the federal government. These program goals or services include:

- Leadership training through the Partners in Policymaking program (an 8 month leadership training course designed for people with developmental disabilities (self-advocates) and family members);
- Free training materials, publications, resource materials, and online courses;
- Sponsorship of training conferences;
- Grant funds to assist self-advocates to advocate for themselves;
- Outreach to diverse racial and ethnic communities;
- Innovative employment opportunities for people with developmental disabilities; and
- Customer research studies on topics critical to the field.

The Legislature provided one-time Legacy funding in 2017 for a project to archive developmental disabilities history from 2000-2018. This project archived over 750 documents, 25 interviews with disability advocates, and 120 stories about critical issues and developments.

After approval of Minnesota's Olmstead Plan in 2015, the Legislature provided Olmstead funding to assist in conducting research studies; increase community engagement activities with five racial and ethnic communities; assist in tracking Olmstead Plan results; provide assistance for the statewide Quality of Life study and provide historical archiving of resource materials used in developing and implementing the Olmstead Plan.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of copies of Council publications distributed and number of downloads from Council websites.	94,118	1.05 M	2008, 2017
Quality	Customer satisfaction	97%	98%	2011, 2017
Results	Increased independence, self-determination, productivity, integration and inclusion (IPSII)*	3.0-4.6	4.1-4.8	2011, 2017

\*The DD ACT defines federal outcomes of increased independence (making decisions); self-determination (taking control of one's life); productivity (volunteering or working at a paid job); and integration and inclusion (being part of a community) for people with developmental disabilities. The above measures show the range of pre- and post-results for Council-sponsored training programs. The participants (trainees) assess themselves on a scale of 1-5 (5 being the highest) before and after the training to determine if the federal outcomes (IPSII) increased.

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The legal authority for the Council is provided in the Developmental Disabilities Assistance and Bill of Rights Act (P.L. 106-402) and M.S. 16B.053 and M.S. 16B.054  
<https://www.revisor.mn.gov/statutes/cite/16B.053>  
<https://www.revisor.mn.gov/statutes/cite/16B.054>

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	74	222	222	222	221	221	221	221
2000 - Restrict Misc Special Revenue			54					
3000 - Federal	458	1,004	1,046	991	1,018	1,062	1,018	1,062
<b>Total</b>	<b>532</b>	<b>1,227</b>	<b>1,322</b>	<b>1,213</b>	<b>1,239</b>	<b>1,283</b>	<b>1,239</b>	<b>1,283</b>
Biennial Change				776		(13)		(13)
Biennial % Change				44		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

**Expenditures by Category**

Compensation	203	308	352	400	389	390	389	390
Operating Expenses	133	626	711	371	302	300	302	300
Grants, Aids and Subsidies	194	287	255	442	548	593	548	593
Other Financial Transaction	1	7	4					
<b>Total</b>	<b>532</b>	<b>1,227</b>	<b>1,322</b>	<b>1,213</b>	<b>1,239</b>	<b>1,283</b>	<b>1,239</b>	<b>1,283</b>

**Full-Time Equivalent**

	2.17	3.45	3.60	3.80	3.90	3.90	3.90	3.90
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# Developmental Disabilities Council

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		0						
Direct Appropriation	74	222	222	222	222	222	222	222
Transfers Out					1	1	1	1
<b>Expenditures</b>	<b>74</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>221</b>
Biennial Change in Expenditures				148		(2)		(2)
Biennial % Change in Expenditures				50		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.09	1.10	1.34	1.60	1.60	1.60	1.60	1.60

## 2000 - Restrict Misc Special Revenue

Receipts			54					
<b>Expenditures</b>			<b>54</b>					
Biennial Change in Expenditures				54		(54)		(54)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

## 3000 - Federal

Receipts	458	1,004	1,046	991	1,018	1,062	1,018	1,062
<b>Expenditures</b>	<b>458</b>	<b>1,004</b>	<b>1,046</b>	<b>991</b>	<b>1,018</b>	<b>1,062</b>	<b>1,018</b>	<b>1,062</b>
Biennial Change in Expenditures				575		43		43
Biennial % Change in Expenditures				39		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.08	2.35	2.26	2.20	2.30	2.30	2.30	2.30

**Program: Government and Citizen Services**

**Activity: Fleet and Surplus Services**

[mn.gov/admin/government/vehicles/](http://mn.gov/admin/government/vehicles/)

[mn.gov/admin/government/surplus-property/](http://mn.gov/admin/government/surplus-property/)

### AT A GLANCE

- Manage a fleet of approximately 2,055 vehicles
- Utilize vehicle telematics to increase safety, efficiency, and effectiveness of fleet management
- 88 percent of managed vehicles are capable of using alternative fuels and/or are hybrid vehicles
- Increased number of electric and hybrid vehicles from 56 in FY15 to 496 in FY18
- Increased fuel efficiency by 10 MPG, on average, for vehicle replacements since FY16
- Assist state and local governments with the distribution and disposal of surplus property
- Repurposed nearly 23,242 items through the Surplus Property Distribution Center in FY18
- Returned \$17 million to agencies from surplus property sales in FY18
- Sold 5,756 lots of property through the State Auction Program last year in FY18

### PURPOSE & CONTEXT

Fleet and Surplus Services strives to ensure that state agencies have access to critical logistical services related to transportation and state and federal surplus property recapture and reuse or disposal.

Our Fleet Services unit provides safe, cost effective transportation solutions for official government business. We ensure a cost effective operation by tailoring services to actual agency usage. We monitor key data points such as mileage and fuel consumption in order to advise agencies on the best vehicle to meet their needs, how long vehicles should be kept, and other transportation options.

In addition, our green fleet choice initiative aims to reduce vehicle life-cycle costs and greenhouse gas emissions and petroleum consumption. We help agencies transition to “greener” vehicles through scheduled replacement of existing fleet inventory. Forty-six electric vehicle charging stations were added to admin parking facilities in FY17 to support state and public adoption of electric vehicles.

The Surplus Services unit provides assistance to state agencies and local governments to distribute surplus property in an environmentally and financially responsible manner. Additionally, we maximize the public investment in equipment through redistribution to other public entities or sale. We return approximately 90 percent of sale proceeds to the agencies that dispose of surplus property.

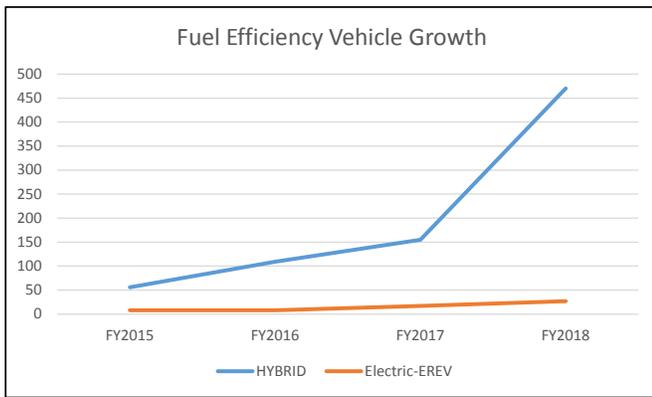
Our primary customers are state agencies, local governments, nonprofit organizations, and the public. Fleet Services is organized as an internal service fund and generates its revenue through the fleet vehicle leasing program. Surplus Services is an enterprise fund and generates its revenue through the resale of goods.

### SERVICES PROVIDED

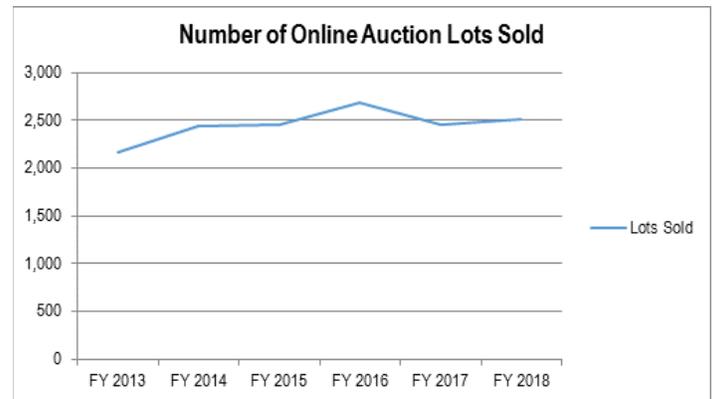
The work of Fleet and Surplus Services can be divided into two primary categories: Fleet Services and Surplus Services.

Specific services provided include: full service long-term vehicle rental program; vehicle maintenance service; fuel card program; statewide fleet reporting and information management system; telematics; agency assistance with vehicle utilization and lifecycle management; vehicle usage policy guidance, guidelines and procedures for the management and disposal of state surplus property; management of a surplus redistribution center for state and federal surplus property; live and online auction program; surplus exchange program; and storage services.

## RESULTS



**Measure (Quantity):** Number of fuel efficient vehicles by Year. We measure fuel efficiency with a goal of reducing fossil fuels by utilizing alternative fuels and fuel efficient vehicles. Since 2015 we improved fuel efficiency by an average of 10 MPG on vehicle replacements.



**Measure (Quantity):** Number of online auction lots sold. MinnBid, our online auction site, is a cost-effective means to dispose of state surplus property. From 2013-2018, the number of items sold online increased 18%.

<i>Type of Measure</i>	<i>MEASUREMENT GOAL</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	<b>Reduction of agency owned vehicles by converting to Admin leased vehicles.</b> Controlling the life cycle of a vehicle is critical to safety, dependability, and cost effectiveness. Admin’s leasing program provides a managed life cycle for vehicles to meet these three objectives. State agencies are converting agency owned vehicles to Admin leased vehicles for management and control of life cycles. Approximately 192 agency-owned vehicles were converted to lease vehicles in FY 17 and FY18. It is dependent on agency participation to convert remaining agency vehicles to lease vehicles during their vehicle replacement planning.	943	751 FY20 Goal is 500	2016, 2018
Quantity	<b>Increase Surplus Services program active donee customer participation.</b> Over 325 government entities and eligible non-profit organizations (donees) utilized the Surplus Services programs in FY18. Our goal is to bring awareness to the surplus property disposal and reuse programs and increase our donee and auction sales participation. We track the number of new active organizations participating in the Surplus Services re-purposing program with a goal of increasing participation by 7% over the next year.	320	436	2016, 2018

<i>Type of Measure</i>	<i>MEASUREMENT GOAL</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	<b>Increase the total number of electric/hybrid vehicles in Admin fleet.</b> The Admin fleet currently has 496 electric and hybrid vehicles. Adding more energy and fuel efficient hybrid and electric vehicles as we replace current vehicles will help us meet our sustainability goals of reducing greenhouse gas emissions and petroleum consumption.	39	496	2016, 2018

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M.S. 16B.24 (<https://www.revisor.mn.gov/statutes/?id=16B.24>) and M.S. 16B.54 (<https://www.revisor.mn.gov/statutes/?id=16B.54>) provides the legal authority for these programs.

# Fleet and Surplus Services

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
4502 - Surplus Property	1,462	1,304	1,797	1,392	1,454	1,496	1,454	1,496
5000 - Master Lease	8,703	7,265	14,159	18,357	18,900	18,900	18,900	18,900
5100 - Fleet Services	8,714	8,307	8,391	9,147	9,113	9,893	9,113	9,893
<b>Total</b>	<b>18,879</b>	<b>16,877</b>	<b>24,347</b>	<b>28,896</b>	<b>29,467</b>	<b>30,289</b>	<b>29,467</b>	<b>30,289</b>
Biennial Change				17,487		6,513		6,513
Biennial % Change				49		12		12
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Category**

Compensation	1,174	1,279	1,411	1,448	1,585	1,618	1,585	1,618
Operating Expenses	7,097	8,008	8,878	7,995	8,466	9,047	8,466	9,047
Capital Outlay-Real Property	10,246	7,364	13,532	18,473	19,416	19,624	19,416	19,624
Other Financial Transaction	362	225	527	980				
<b>Total</b>	<b>18,879</b>	<b>16,877</b>	<b>24,347</b>	<b>28,896</b>	<b>29,467</b>	<b>30,289</b>	<b>29,467</b>	<b>30,289</b>

## **Full-Time Equivalent**

	<b>15.01</b>	<b>16.36</b>	<b>16.98</b>	<b>16.00</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>
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# Fleet and Surplus Services

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>4502 - Surplus Property</b>								
Balance Forward In	1,095	1,277	1,577	1,398	1,742	1,875	1,742	1,875
Receipts	1,643	1,571	1,621	1,736	1,587	1,628	1,587	1,628
Transfers Out			2					
Balance Forward Out	1,276	1,544	1,398	1,742	1,875	2,007	1,875	2,007
<b>Expenditures</b>	<b>1,462</b>	<b>1,304</b>	<b>1,797</b>	<b>1,392</b>	<b>1,454</b>	<b>1,496</b>	<b>1,454</b>	<b>1,496</b>
Biennial Change in Expenditures				423		(239)		(239)
Biennial % Change in Expenditures				15		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.19	7.60	7.94	8.25	9.25	9.25	9.25	9.25

## 5000 - Master Lease

Balance Forward In			0					
Receipts	8,703	7,265	14,159	18,357	18,900	18,900	18,900	18,900
<b>Expenditures</b>	<b>8,703</b>	<b>7,265</b>	<b>14,159</b>	<b>18,357</b>	<b>18,900</b>	<b>18,900</b>	<b>18,900</b>	<b>18,900</b>
Biennial Change in Expenditures				16,547		5,284		5,284
Biennial % Change in Expenditures				104		16		16
Governor's Change from Base								0
Governor's % Change from Base								0

## 5100 - Fleet Services

Balance Forward In	6,020	3,600	2,257	2,448	2,343	3,892	2,343	3,892
Receipts	13,816	13,808	15,522	17,882	20,275	21,868	20,275	21,868
Transfers Out	7,521	6,946	6,940	8,840	9,613	11,415	9,613	11,415
Balance Forward Out	3,600	2,154	2,448	2,343	3,892	4,452	3,892	4,452
<b>Expenditures</b>	<b>8,714</b>	<b>8,307</b>	<b>8,391</b>	<b>9,147</b>	<b>9,113</b>	<b>9,893</b>	<b>9,113</b>	<b>9,893</b>
Biennial Change in Expenditures				517		1,468		1,468
Biennial % Change in Expenditures				3		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.82	8.76	9.04	7.75	8.25	8.25	8.25	8.25

**Program: Government and Citizen Services**

**Activity: Data Practices Office**

<https://mn.gov/admin/data-practices/>

### AT A GLANCE

- Provides data practices and open meeting law technical assistance and in-person or webinar training to over 3,300 customers each year
- Maintains a website with data practices and open meetings informational pages and training materials, including 1,000 advisory opinions drafted on behalf of the Commissioner of Administration
- Issued 14 Advisory Opinions in FY 2018
- Hosted or attended 38 training or outreach events across the state in FY 2018
- Receives over 100,000 webpage views each year

### PURPOSE & CONTEXT

The Data Practices Office is a statewide resource on Minnesota's data practices and open meeting laws. We help ensure government transparency and accountability by promoting compliance with those laws by issuing Advisory Opinions and by providing accurate and conveniently accessible information, participating in training, responding to technical inquiries received via telephone calls or emails, and maintaining an informational website and library of over 1,000 relevant Advisory Opinions.

We promote compliance with and understanding of these laws by providing technical consultation and training resources to state and local government, members of the public, the media, and the Legislature. This activity is primarily funded through a general fund appropriation.

### SERVICES PROVIDED

#### Technical Assistance and Consultation

- Assist government, public, media, and legislative customers with questions about data practices and open meeting laws
- Informally resolve formal advisory opinion requests when possible

#### Training and Resource Development

- Develop resource materials (for example: model policies and guides)
- Present training on data practices and open meeting laws

#### Statutory Duties

- Assist the Commissioner of Administration by drafting advisory opinions
- Assist the Commissioner in handling requests for temporary classification of government data
- Provide services related to appeals of challenges to the accuracy and completeness of government data
- Review law enforcement agencies automated license plate reader audits

All of these functions help promote government accountability and efficiency by providing government entities with resources to ensure compliance with the laws and providing the public, media, and legislature with an understanding of their rights and implications of the laws.

## RESULTS

Our performance measures show consistently high ratings for the usefulness of training and we remain committed to reaching even more people who need our help. We will continue to collect data and measure the success of training by having attendees rate their increase in knowledge about data practices and open meeting laws and whether they can utilize the information they receive at training in their day-to-day job tasks. We will work to maintain high numbers of customer contacts both through informal consultations (e.g. phone calls, emails, in-person meetings) and training events.

<b>Type of Measure</b>	<b>Name of Measure</b>	<b>Previous</b>	<b>Current</b>	<b>Dates</b>
Quantity	Total customers assisted and trained a year	3,130	3,315	FY16, FY18
Quality	Customers will <i>definitely</i> use the information from our training in their job	87%	92%	FY16, FY18
Results	Customers identified an increase in their knowledge following our training	98%	91%	FY16, FY18

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Legal authority for the Data Practices Office is provided in M.S. 13.073 and Minn. Rules 1205.1700 (<https://www.revisor.mn.gov/statutes/cite/13.073>), (<https://www.revisor.mn.gov/rules/1205.1700/>)

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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**Expenditures by Fund**

1000 - General			549	600	556	556	556	556
2000 - Restrict Misc Special Revenue	38	38	23	42	44	44	44	44
<b>Total</b>	<b>38</b>	<b>38</b>	<b>571</b>	<b>642</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
Biennial Change				1,137		(13)		(13)
Biennial % Change				1,498		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

**Expenditures by Category**

Compensation	36	35	480	502	510	509	510	509
Operating Expenses	2	4	91	119	85	86	85	86
Other Financial Transaction			0	21	5	5	5	5
<b>Total</b>	<b>38</b>	<b>38</b>	<b>571</b>	<b>642</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>

**Full-Time Equivalent**

	<b>0.52</b>	<b>0.36</b>	<b>4.23</b>	<b>4.30</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In				64				
Direct Appropriation			618	637	557	557	557	557
Transfers In				35				
Transfers Out			6	136	1	1	1	1
Balance Forward Out			64					
<b>Expenditures</b>			<b>549</b>	<b>600</b>	<b>556</b>	<b>556</b>	<b>556</b>	<b>556</b>
Biennial Change in Expenditures				1,149		(37)		(37)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.14		4.04	4.00	3.85	3.85	3.85	3.85

**2000 - Restrict Misc Special Revenue**

Balance Forward In	13	11	15	29	30	31	30	31
Receipts	32	40	37	43	45	45	45	45
Balance Forward Out	8	13	29	30	31	32	31	32
<b>Expenditures</b>	<b>38</b>	<b>38</b>	<b>23</b>	<b>42</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>
Biennial Change in Expenditures				(11)		23		23
Biennial % Change in Expenditures				(15)		36		36
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.38	0.36	0.19	0.30	0.30	0.30	0.30	0.30

**Program: Government and Citizen Services**

**Activity: Office of State Procurement**

[mn.gov/admin/osp](http://mn.gov/admin/osp)

### AT A GLANCE

- Oversee Minnesota state agency purchasing valued over \$2.3 billion in FY17 and \$2.5 billion in FY18
- Established the Office of Equity in Procurement (OEP) in FY16 to promote equity in contracting
- Manage about 2,300 contracts offering volume discounts to state agencies, counties, cities, and school districts in FY18
- Review about 7,100 professional/technical contract documents prepared by agencies annually
- Negotiate over \$21 million in contract savings for government entities in FY17 and FY18

### PURPOSE & CONTEXT

The Office of State Procurement strives to achieve the best value for taxpayers through strategic contracting and purchasing of goods and services. We oversee and facilitate purchasing across the enterprise valued at over \$2 billion annually.

Our primary customers are state agencies, counties, cities, school districts, public health care facilities, the public, and vendors doing business with the state and competing for state contracts.

A general fund appropriation funds the contracting and purchasing services we provide to state agencies. Vendor-paid contract administration fees fund the services we provide to other government entities and health-related facilities.

### SERVICES PROVIDED

The Office of State Procurement utilizes four key strategies to achieve best value in state procurement:

- Statewide procurement policy and process leadership
- Objective competitive vendor solicitations
- Contracting expertise
- Targeted procurement with small women, minority, disabled and veteran owned businesses toward eliminating contract disparities

Specific services provided include:

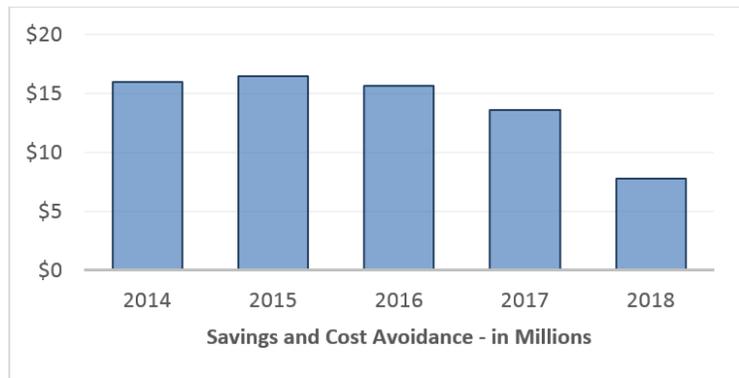
- Purchasing and contracting for goods, services, utilities, and construction;
- Promoting equity in contracting and environmentally responsible purchasing;
- Providing oversight of professional/technical contracts;
- Working with businesses to ensure fair and open competition;
- Managing procurement functions manually and through the Statewide Integrated Financial Tools (SWIFT);
- Monitoring compliance with state procurement law and policy;
- Conducting training for state agencies, vendors, and other customers;
- Operating a cooperative purchasing program for almost 1,400 local units of government; and
- Operating the Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP), a pharmaceutical/medical supplies purchasing program on behalf of thousands of participating facilities in all 50 states and the District of Columbia.

## RESULTS

We use a variety of quantity, quality and result metrics to monitor our success.

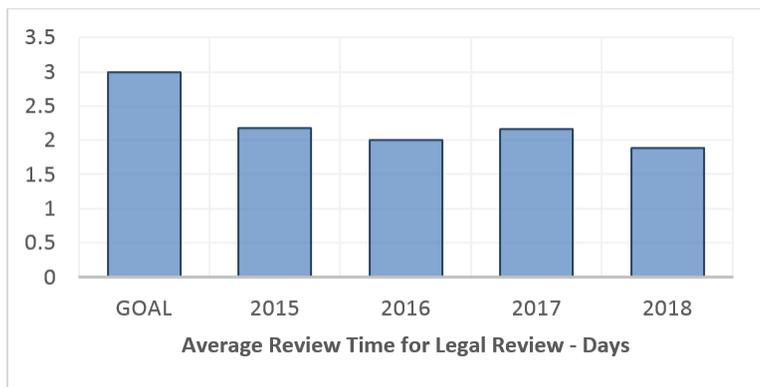
**Performance Measure (Result of Program):  
Dollars saved through our contract negotiations.**

In FY18 we tracked savings and cost avoidance of \$7.8 million, which is more than three times greater than our general fund appropriation of \$2.4 million for the same period.



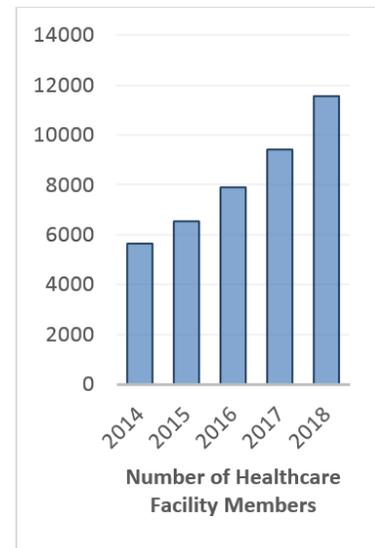
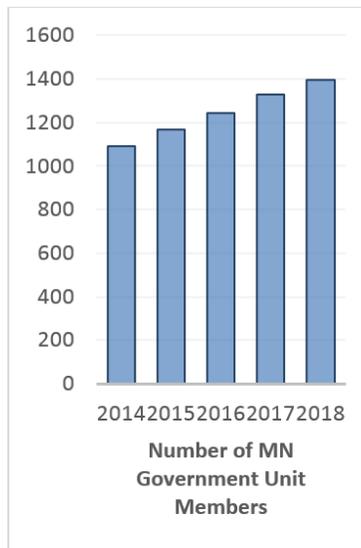
**Performance Measure (Quality of Program):  
Average time it takes to provide a legal review.**

Agencies need prompt turnaround on the nearly 7,100 contract documents they send us annually for compliance review. We measure our work quality by assessing the average time it takes to provide a legal review with the goal being less than 3 days.



**Performance Measure (Quantity of Program): The number of local governments and healthcare facilities that use our contracts.**

We track this measure because local governments and healthcare facilities can choose among a wide variety of purchasing programs and contract options that they determine provides the best value to their organization.



Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of certified MN Small Businesses	1,186	1,312	2017, 2018

M.S. 16C (<https://www.revisor.mn.gov/statutes/?id=16c>) provides legal authority for OSP's procurement services.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General	2,483	3,542	2,264	2,552	2,420	2,420	2,861	2,861
2000 - Restrict Misc Special Revenue		5	704					
2001 - Other Misc Special Revenue	10	19	18	16	15	15	15	15
2403 - Gift			62					
3000 - Federal			546	596	596	596	596	596
4501 - Coop Purchasing	8,779	20,461	23,868	38,296	27,050	28,075	27,050	28,075
<b>Total</b>	<b>11,272</b>	<b>24,027</b>	<b>27,462</b>	<b>41,460</b>	<b>30,081</b>	<b>31,106</b>	<b>30,522</b>	<b>31,547</b>
Biennial Change				33,623		(7,735)		(6,853)
Biennial % Change				95		(11)		(10)
Governor's Change from Base								882
Governor's % Change from Base								1
<b><u>Expenditures by Category</u></b>								
Compensation	7,166	8,210	9,171	10,841	11,565	11,902	11,948	12,296
Operating Expenses	3,985	5,296	5,779	6,562	5,429	5,572	5,478	5,619
Other Financial Transaction	121	10,521	12,512	24,057	13,087	13,632	13,096	13,632
<b>Total</b>	<b>11,272</b>	<b>24,027</b>	<b>27,462</b>	<b>41,460</b>	<b>30,081</b>	<b>31,106</b>	<b>30,522</b>	<b>31,547</b>
<b><u>Full-Time Equivalent</u></b>								
	<b>76.83</b>	<b>84.26</b>	<b>94.88</b>	<b>108.26</b>	<b>112.88</b>	<b>113.86</b>	<b>116.88</b>	<b>117.86</b>

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		1,077	350	288				
Direct Appropriation	3,430	3,465	2,403	2,415	2,421	2,421	2,862	2,862
Transfers Out		650	201	151	1	1	1	1
Cancellations		0						
Balance Forward Out	947	350	288					
<b>Expenditures</b>	<b>2,483</b>	<b>3,542</b>	<b>2,264</b>	<b>2,552</b>	<b>2,420</b>	<b>2,420</b>	<b>2,861</b>	<b>2,861</b>
Biennial Change in Expenditures				(1,209)		24		906
Biennial % Change in Expenditures				(20)		1		19
Governor's Change from Base								882
Governor's % Change from Base								18
Full-Time Equivalents	22.25	22.75	20.97	23.29	22.95	22.55	26.95	26.55

**2000 - Restrict Misc Special Revenue**

Balance Forward In			704					
Receipts		709						
Balance Forward Out		704						
<b>Expenditures</b>		<b>5</b>	<b>704</b>					
Biennial Change in Expenditures				700		(704)		(704)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

**2001 - Other Misc Special Revenue**

Balance Forward In	10	17	20	15	15	14	15	14
Receipts	18	21	13	16	14	13	14	13
Balance Forward Out	17	20	15	15	14	12	14	12
<b>Expenditures</b>	<b>10</b>	<b>19</b>	<b>18</b>	<b>16</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Biennial Change in Expenditures				6		(4)		(4)
Biennial % Change in Expenditures				20		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.08	0.15	0.18	0.15	0.13	0.13	0.13	0.13

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

**2403 - Gift**

Balance Forward In			61					
Receipts		61	1					
Balance Forward Out		61						
<b>Expenditures</b>			<b>62</b>					
Biennial Change in Expenditures				62		(62)		(62)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

**3000 - Federal**

Receipts			546	596	596	596	596	596
<b>Expenditures</b>			<b>546</b>	<b>596</b>	<b>596</b>	<b>596</b>	<b>596</b>	<b>596</b>
Biennial Change in Expenditures				1,142		50		50
Biennial % Change in Expenditures						4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			5.18	5.50	5.50	5.50	5.50	5.50

**4501 - Coop Purchasing**

Balance Forward In	23,170	39,048	44,411	42,871	30,283	29,955	30,283	29,955
Receipts	22,891	24,206	22,345	25,710	26,724	27,650	26,724	27,650
Transfers Out			18	2	2	2	2	2
Balance Forward Out	37,282	42,793	42,870	30,283	29,955	29,528	29,955	29,528
<b>Expenditures</b>	<b>8,779</b>	<b>20,461</b>	<b>23,868</b>	<b>38,296</b>	<b>27,050</b>	<b>28,075</b>	<b>27,050</b>	<b>28,075</b>
Biennial Change in Expenditures				32,924		(7,039)		(7,039)
Biennial % Change in Expenditures				113		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	54.50	61.36	68.55	79.32	84.30	85.68	84.30	85.68

**Program: Government and Citizen Services**

**Activity: Continuous Improvement**

[mn.gov/admin/continuous-improvement/](http://mn.gov/admin/continuous-improvement/)

### AT A GLANCE

- Worked with 96% of cabinet-level agencies on problem solving projects, consulting, or specialized training
- Implemented the second biennial CI Index, a survey tool that assists agencies in measuring whether their employees feel they have the tools and abilities to improve services and products
- Trained more than 480 managers in nearly every cabinet-level state agency in how to champion and lead continuous improvement efforts during FY17
- Facilitated the Governor's Better Government awards, reviewing a near-record 60 continuous improvement project nominations

### PURPOSE & CONTEXT

The Minnesota Office of Continuous Improvement (MNCI) works with state agencies, boards, and commissions to improve Minnesota government operations, consistent with the Department of Administration's mission: to benefit all Minnesotans by leading innovation, creating solutions, and providing exceptional services. Local government and federal agency staff may also attend trainings.

MNCI's focus is on enterprise level improvements that have the greatest impact on services across state government. MNCI's goal: implement work that significantly and sustainably impacts the efficiency and effectiveness of government services for Minnesotans. This work helps prepare for and respond to challenges facing state government including:

- An aging state population
- Public pressure for greater accountability and transparency
- Increasing customer expectations, declining or static budgets
- Increasing employee retirement rate

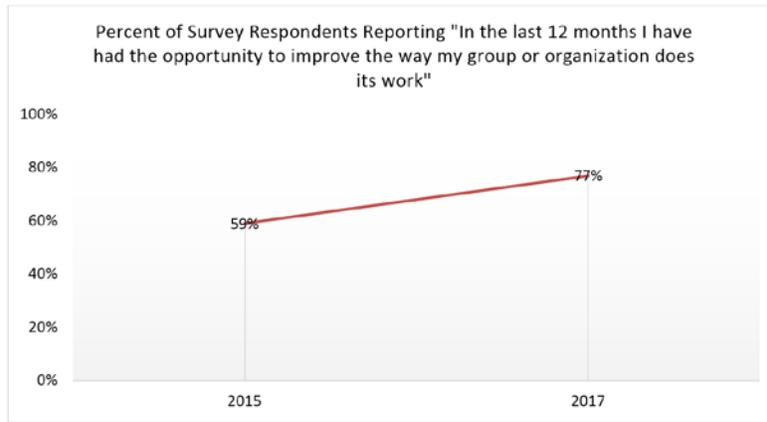
This program is funded by the general fund.

### SERVICES PROVIDED

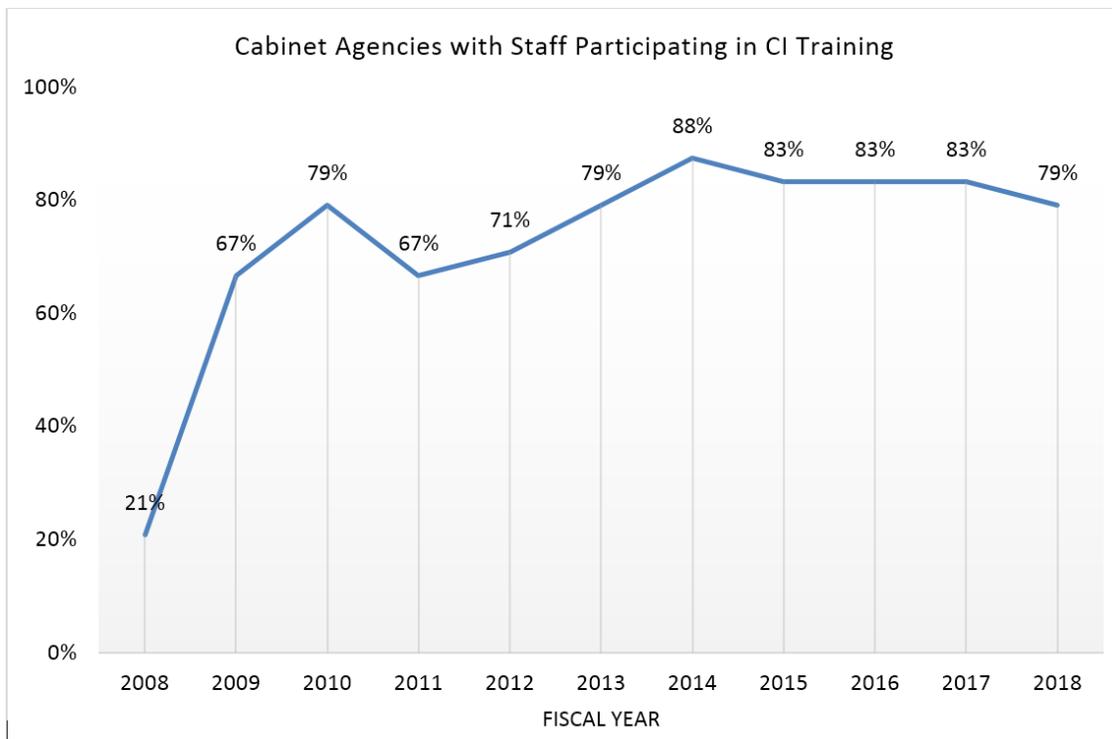
Specific services provided to all cabinet-level agencies include:

- Providing innovation and continuous improvement training to all new state managers/supervisors
- Highlighting best practices and new practices in the public sector
- Leading training courses in how to implement (or use) continuous improvement, problem solving, and design thinking concepts, methodologies, and tools (state, county, and local government teams may attend)
- Working with agencies to help them utilize continuous improvement to achieve strategic goals
- Managing enterprise-wide projects from initial scoping through implementation
- Supporting state agency improvement projects with consulting and project management
- Facilitating the annual Governor's Continuous Improvement Awards

## RESULTS

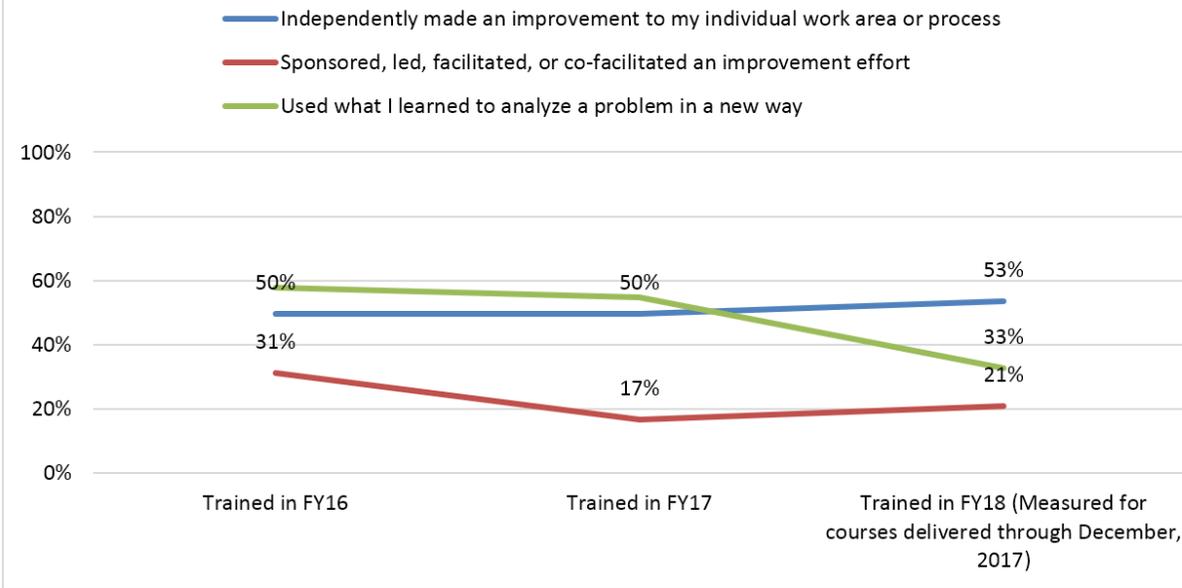


The chart above shows the percentage of respondents to the CI Index of cabinet agency staff at all levels who worked on improvement projects. Our goal is to create the culture for change within each agency.



The chart above shows the percentage of cabinet agencies with staff participating in the MNCI training. Our goal is to build a foundation for continuous improvement and create the capacity for change within each agency.

### Percent of Survey Respondents Who Report Improvement Activities When Surveyed 6 Months After Training



The chart above shows the impact of our training across the enterprise: how many respondents reported doing at least one of the following activities within the six months after their trainings:

- Used what I learned to analyze a problem in a new way
- Independently made an improvement to my individual work area or process
- Sponsored, led, facilitated, or co-facilitated an improvement effort

M.S. 16B (<https://www.revisor.mn.gov/statutes/?id=16b>) provides the statutory authority for this activity.

## Continuous Improvement (Lean)

## Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	319	498	361	474	420	420	420	420
2001 - Other Misc Special Revenue	7	4						
<b>Total</b>	<b>327</b>	<b>503</b>	<b>361</b>	<b>474</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>420</b>
Biennial Change				5		5		5
Biennial % Change				1		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
<b><u>Expenditures by Category</u></b>								
Compensation	292	390	323	327	335	339	335	339
Operating Expenses	34	51	38	147	85	81	85	81
Other Financial Transaction		62	0					
<b>Total</b>	<b>327</b>	<b>503</b>	<b>361</b>	<b>474</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>420</b>
<b><u>Full-Time Equivalents</u></b>								
	<b>2.83</b>	<b>3.98</b>	<b>3.07</b>	<b>3.03</b>	<b>3.03</b>	<b>3.03</b>	<b>3.03</b>	<b>3.03</b>

## Continuous Improvement (Lean)

## Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		85		55				
Direct Appropriation	404	413	416	419	420	420	420	420
Balance Forward Out	85		55					
<b>Expenditures</b>	<b>319</b>	<b>498</b>	<b>361</b>	<b>474</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>420</b>
Biennial Change in Expenditures				17		5		5
Biennial % Change in Expenditures				2		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalentents	2.79	3.98	3.07	3.03	3.03	3.03	3.03	3.03

### 2001 - Other Misc Special Revenue

Balance Forward In	12	4						
Balance Forward Out	4							
<b>Expenditures</b>	<b>7</b>	<b>4</b>						
Biennial Change in Expenditures				(12)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalentents	0.04							

**Program: Government and Citizen Services**

**Activity: Office of Grants Management**

<https://mn.gov/admin/government/grants/>

#### AT A GLANCE

- Provide guidance to state grant making entities through the administration of 13 comprehensive grant policies to improve state grant-making
- Maintain two websites that provide information and assistance to grant-makers and grant-seekers
- Provide consultation and technical assistance for over 400 inquiries annually
- Our web-based resources received more than 65,000 visits in the last year

#### PURPOSE & CONTEXT

The Office of Grants Management (OGM) provides policy leadership and direction to promote consistent grants administration between state agencies, funders, and grantees. This increases access to state grant opportunities and state grants policies and leads to greater program accountability and transparency.

Overtime, OGM has also been assigned responsibility for administering certain public broadcasting and other legislatively named grants. The number of grants administered by OGM has increased from 19 in 2009 to 90 today. The agency received administrative funding for 37 grants. Although we strive best practice grants administration to all grantees, oversight for some grants is necessarily limited to basic compliance.

Our primary customers are state and local government, nonprofit organizations, private foundations, and citizens. This activity is funded through the general fund.

#### SERVICES PROVIDED

We provide the following services to promote more efficient and effective management of state grants and to provide access to state-wide grant opportunities:

- Policy development and state grants leadership
- Training, consulting, and development
- Technical assistance

Specific services include: develop, enhance, and revise state grants management policies to create greater oversight, consistency, and transparency for state grant expenditures; develop policies that promote equity and inclusion in grantee selection; convene governance committee to provide guidance and promote cooperation between state agencies, grantees, and community partners; create and share information and resources about best practices in state grants management through in-person and web-based training, presentations, and consulting; and provide and manage two informational websites that provide a complete listing of state grant opportunities and resources for grant-makers. OGM is also a granting agency and provides grant administration for a \$25.8 million portfolio (\$5.6 million from the general fund and \$20.1 million from the Arts and Cultural Heritage Fund for the FY18/19 biennium) representing 37 grantees.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total number of customers trained each fiscal year	454	468	FY17 FY18
Results	Percent of participants in OGM training who report gaining new knowledge	95%	98%	FY17 FY18
Results	Percent of participants in OGM training who report the information will be useful in the future	98%	99%	FY17 FY18

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Minn. Stat. 16B.97 (<https://www.revisor.mn.gov/statutes/cite/16B.97>) and Minn. Stat. 16B.98 (<https://www.revisor.mn.gov/statutes/cite/16B.98>) provide the legal authority for the Office of Grants Management.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General			127	175	165	165	165	165
2301 - Arts & Cultural Heritage		123	205	317				
<b>Total</b>		<b>123</b>	<b>332</b>	<b>492</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
Biennial Change				701		(494)		(494)
Biennial % Change						(60)		(60)
Governor's Change from Base								0
Governor's % Change from Base								0
<b><u>Expenditures by Category</u></b>								
Compensation		101	267	337	111	111	111	111
Operating Expenses		22	65	155	54	54	54	54
<b>Total</b>		<b>123</b>	<b>332</b>	<b>492</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
<b><u>Full-Time Equivalents</u></b>								
	<b>0.05</b>	<b>1.50</b>	<b>3.38</b>	<b>3.47</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In				3				
Direct Appropriation			130	130	166	166	166	166
Transfers In				42				
Transfers Out					1	1	1	1
Balance Forward Out			3					
<b>Expenditures</b>			<b>127</b>	<b>175</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
Biennial Change in Expenditures				302		28		28
Biennial % Change in Expenditures						9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.05		0.98	0.94	0.97	0.97	0.97	0.97

**2301 - Arts & Cultural Heritage**

Balance Forward In			47	28				
Transfers In		170	212	289				
Cancellations			26					
Balance Forward Out		47	28					
<b>Expenditures</b>		<b>123</b>	<b>205</b>	<b>317</b>				
Biennial Change in Expenditures				399		(522)		(522)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		1.50	2.40	2.53				

**Program: Government and Citizen Services**

**Activity: State Archaeologist**

<https://mn.gov/admin/archaeologist/>

### AT A GLANCE

- Oversees and licenses archaeological work on Minnesota's public (non-federal) land
- Maintains files for all recorded archaeological sites in Minnesota
- Works closely with the Indian Affairs Council to preserve American Indian cemeteries and archaeological sites
- Records archaeological sites and un-platted cemeteries, and recovers human remains
- Fosters collaboration between professional archaeologists, tribal communities, governmental agencies, and the public

### PURPOSE & CONTEXT

The Office of the State Archaeologist (OSA) is the enterprise archaeology function. With 2 FTEs, we strive to preserve archaeological sites and un-platted burials, encourage communication between state agencies, foster collaboration between the archaeological and tribal communities, and promote archaeological research and education in Minnesota. We work with developers, tribal representatives, governmental agencies, and the public to preserve, protect, and interpret our archaeological resources. Other agencies also employ in-house archaeologists in order to comply with state and federal law and meet their agency missions.

Our primary customers are landowners, state and local governments, developers, tribal communities, professional archaeologists, students, and the public. The office is funded by the general fund.

### SERVICES PROVIDED

The OSA works closely with the Indian Affairs Council, State Historic Preservation Office, tribal representatives, professional and amateur archaeologists, and agencies to discuss proposed development projects, un-platted cemetery sites, and the future of archaeology in Minnesota.

The OSA serves Minnesota by:

- Promoting collaboration between cultural resource professionals, state and local agencies, and tribal representatives, by answering questions, giving presentations, and providing cultural resource-related training opportunities
- Compiling and maintaining up-to-date information on recorded archaeological sites and un-platted cemeteries in the site files and via the internet on the OSA Portal
- Educating the public about cultural resources by meeting with individuals, answering questions, giving public presentations, and organizing Minnesota Archaeology Month
- Facilitating research activities by prioritizing, promoting, and managing the Legacy-funded Statewide Survey of Historical and Archaeological Sites
- Reviewing development plans to limit harm to archaeological sites and cemeteries cost-effectively and efficiently
- Evaluating professional qualifications and licenses of professionals working on public lands

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Development projects reviewed during the planning stages	101	203	2016, 2017
Quality	Professional archaeologists and cultural resource managers taking part in continuing education workshops and trainings offered by the OSA	39	100	2017, 2018
Results	Number of additional archaeologists trained to identify human remains, and assist on cemetery identifications and burial recoveries	N/A	24	2017

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The following Minnesota Statutes guide the work of the State Archaeologist:  
M.S. 138.31 – 138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>);  
M.S. 307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>);  
M.S. 129D.17 (<https://www.revisor.mn.gov/statutes/?id=129D.17>); and  
M.S. 390.25 (<https://www.revisor.mn.gov/statutes/?id=390.25>).

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General			215	269	262	262	262	262
2000 - Restrict Misc Special Revenue	7	2	5	15				
2301 - Arts & Cultural Heritage			90	17				
2403 - Gift	1			1				
<b>Total</b>	<b>8</b>	<b>2</b>	<b>310</b>	<b>302</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>262</b>
Biennial Change				602		(88)		(88)
Biennial % Change				6,076		(14)		(14)
Governor's Change from Base								0
Governor's % Change from Base								0

**Expenditures by Category**

Compensation	7	2	190	217	220	220	220	220
Operating Expenses	1		120	85	42	42	42	42
<b>Total</b>	<b>8</b>	<b>2</b>	<b>310</b>	<b>302</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>262</b>

**Full-Time Equivalents**

	0.12	0.02	2.15	2.17	2.19	2.19	2.19	2.19
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# State Archaeologist

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Direct Appropriation			215	216	262	262	262	262
Transfers In				53				
Balance Forward Out			0					
<b>Expenditures</b>			<b>215</b>	<b>269</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>262</b>
Biennial Change in Expenditures				484		40		40
Biennial % Change in Expenditures						8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.08		2.15	1.98	2.19	2.19	2.19	2.19

## 2000 - Restrict Misc Special Revenue

Receipts	7	2	5	15				
<b>Expenditures</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>15</b>				
Biennial Change in Expenditures				11		(20)		(20)
Biennial % Change in Expenditures				124		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.04	0.02		0.14				

## 2301 - Arts & Cultural Heritage

Balance Forward In				17				
Direct Appropriation			107					
Balance Forward Out			17					
<b>Expenditures</b>			<b>90</b>	<b>17</b>				
Biennial Change in Expenditures				107		(107)		(107)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents				0.05				

## 2403 - Gift

Balance Forward In	2	1	1	1				
Receipts	0	0	0					

# State Archaeologist

# Activity Financing by Fund

*(Dollars in Thousands)*

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Balance Forward Out	1	1	1					
<b>Expenditures</b>	<b>1</b>			<b>1</b>				
Biennial Change in Expenditures				0		(1)		(1)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

**Program: Government and Citizen Services**

**Activity: Facilities Management**

[mn.gov/admin/government/buildings-grounds](http://mn.gov/admin/government/buildings-grounds)

#### AT A GLANCE

- Maintain 4.7 million square feet of office, laboratory, ceremonial, meeting, and other space in 23 buildings, including State Capitol building public spaces
- Maintain the grounds of the 140 acre Capitol Complex
- Maintain 25 monuments and memorials
- Operate and maintain over 600 parking stalls in 31 facilities
- Issue 450 special event permits annually
- Processed 17 million pieces of mail and achieved \$1.7 million in postage savings in FY18
- Serve over 45,000 Minnesota Bookstore customers
- Reduced energy consumption by 21 percent from 2008 to 2018 even while building portfolio and occupancy increased.
- Oversee a 'Toward Zero Waste' recycling program.

#### PURPOSE & CONTEXT

Facilities Management's (FMD) maintains facilities and grounds on the State Capitol Complex and other select locations in the State of Minnesota while keeping lease and parking rates low. We seek innovative solutions for parking asset management and to ensure sustainability through energy management and environmental stewardship. FMD operates as an internal service fund with revenue generated from building lease rates charged to state agencies, the in-lieu-of-rent appropriation, and other tenants. Revenue also comes from central mail postage rates, parking fees, and bookstore sales. There is a general fund appropriation for processing federal mail and for interagency mail delivery.

Additionally, our mail processing, publishing and distribution services through Central Mail and Minnesota's Bookstore provide cost-effective solutions critical to state agency functions. Our publication of the State Register provides the public a convenient way to find critical state information.

Our primary customers are state agencies and their customers, state employees, the Governor's Office, the Legislature, and visitors to the Capitol Complex. Minnesota's Bookstore serves state and local governments, school districts, and higher education entities.

#### SERVICES PROVIDED

FMD provides services in four primary categories:

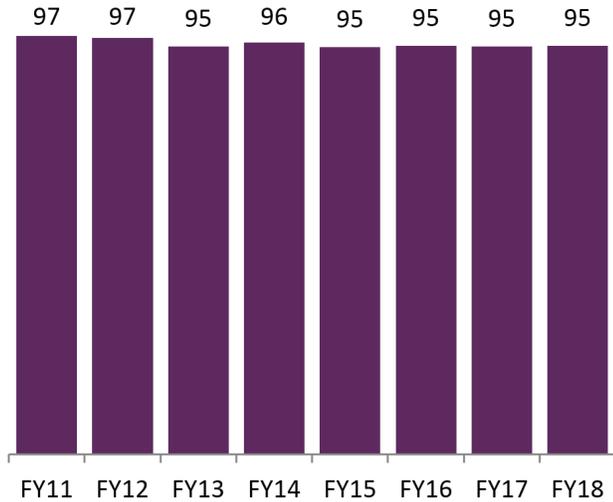
- Facilities
- Parking and alternative transportation
- Grounds
- Centralized mail service for agencies located in St. Paul

Specific services provided include: provide clean, safe, and environmentally-sound facilities; energy management; recycling; event permitting and coordination; Capitol Complex food service oversight; maintenance of green spaces including monuments and memorials; process federal and inter-office mail for state agencies; maintain and manage parking facilities; and publish the State Register.

## RESULTS

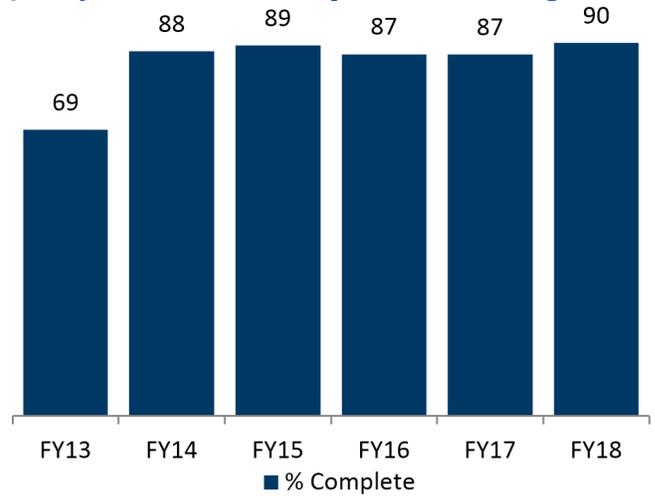
We measure performance in multiple ways including: customer satisfaction, service disruptions, work completion rates, recycling rates, energy consumption, and carbon reduction. We also continually monitor the conditions of the buildings we manage by conducting annual facility condition audits.

### Result: Customer Satisfaction



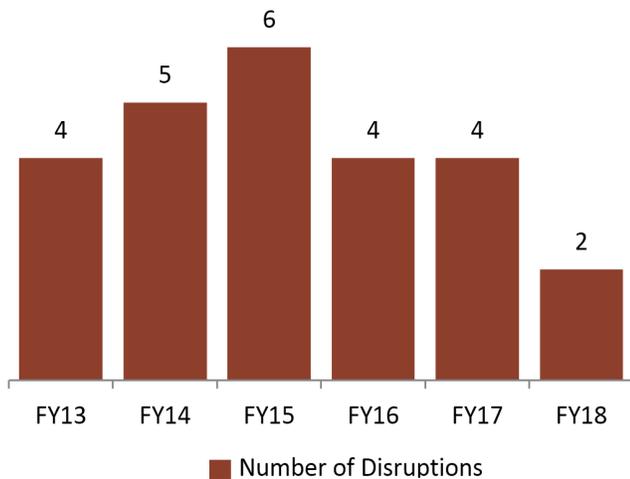
**Customer Satisfaction:** Data is taken from Building Occupant Annual Survey results. The percentage identifies consistently high tenant satisfaction with Admin managed facilities.

### Quality: Work Order Completion Percentage



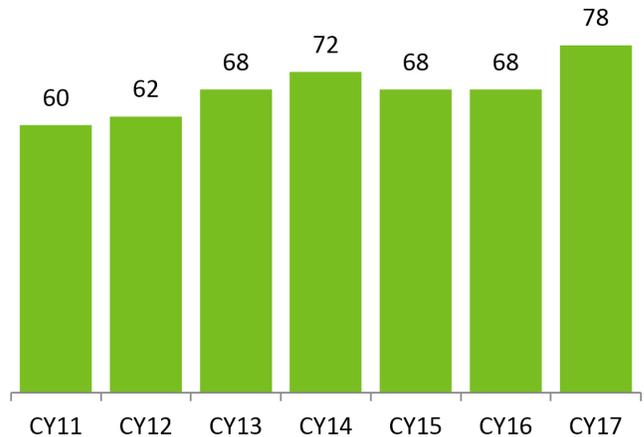
**Best Value:** Percentage of work orders completed on-time statistics show improved timeliness of work order completions.

### Quality: FMD-caused Service Disruptions



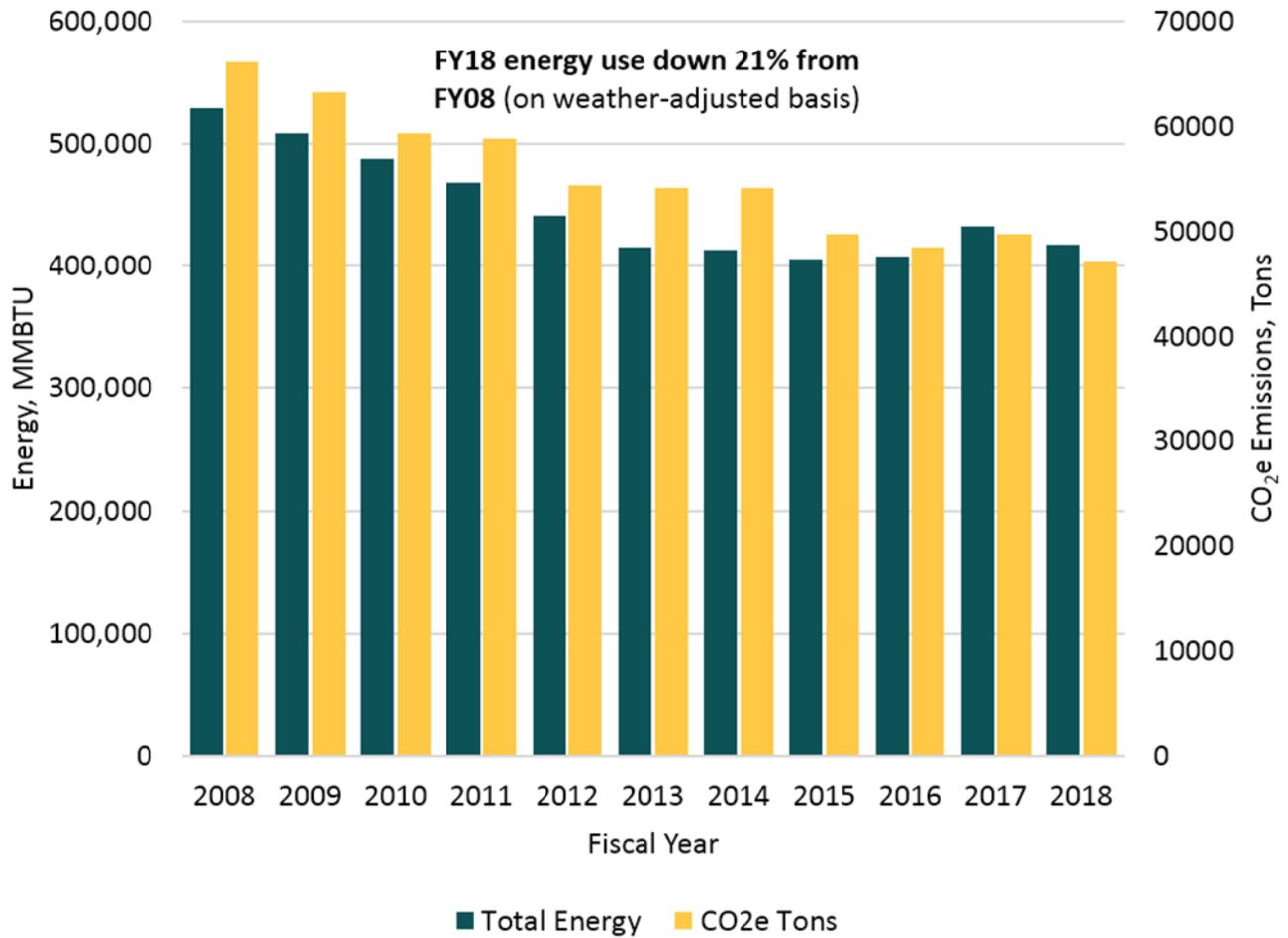
**Best Value:** Our goal is to have zero FMD caused-service disruptions. A service disruption is any change or interruption in a building service such as heating, cooling, plumbing, or electrical service that degrades an occupant's ability to accomplish their mission.

### Result: Sustainability



**Sustainability:** Although we have exceeded the state's recycling goal of 75% by 2030, we will strive to improve on our current rate of 78% as of CY 2017.

**Result: Capitol Complex Annual Energy Use (MMBTU) and CO2e Emissions (Tons)**



**Sustainability:** All Capitol Complex energy sources for all facilities in millions of British Thermal Units (MMBTUs). The current energy reduction of 21% has been normalized for weather.

M.S. 16B.24-28 (<https://www.revisor.mn.gov/statutes/?id=16B>) provides the legal authority for Facilities Management Division’s services.

# Facilities Management

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	438	439	438	439	440	440	440	440
2000 - Restrict Misc Special Revenue	3,981	3,584	2,937	7,155	5,004	3,793	5,004	3,793
2001 - Other Misc Special Revenue	9,080	8,771	3,939	12,311	12,608	5,174	12,608	5,174
2403 - Gift	43	91	23					
4500 - MN Bookstore	1,304	1,223	1,189	1,275	1,305	1,329	1,305	1,329
5000 - Master Lease				423	215		215	
5203 - Central Mail	10,767	9,171	8,838	9,494	9,451	9,625	9,451	9,625
5400 - Plant Management	55,298	54,849	49,948	60,799	59,608	58,518	59,608	58,518
<b>Total</b>	<b>80,911</b>	<b>78,128</b>	<b>67,311</b>	<b>91,896</b>	<b>88,631</b>	<b>78,879</b>	<b>88,631</b>	<b>78,879</b>
Biennial Change				167		8,303		8,303
Biennial % Change				0		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Category**

Compensation	17,232	18,429	19,424	20,715	21,498	22,022	21,498	22,022
Operating Expenses	39,396	42,276	34,387	45,496	41,508	39,436	41,508	39,436
Grants, Aids and Subsidies	3							
Capital Outlay-Real Property	10,599	1,835	263	12,428	12,386	4,198	12,386	4,198
Other Financial Transaction	13,682	15,590	13,236	13,257	13,239	13,223	13,239	13,223
<b>Total</b>	<b>80,911</b>	<b>78,128</b>	<b>67,311</b>	<b>91,896</b>	<b>88,631</b>	<b>78,879</b>	<b>88,631</b>	<b>78,879</b>

## **Full-Time Equivalent**

	<b>250.26</b>	<b>262.56</b>	<b>273.30</b>	<b>289.33</b>	<b>291.09</b>	<b>291.09</b>	<b>291.09</b>	<b>291.09</b>
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# Facilities Management

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		1						
Direct Appropriation	438	438	438	439	440	440	440	440
Transfers In	4,668	3,758	3,973	3,973	2,887	2,887	2,887	2,887
Cancellations	4,668	3,758	3,973	3,973	2,887	2,887	2,887	2,887
Balance Forward Out	0		0					
<b>Expenditures</b>	<b>438</b>	<b>439</b>	<b>438</b>	<b>439</b>	<b>440</b>	<b>440</b>	<b>440</b>	<b>440</b>
Biennial Change in Expenditures				0		3		3
Biennial % Change in Expenditures				(0)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.02	5.86	5.73	5.73	5.73	5.73	5.73	5.73

## 2000 - Restrict Misc Special Revenue

Balance Forward In	1,324	1,338	1,692	5,549	2,406	1,446	2,406	1,446
Receipts	5,734	6,514	9,594	6,809	6,834	6,834	6,834	6,834
Transfers Out	2,158	2,804	2,800	2,797	2,790	2,787	2,790	2,787
Balance Forward Out	919	1,464	5,548	2,406	1,446	1,700	1,446	1,700
<b>Expenditures</b>	<b>3,981</b>	<b>3,584</b>	<b>2,937</b>	<b>7,155</b>	<b>5,004</b>	<b>3,793</b>	<b>5,004</b>	<b>3,793</b>
Biennial Change in Expenditures				2,527		(1,295)		(1,295)
Biennial % Change in Expenditures				33		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.62	9.63	8.88	10.35	10.35	10.35	10.35	10.35

## 2001 - Other Misc Special Revenue

Balance Forward In	22,149	23,288	21,135	23,065	16,591	9,762	16,591	10,396
Transfers In	8,950	9,632	10,542	10,476	10,367	10,374	11,001	10,515
Transfers Out	4,026	4,218	4,672	4,639	4,588	4,588	4,588	4,588
Balance Forward Out	17,992	19,932	23,065	16,591	9,762	10,374	10,396	11,149
<b>Expenditures</b>	<b>9,080</b>	<b>8,771</b>	<b>3,939</b>	<b>12,311</b>	<b>12,608</b>	<b>5,174</b>	<b>12,608</b>	<b>5,174</b>
Biennial Change in Expenditures				(1,601)		1,532		1,532
Biennial % Change in Expenditures				(9)		9		9
Governor's Change from Base								0

# Facilities Management

# Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Governor's % Change from Base								0

## 2403 - Gift

Balance Forward In	588	578	541	529	536	543	536	543
Receipts	34	20	11	7	7	7	7	7
Balance Forward Out	578	508	530	536	543	550	543	550
<b>Expenditures</b>	<b>43</b>	<b>91</b>	<b>23</b>					
Biennial Change in Expenditures				(112)		(23)		(23)
Biennial % Change in Expenditures				(83)				
Governor's Change from Base								0
Governor's % Change from Base								

## 4500 - MN Bookstore

Balance Forward In	530	519	271	224	253	251	253	251
Receipts	1,243	914	1,143	1,304	1,303	1,218	1,303	1,218
Transfers Out			2					
Balance Forward Out	470	209	224	253	251	140	251	140
<b>Expenditures</b>	<b>1,304</b>	<b>1,223</b>	<b>1,189</b>	<b>1,275</b>	<b>1,305</b>	<b>1,329</b>	<b>1,305</b>	<b>1,329</b>
Biennial Change in Expenditures				(64)		170		170
Biennial % Change in Expenditures				(3)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.63	7.30	7.32	7.32	7.32	7.32	7.32	7.32

## 5000 - Master Lease

Receipts				423	215		215	
<b>Expenditures</b>				<b>423</b>	<b>215</b>		<b>215</b>	
Biennial Change in Expenditures				423		(208)		(208)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

## 5203 - Central Mail

# Facilities Management

# Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Balance Forward In	1,768	119	216	99	20	69	20	69
Receipts	9,097	9,239	8,721	9,415	9,500	9,714	9,500	9,714
Balance Forward Out	98	186	99	20	69	158	69	158
<b>Expenditures</b>	<b>10,767</b>	<b>9,171</b>	<b>8,838</b>	<b>9,494</b>	<b>9,451</b>	<b>9,625</b>	<b>9,451</b>	<b>9,625</b>
Biennial Change in Expenditures				(1,607)		744		744
Biennial % Change in Expenditures				(8)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.08	8.99	8.81	9.29	9.29	9.29	9.29	9.29

## 5400 - Plant Management

Balance Forward In	17,867	12,214	8,189	11,933	7,119	5,837	7,119	5,203
Receipts	66,342	69,356	74,706	77,101	77,897	79,114	77,897	79,114
Transfers In	324	324	324	324	324	324	324	324
Transfers Out	17,483	20,197	21,338	21,440	19,895	19,891	20,529	20,032
Balance Forward Out	11,752	6,848	11,933	7,119	5,837	6,866	5,203	6,091
<b>Expenditures</b>	<b>55,298</b>	<b>54,849</b>	<b>49,948</b>	<b>60,799</b>	<b>59,608</b>	<b>58,518</b>	<b>59,608</b>	<b>58,518</b>
Biennial Change in Expenditures				601		7,379		7,379
Biennial % Change in Expenditures				1		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	218.91	230.78	242.56	256.64	258.40	258.40	258.40	258.40

**Program: Government & Citizen Services**  
**Activity: Real Estate & Construction Services**

[mn.gov/admin/government/real-estate/](http://mn.gov/admin/government/real-estate/)

[mn.gov/admin/government/construction-projects/](http://mn.gov/admin/government/construction-projects/)

### AT A GLANCE

- Managed 850 non-state-owned and state-owned real property leases in FY18
- Leased 3.8 million useable square feet of non-state-owned space at an annual cost of \$70 million
- Managed over 280 construction projects for state-owned facilities in FY18
- Oversaw \$117 million in capital appropriations in FY18.

### PURPOSE & CONTEXT

Real Estate and Construction Services delivers project management and leasing services to achieve facility solutions that help state agencies deliver efficient and effective services. Through development of building sustainability guidelines in partnership with the Department of Commerce and the University of Minnesota, our construction services team increases sustainability standards in buildings constructed or renovated with state funds.

Additionally, by utilizing statutory contracting preferences, subcontracting goals, and sheltered market contracts, we are increasing the participation of women, minority, disabled, and veteran-owned small businesses in public construction projects.

Our effective lease negotiations ensure that agencies receive competitive rates in the market. We also help agencies get the most functionality and efficiency from their space through implementation of space standards and oversight of space lease terms and conditions.

Our activities are primarily funded through general fund and capital appropriations.

### SERVICES PROVIDED

#### Construction

- Project management of new, remodel, and asset preservation building projects
- Management of capital asset preservation and replacement funds
- Management of predesign program
- Capital improvement planning
- Management and oversight of the Minnesota Sustainable Building Guidelines and Benchmarking Tool

#### Real Estate

- Acquiring and selling real property
- Coordination of transfers of real property between agencies
- Space utilization services for efficient facility management
- Negotiation and drafting of easements and permits

#### Leasing

- Negotiation and drafting of lease documents
- Management of state-owned and non-state-owned real property leases

## RESULTS

Performance Measure (Result of the Program): Key performance areas include: 1) Diversity and Inclusion; 2) Sustainability and, 3) Best Value.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Achieve at or below market rental rates for all office / warehouse lease renewals and new leases	100%	100%	FY2017, FY2018
Quality	Incorporate at least one new sustainability measure into all lease renewals and new leases	0%	100%	FY2017, FY2018
Quantity	Review Capital Improvement projects to determine if eligible for a limited bid to qualified TGBs (Targeted Group Businesses)	0%	Implemented for 100% of projects	FY2017, FY2018
Quantity	Send 10% or more of professional / technical services solicitations to Targeted Group vendors	0%	Implemented for 100% of solicitations	FY2017, FY2018

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M.S.16A.632, M.S.16B.24-16B.26, M.S.16B.281-16B.287, M.S.16B.30, M.S.16B.305, M.S.16B.31, M.S.16B.32, M.S.16B.321-16B.328, M.S.16B.33, M.S.16B.335, (<https://www.revisor.mn.gov/statutes/?id=16B>) and M.S.16C (<https://www.revisor.mn.gov/statutes/?id=16C>) are the statutes that provide the legal authority for Real Estate and Construction Services.

# Real Estate & Construction Services

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General	2,942	3,283	2,607	2,929	2,799	2,799	2,799	2,799
2000 - Restrict Misc Special Revenue	23	242		48				
2001 - Other Misc Special Revenue	915	543	499	448	500	500	500	500
2403 - Gift		26	0	140	440	173	440	173
<b>Total</b>	<b>3,881</b>	<b>4,094</b>	<b>3,106</b>	<b>3,565</b>	<b>3,739</b>	<b>3,472</b>	<b>3,739</b>	<b>3,472</b>
Biennial Change				(1,304)		540		540
Biennial % Change				(16)		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Category**

Compensation	1,963	2,085	1,852	2,171	2,211	2,249	2,211	2,249
Operating Expenses	1,906	1,719	1,233	1,288	1,126	1,058	1,126	1,058
Capital Outlay-Real Property		250	0	100	400	163	400	163
Other Financial Transaction	12	39	20	6	2	2	2	2
<b>Total</b>	<b>3,881</b>	<b>4,094</b>	<b>3,106</b>	<b>3,565</b>	<b>3,739</b>	<b>3,472</b>	<b>3,739</b>	<b>3,472</b>

## **Full-Time Equivalent**

	19.96	20.42	19.04	21.06	20.74	20.74	20.74	20.74
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# Real Estate & Construction Services

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		168		137				
Direct Appropriation	3,109	3,140	2,758	2,818	2,825	2,825	7,825	2,825
Transfers In			12					
Transfers Out		25	27	26	26	26	5,026	26
Balance Forward Out	167		137					
<b>Expenditures</b>	<b>2,942</b>	<b>3,283</b>	<b>2,607</b>	<b>2,929</b>	<b>2,799</b>	<b>2,799</b>	<b>2,799</b>	<b>2,799</b>
Biennial Change in Expenditures				(690)		62		62
Biennial % Change in Expenditures				(11)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	19.96	20.42	19.04	21.06	20.74	20.74	20.74	20.74

## 2000 - Restrict Misc Special Revenue

Balance Forward In	817	794	698	698	650	334	650	334
Receipts		146						
Net Loan Activity					(316)	(91)	(316)	(91)
Balance Forward Out	794	698	698	650	334	243	334	243
<b>Expenditures</b>	<b>23</b>	<b>242</b>		<b>48</b>				
Biennial Change in Expenditures				(217)		(48)		(48)
Biennial % Change in Expenditures				(82)				
Governor's Change from Base								0
Governor's % Change from Base								

## 2001 - Other Misc Special Revenue

Balance Forward In	150	0	7	9	9	9	9	1,509
Receipts	765	543	500	448	500	500	500	500
Transfers In							5,000	
Net Loan Activity							(3,500)	(1,000)
Balance Forward Out	0		9	9	9	9	1,509	509
<b>Expenditures</b>	<b>915</b>	<b>543</b>	<b>499</b>	<b>448</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
Biennial Change in Expenditures				(511)		53		53
Biennial % Change in Expenditures				(35)		6		6
Governor's Change from Base								0

# Real Estate & Construction Services

# Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation		
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21	
Governor's % Change from Base								0	
<b>2403 - Gift</b>									
Balance Forward In	98	119	95	146	207	268	207	268	
Receipts	21	1	2	201	501	1	501	1	
Transfers In			50						
Balance Forward Out	119	94	146	207	268	96	268	96	
<b>Expenditures</b>		<b>26</b>	<b>0</b>	<b>140</b>	<b>440</b>	<b>173</b>	<b>440</b>	<b>173</b>	
Biennial Change in Expenditures				115		473		473	
Biennial % Change in Expenditures						336		336	
Governor's Change from Base								0	
Governor's % Change from Base								0	

**Program: Government and Citizen Services**

**Activity: Enterprise Real Property Program**

[mn.gov/admin](http://mn.gov/admin)

#### AT A GLANCE

- Manages data for approximately 6,000 state owned buildings consisting of more than 36 million square feet, and more than 3.1 million acres of land
- Preserves a catalog of floorplans for more than 87% of state-owned space
- Performs standardized and consistent Facility Condition Assessments on 80% of state owned space
- Tracks approximately 125,000 maintenance and work orders annually for state facilities
- Manages and tracks more than 850 active leases
- Inventories more than 78,000 facility-supporting assets and equipment
- Facilitates employee relocations that will allow for the most effective use of space

#### PURPOSE & CONTEXT

Enterprise Real Property provides the tools and information necessary for data-driven facility investment and management across state government.

By leading collaboration and data analysis among the 19 state agencies that maintain state-owned property, we help operate state facilities more cost-effectively. Our consistent real-time data also allows policymakers the opportunity to understand a space's condition, occupancy, how it is used, operated, and maintained.

The Enterprise Real Property Program, Archibus, consolidates data from 19 agencies that maintain state-owned property into one database and one application. We utilize this data to standardize real property management across state government. We direct collaborative efforts for developing and establishing policies, procedures, consistent standards, and guidelines for operating, sustaining, and managing the state's real property portfolio. This data is also used to help determine state asset preservation funding needs and the fiscal impact of deferring needed facility maintenance.

Our system modules track space management, building operations, Facility Condition Assessments, employee moves, project management, asset management, and lease management to manage the state's real property.

#### SERVICES PROVIDED

Services provided include:

- Data management
- Maintaining standards, policies, and processes to ensure consistency
- User training to maximize program results
- Maintain functionality of existing technology
- Research new technologies to leverage data and optimize operations
- Application installations and new technology implementations
- Implementation of agency work plans and agency consultation
- Issue resolution and system fixes within staff expertise
- System enhancements for functionality
- Manage implementation of real property system upgrades
- Create enterprise-level facility reports and assist agencies with specific reports

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Active facilities personnel using system	423	1,554	2011, 2018
Quantity	Number of work orders	96	215	2012, 2018
Quantity	Number of data applications	4	9	2011, 2016
Quality	Percentage of agencies that have trained Facility Condition Assessment assessors	79%	89%	2013, 2016

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The Enterprise Real Property Program support and maintain compliance with Minnesota Statutes:

M.S.16A.632 (<https://www.revisor.mn.gov/statutes/cite/16A.632>)

M.S.16B.24–16B.26 (<https://www.revisor.mn.gov/statutes/cite/16B.24>)

M.S.16B.281–16B.287 (<https://www.revisor.mn.gov/statutes/cite/16B.281>)

M.S.16B.30–16B.307 (<https://www.revisor.mn.gov/statutes/cite/16B.30>)

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General			623	806	719	719	719	719
2001 - Other Misc Special Revenue		123		408	200		200	
<b>Total</b>		<b>123</b>	<b>623</b>	<b>1,214</b>	<b>919</b>	<b>719</b>	<b>919</b>	<b>719</b>
Biennial Change				1,714		(199)		(199)
Biennial % Change						(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
<b><u>Expenditures by Category</u></b>								
Compensation			184	223	230	234	230	234
Operating Expenses		123	439	991	689	485	689	485
<b>Total</b>		<b>123</b>	<b>623</b>	<b>1,214</b>	<b>919</b>	<b>719</b>	<b>919</b>	<b>719</b>
<b><u>Full-Time Equivalent</u></b>								
			1.63	2.03	2.03	2.03	2.03	2.03

# Enterprise Real Property Prog

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In				88				
Direct Appropriation			711	718	719	719	719	719
Balance Forward Out			88					
<b>Expenditures</b>			<b>623</b>	<b>806</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>
Biennial Change in Expenditures				1,429		9		9
Biennial % Change in Expenditures						1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.63	2.03	2.03	2.03	2.03	2.03

## 2001 - Other Misc Special Revenue

Balance Forward In			172	208	200		200	
Receipts	195		8	400				
Transfers In		101	28					
Balance Forward Out		172	208	200				
<b>Expenditures</b>		<b>123</b>		<b>408</b>	<b>200</b>		<b>200</b>	
Biennial Change in Expenditures				285		(208)		(208)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

**Program: Government and Citizen Services**

**Activity: Risk Management**

[mn.gov/admin/risk](http://mn.gov/admin/risk)

### AT A GLANCE

- Provide cost-effective management of the state's property, auto, general liability and workers' compensation self-insurance program
- Insure \$16.5 billion in state property and 13,616 vehicles for auto liability
- Manage 3,500 new liability, property and workers' compensation claims annually
- Cover over 60,000 employees in the executive, legislative, and judicial branches of state government, the Minnesota State Colleges and Universities, and quasi-state agencies such as the Minnesota Zoo
- Lead MnSAFE, the statewide injury reduction effort, which has helped prevent more than 2,500 injuries to state employees
- Provide \$1 million Disaster Management Services coverage for natural and man-made disasters on state owned or leased properties that result in 3 or more critical injuries – services include counseling, victim assistance, behavioral health and communications management

### PURPOSE & CONTEXT

The Risk Management Division serves as the state's insurance expert by providing risk management advice and property, liability, and workers' compensation insurance services to all of Minnesota state government, quasi-state agencies, and the Minnesota State Colleges and Universities.

We help our customers understand their operational risks and maintain financial stability through insurance or the use of other risk management strategies. In addition, we help state agencies develop and promote a safe, productive workplace that helps protect state employees and state resources. We deliver comprehensive, cost-effective property, liability, and workers compensation services through proactive and innovative risk, loss-control, and claims management practices. The Workers' Compensation Program operates as a special revenue fund and the Property and Casualty Program operates as an internal service fund.

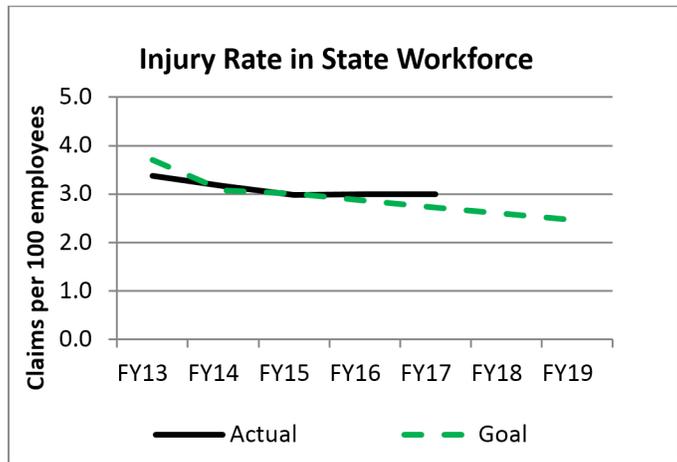
### SERVICES PROVIDED

Risk Management helps state agencies and employees return to serving Minnesota citizens following unexpected events or accidents.

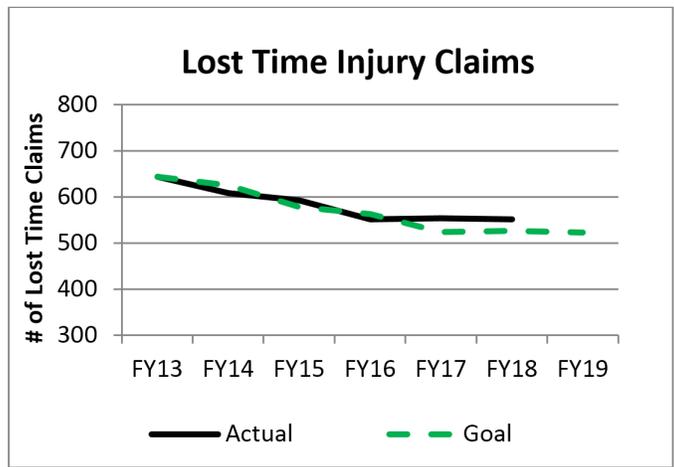
The services provided by Risk Management include:

- Advising customers about how to best control operational and contractual risks
- Helping customers acquire cost specialty insurance coverage when self-insuring the risk is not cost-effective
- Protecting state property and the public through loss control efforts
- Preventing injuries to employees and providing benefits when injuries occur that are work related
- Returning employees to work as soon as possible following workplace injuries
- Resolving property damage and injuries to the public caused by our customers
- Repairing our customers' damaged property and vehicles

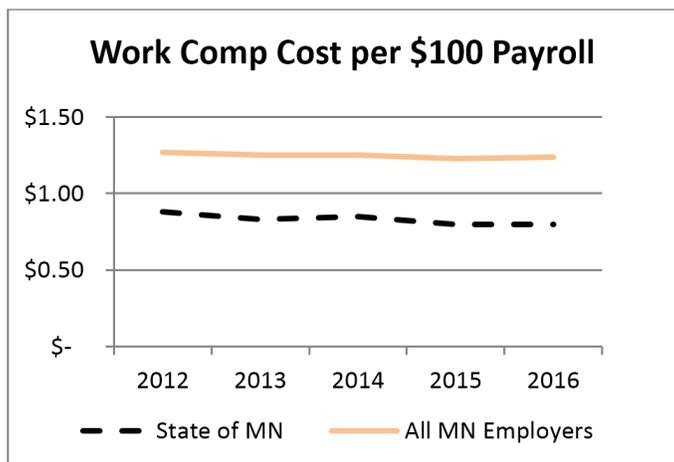
## RESULTS



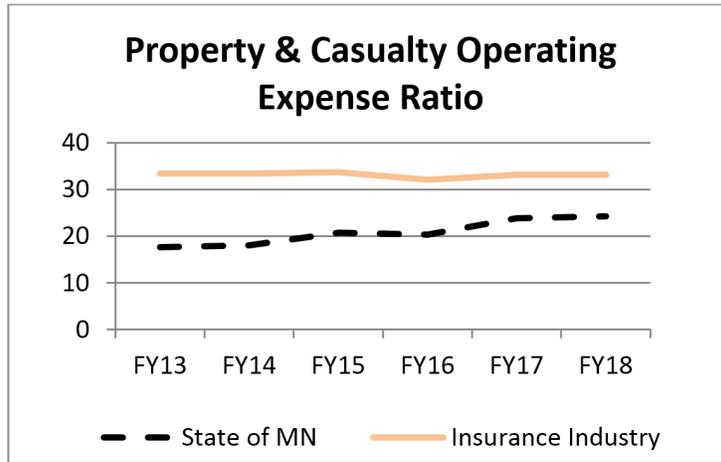
**Performance Measure (Result of the Program):** The number of workplace injuries is declining



**Performance Measure (Result of the Program):** The number of lost time injury claims is declining



**Performance Measure (Quality of the program):** To ensure cost effective services, we routinely compare our costs with those of private and public employers. Our workers' compensation cost per every \$100 of payroll is less than that of other Minnesota employers.



**Performance Measure (Quality of the Program):** We strive to keep our administrative expenses low and measure our costs annually against insurance market averages. Our property and casualty operating expenses are less than the average insurance industry operating costs.

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M.S. 16B.85 (<https://www.revisor.mn.gov/statutes/?id=16B.85>) and M.S. 176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>) provide the legal authority for Administration’s Risk Management Division.

# Risk Management

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	818	699	775	650	688	722	688	722
2001 - Other Misc Special Revenue	27,884	29,447	30,013	29,484	30,337	31,155	30,337	31,155
5300 - Risk Management	11,646	13,646	10,682	13,553	13,651	13,666	13,651	13,666
<b>Total</b>	<b>40,348</b>	<b>43,792</b>	<b>41,470</b>	<b>43,687</b>	<b>44,676</b>	<b>45,543</b>	<b>44,676</b>	<b>45,543</b>
Biennial Change				1,017		5,062		5,062
Biennial % Change				1		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Category**

Compensation	3,975	4,026	4,062	4,435	4,443	4,516	4,443	4,516
Operating Expenses	33,854	36,614	35,073	37,258	38,239	39,033	38,239	39,033
Other Financial Transaction	2,519	3,152	2,335	1,994	1,994	1,994	1,994	1,994
<b>Total</b>	<b>40,348</b>	<b>43,792</b>	<b>41,470</b>	<b>43,687</b>	<b>44,676</b>	<b>45,543</b>	<b>44,676</b>	<b>45,543</b>

## **Full-Time Equivalents**

	<b>40.55</b>	<b>39.80</b>	<b>39.15</b>	<b>37.80</b>	<b>37.30</b>	<b>37.30</b>	<b>37.30</b>	<b>37.30</b>
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# Risk Management

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Open Appropriation	818	699	775	650	688	722	688	722
<b>Expenditures</b>	<b>818</b>	<b>699</b>	<b>775</b>	<b>650</b>	<b>688</b>	<b>722</b>	<b>688</b>	<b>722</b>
Biennial Change in Expenditures				(91)		(15)		(15)
Biennial % Change in Expenditures				(6)		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

## 2001 - Other Misc Special Revenue

Balance Forward In	8,804	7,216	6,721	7,529	9,270	9,903	9,270	9,903
Receipts	25,568	28,415	30,829	31,225	30,970	32,462	30,970	32,462
Transfers In	3,178	3,488	3,838	3,875	3,992	4,080	3,992	4,080
Transfers Out	3,178	3,488	3,844	3,875	3,992	4,080	3,992	4,080
Balance Forward Out	6,487	6,184	7,530	9,270	9,903	11,210	9,903	11,210
<b>Expenditures</b>	<b>27,884</b>	<b>29,447</b>	<b>30,013</b>	<b>29,484</b>	<b>30,337</b>	<b>31,155</b>	<b>30,337</b>	<b>31,155</b>
Biennial Change in Expenditures				2,165		1,995		1,995
Biennial % Change in Expenditures				4		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	30.02	28.08	27.81	27.40	26.90	26.90	26.90	26.90

## 5300 - Risk Management

Balance Forward In	24,409	24,727	22,917	22,247	20,572	18,799	20,572	18,799
Receipts	11,964	11,723	10,014	11,878	11,878	11,878	11,878	11,878
Transfers Out			3					
Balance Forward Out	24,726	22,803	22,246	20,572	18,799	17,011	18,799	17,011
<b>Expenditures</b>	<b>11,646</b>	<b>13,646</b>	<b>10,682</b>	<b>13,553</b>	<b>13,651</b>	<b>13,666</b>	<b>13,651</b>	<b>13,666</b>
Biennial Change in Expenditures				(1,058)		3,082		3,082
Biennial % Change in Expenditures				(4)		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.53	11.72	11.34	10.40	10.40	10.40	10.40	10.40

**Program: Government and Citizen Services**

**Activity: Small Agency Resource Team (SmART)**

[mn.gov/admin/government/small-agency/](http://mn.gov/admin/government/small-agency/)

#### AT A GLANCE

- Serves 20 diverse agencies, boards, and councils
- Financial guidance for budgets totaling \$76 million in FY18
- Human resource services for approximately 300 employees in FY18

#### PURPOSE & CONTEXT

The Small Agency Resource Team (SmART) provides accounting, budgeting, and human resources services to small agencies, boards, and councils. SmART agencies retain ultimate human resource, financial and budget decision making authority.

Staff learn the needs of state agency customers being served and provide expert technical knowledge of policies, procedures, and best practices to help customers maximize their effectiveness. We eliminate the need for these agencies, boards, and councils to hire dedicated administrative staff to handle transactional functions so that they can focus on delivering their core missions. Through SmART's work, customers more accurately and easily navigate the complexities of performing state government financial and human resources functions.

Our program is required by statute to serve the state's three ethnic councils, the Indian Affairs Council, and the Minnesota Council on Disability. By directing resources to these entities, they are able to dedicate their resources to supporting the state's goals surrounding diversity and inclusion in public programs and services. Currently, we serve 15 additional agency customers ranging from the Minnesota Racing Commission to the Minnesota Department of Human Rights. This work is supported by a combination of general fund resources and pay agreements. Under either funding source, SmART delivers high value services at a lower cost than hiring administrative staff for each program.

#### SERVICES PROVIDED

SmART provides customers with the financial and human resources information and services they need to operate effectively and efficiently:

##### Financial Management

- Budget support
- Biennial budget guidance and entry
- Fiscal note assistance and processing
- Budget entries
- Processing of purchase orders, professional/technical contracts, grant contracts, inter-agency agreements annual plans and employee business/travel reimbursements
- Payment processing
- Deposits
- Reporting
- Training

##### Human Resources

- Affirmative action planning
- Payroll services
- Personnel transactions entries
- Benefits administration
- Performance management and labor relations
- Classification and compensation analysis
- Vacancy filling
- Reporting
- Training

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Customer rating (Scale of 1-5 with 5 being outstanding)	4.65	4.8	2015, 2016
Results	General fund savings achieved through SmART when compared to costs for each agency, board, or council to perform same duties independently	39%	40%	2016, 2018

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M.S. 16B.371 (<https://www.revisor.mn.gov/statutes/?id=16B.371>) provides the legal authority for this activity.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General	400	497	373	561	471	471	471	471
2001 - Other Misc Special Revenue	232	273	418	640	606	624	606	624
<b>Total</b>	<b>631</b>	<b>770</b>	<b>791</b>	<b>1,201</b>	<b>1,077</b>	<b>1,095</b>	<b>1,077</b>	<b>1,095</b>
Biennial Change				591		180		180
Biennial % Change				42		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
<b><u>Expenditures by Category</u></b>								
Compensation	583	606	655	936	910	928	910	928
Operating Expenses	49	72	135	263	165	165	165	165
Other Financial Transaction		92	1	2	2	2	2	2
<b>Total</b>	<b>631</b>	<b>770</b>	<b>791</b>	<b>1,201</b>	<b>1,077</b>	<b>1,095</b>	<b>1,077</b>	<b>1,095</b>
<b><u>Full-Time Equivalent</u></b>								
	<b>7.52</b>	<b>7.90</b>	<b>7.50</b>	<b>9.48</b>	<b>9.86</b>	<b>9.77</b>	<b>9.86</b>	<b>9.77</b>

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		44		92				
Direct Appropriation	443	453	465	469	471	471	471	471
Balance Forward Out	43		92					
<b>Expenditures</b>	<b>400</b>	<b>497</b>	<b>373</b>	<b>561</b>	<b>471</b>	<b>471</b>	<b>471</b>	<b>471</b>
Biennial Change in Expenditures				38		8		8
Biennial % Change in Expenditures				4		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	4.76	4.63	4.42	4.68	4.43	4.29	4.43	4.29

**2001 - Other Misc Special Revenue**

Balance Forward In	11	35	6	51				
Receipts	256	243	464	589	606	624	606	624
Balance Forward Out	36	6	52					
<b>Expenditures</b>	<b>232</b>	<b>273</b>	<b>418</b>	<b>640</b>	<b>606</b>	<b>624</b>	<b>606</b>	<b>624</b>
Biennial Change in Expenditures				554		172		172
Biennial % Change in Expenditures				110		16		16
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	2.76	3.27	3.08	4.80	5.43	5.48	5.43	5.48

**Program: Government and Citizen Services**

**Activity: State Assistive Technology (STAR) & State Accommodation Reimbursement**

[mn.gov/star](http://mn.gov/star)

### AT A GLANCE

During FY18, STAR provided:

- 187 long-term loans of assistive technology that saved Minnesotans with disabilities \$351,997
- 702 short-term loans of assistive technology for trial or temporary use
- 203 demonstrations of assistive technology
- Facilitated a cross-agency collaboration to create [Minnesota's Guide to Assistive Technology](#)

During FY18, the State Accommodation Reimbursement Fund approved:

- 112 accommodation reimbursement requests from 13 State Agencies totaling \$143,691

### PURPOSE & CONTEXT

STAR is Minnesota's Assistive Technology Act program and is 100% federally funded.

We help Minnesotans of all ages who have disabilities find and get the assistive technology (AT) they need to function more independently at home, school, work, and in their communities. AT can be any item or product that helps an individual with a disability perform a task. Examples of assistive technology include, communication devices, handheld magnifiers, software that reads text aloud, assistive listening devices, adapted eating utensils, and grab bars.

STAR also administers the State's Accommodation Reimbursement Fund which was approved during the 2015 legislative session to provide support to applicants with disabilities applying for state jobs and to provide a more inclusive workplace for current state employees with disabilities.

### SERVICES PROVIDED

STAR provides the following *free* services to Minnesotans with disabilities so they may function more independently at home, school, work, and in their communities:

- Device loans
- Device demonstrations
- Information and Assistance
- Public awareness

We also provide technical assistance and training to state agencies.

Demonstrations and short-term loans (30-days or less) help Minnesotans better understand product features and gain hands-on experience with assistive technology before selecting and buying a device. STAR's services minimize the possibility that Minnesotans will buy an item that doesn't meet their needs. Minnesotans may also borrow AT to use while waiting to receive a new device or while their device is being repaired. Long-term loans allow Minnesotans to borrow older devices for as long as needed to use in school, at work or for essential daily living needs.

The Minnesota Department of Administration (Admin) is authorized to reimburse up to 50% of the cost of expenses incurred by the Executive Branch for reasonable accommodations.

## RESULTS

In addition to providing 120 short-term device loans for temporary use, STAR loaned 582 devices for short-term trial during FY18. Below is the percentage of borrowers who were able to determine if a device would meet their needs based on their experience during the loan period.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Percentage of device loans that resulted in borrowers determining if AT would meet their <b>educational</b> needs	98.21% (112 loans)	95.11% (348 loans)	2017, 2018
Result	Percentage of device loans that resulted in borrowers determining if AT would meet their <b>employment</b> needs	100% (17 loans)	97.22% (36 loans)	2017, 2018
Result	Percentage of device loans that resulted in borrowers determining if AT would meet their <b>community living needs</b>	97.69% (131 loans)	96.95% (198 loans)	2017, 2018

Agencies submitted the following number of requests for reimbursement.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	One-time expenses (e.g., assistive technology) for a state employee that totals more than \$1,000.	4	9	2017, 2018
Result	Expenses for current state employee for services provided on a periodic or ongoing basis (e.g., American Sign Language interpreter)	104	101	2017, 2018
Result	Combination of one-time expenses and services for current state employee	1	1	2017, 2018
Result	Number of individual job applicants agencies submitted expenses for reimbursement from the Accommodation Fund	5	1	2017, 2018

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(PL 108-364) (<http://www.gpo.gov/fdsys/pkg/PLAW-108publ364/html/PLAW-108publ364.htm>) and also authorized in M.S. 16B.055 ([www.revisor.mn.gov/statutes/?id=16B.055](http://www.revisor.mn.gov/statutes/?id=16B.055)). The State Accommodation Reimbursement Fund is authorized in M.S. 16B.4805 (<https://www.revisor.mn.gov/statutes/cite/16B.4805>)

# State Assistive Tech (STAR)

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
2001 - Other Misc Special Revenue	199	199	153	248	199	199	199	199
3000 - Federal		427	524	549	520	520	520	520
<b>Total</b>	<b>199</b>	<b>626</b>	<b>677</b>	<b>797</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>
Biennial Change				649		(36)		(36)
Biennial % Change				79		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Category**

Compensation	33	244	325	292	338	338	338	338
Operating Expenses	166	300	334	431	361	361	361	361
Grants, Aids and Subsidies		0						
Capital Outlay-Real Property		66		32	10	10	10	10
Other Financial Transaction		17	19	42	10	10	10	10
<b>Total</b>	<b>199</b>	<b>626</b>	<b>677</b>	<b>797</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>

## **Full-Time Equivalent**

	<b>0.33</b>	<b>2.50</b>	<b>4.09</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>
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# State Assistive Tech (STAR)

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Direct Appropriation	200	200	200	200	200	200	200	200
Transfers Out	200	200	200	200	200	200	200	200

## 2001 - Other Misc Special Revenue

Balance Forward In		1	2	48				
Transfers In	200	200	200	200	200	200	200	200
Transfers Out					1	1	1	1
Balance Forward Out	1	2	48					
<b>Expenditures</b>	<b>199</b>	<b>199</b>	<b>153</b>	<b>248</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
Biennial Change in Expenditures				3		(3)		(3)
Biennial % Change in Expenditures				1		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.33	0.19	0.12	0.12	0.12	0.12	0.12	0.12

## 3000 - Federal

Receipts		427	524	549	520	520	520	520
<b>Expenditures</b>		<b>427</b>	<b>524</b>	<b>549</b>	<b>520</b>	<b>520</b>	<b>520</b>	<b>520</b>
Biennial Change in Expenditures				646		(33)		(33)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		2.31	3.97	3.20	3.20	3.20	3.20	3.20

**Program: Government and Citizen Services**

**Activity: State Demographer**

[mn.gov/admin/demography/](http://mn.gov/admin/demography/)

### AT A GLANCE

- Act as a liaison to the U.S. Census Bureau to ensure a complete and accurate Census count
- Prepare estimates of people and households for all counties, cities, and townships in the state
- Produce updated data projections about people by age and gender for Minnesota, its Economic Development Regions, and all counties — to guide planning in the coming decades
- Provided data to state agencies, local government, the Legislature, businesses, nonprofits, researchers, and others on 428 occasions in FY18
- Delivered 95 presentations about critical issues, reaching 6,500 listeners in FY18

### PURPOSE & CONTEXT

The MN State Demographic Center, a part of the Community Services Division, plays a lead role in coordinating Minnesota's Decennial Census response and assists state and local leaders in making informed decisions by providing timely and reliable demographic information. We help leaders locate and understand the best data available so that they can match their policies and programs to the state's ever-changing needs and be wise stewards of their resources.

Our assistance helps legislators anticipate and plan for the future, helps state government and nonprofit leaders understand and serve their clients, aides business in understanding their markets and workforce, and helps media raise awareness to key issues shaping our state.

### SERVICES PROVIDED

The work of the State Demographer's Office can be divided into three broad categories:

- Facilitate Minnesota's 2020 Census Complete Count Committee and support the independent efforts of local governments and non-governmental entities to champion the Census
- Data production and Data analysis
  - Prepare annual estimates of the number of people and households in all counties, cities, and townships in the state to assist with planning and distributing resources
  - Create projections of the population and labor force by age, gender, race, and location to plan for impacts to the state budget, economy, and services in the coming decades
  - Produce new data for Minnesota's unique needs and populations — such as on our immigrant groups and languages spoken in Minnesota homes, moving patterns of people by education and income, and different age patterns among Minnesota's communities
- Public awareness
  - Convene state-level Census Complete Count Committee to plan and implement promotional and engagement strategies for Minnesota
  - Support cities and counties to do their own census promotion and engagement for the Census
  - Work with the U.S. Census Bureau and local grant-making and non-profit leaders to create a Minnesota-specific Census plan

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Website pageviews each year	170,558	179,621	2017, 2018
Quantity	Number of stakeholders served by individual data requests and presentations each year	5,418	6,500	2014, 2018

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The Minnesota State Demographic Center tasks are set forth in Minnesota State Statute 4A.02, which outline that the State Demographer “shall continuously gather and develop demographic data relevant to the state,” among other duties. (<https://www.revisor.mn.gov/statutes/?id=4A.02>)

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General			664	812	737	737	2,337	737
<b>Total</b>			<b>664</b>	<b>812</b>	<b>737</b>	<b>737</b>	<b>2,337</b>	<b>737</b>
Biennial Change				1,476		(2)		1,598
Biennial % Change						(0)		108
Governor's Change from Base								1,600
Governor's % Change from Base								109

**Expenditures by Category**

Compensation			526	609	607	573	881	573
Operating Expenses			128	203	130	164	616	164
Grants, Aids and Subsidies							800	
Capital Outlay-Real Property			5					
Other Financial Transaction			4				40	
<b>Total</b>			<b>664</b>	<b>812</b>	<b>737</b>	<b>737</b>	<b>2,337</b>	<b>737</b>

**Full-Time Equivalents**

	0.17		6.05	6.75	5.80	5.62	9.30	5.62
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In				74				
Direct Appropriation			737	738	739	739	2,339	739
Transfers Out					2	2	2	2
Balance Forward Out			73					
<b>Expenditures</b>			<b>664</b>	<b>812</b>	<b>737</b>	<b>737</b>	<b>2,337</b>	<b>737</b>
Biennial Change in Expenditures				1,476		(2)		1,598
Biennial % Change in Expenditures						(0)		108
Governor's Change from Base								1,600
Governor's % Change from Base								109
Full-Time Equivalents	0.17		6.05	6.75	5.80	5.62	9.30	5.62

**Program: Government and Citizen Services**

**Activity: State Historic Preservation Office**

[mn.gov/admin/shpo](http://mn.gov/admin/shpo)

### AT A GLANCE

- There are 1,707 National Register of Historic Places properties in Minnesota. In FY17, the State Historic Preservation Review Board nominated 13 properties to the Register
- SHPO reviewed 3,822 federal and 307 state projects to protect historic and cultural resources during FY17
- In FY17, the total estimated economic impact of the Minnesota Historic Rehabilitation Tax Credit was \$66.4 million and an estimated 285 full-time jobs were created
- Supports the work of 44 Certified Local Governments who have agreed to conduct preservation activities based on federal and state standards and practices

### PURPOSE & CONTEXT

The State Historic Preservation Office (SHPO) administers federal and state programs aimed at preserving historic and cultural resources important to all Minnesotans. The SHPO was transferred to the Department of Administration on March 1, 2018 as a result of 2017 legislation, prior to this the SHPO was part of the Minnesota Historical Society.

The SHPO, as outlined in the National Historic Preservation Act of 1966, plays a lead role in identifying, evaluating, and registering historic properties; administering federal and state historic rehabilitation tax credits; consulting with federal and state agencies to ensure historic properties are taken into consideration at all levels of planning and development; and advising and assisting federal and state agencies and local governments in carrying out historic preservation responsibilities.

The SHPO is also responsible for creating and implementing a comprehensive statewide historic preservation plan. To develop the comprehensive plan, the SHPO partners with federal, state and local agencies, local Heritage Preservation Commissions, Tribal Historic Preservation Offices, tribal communities, professional organizations, nonprofit and preservation groups, owners and developers of historic properties, and county and local historical organizations. SHPO activities are generally funded through the federal Historic Preservation Fund (HPF), state general fund appropriation, and Historic Rehabilitation Tax Credit funds.

### SERVICES PROVIDED

The State Historic Preservation Office provides services in the following program areas:

- Statewide Historic Preservation Planning
- Disaster Planning for Historic Resources
- National Register of Historic Places
- Environmental Review Program for Both Federal and State Projects
- Federal and State Historic Rehabilitation Tax Credit Programs
- Certified Local Government Program, Including Grants to Heritage Preservation Commissions
- Statewide Survey and Inventory Program for Historic and Cultural Resources
- Education, Training, and Technical Assistance
- Historic Preservation Easements and Covenants

## RESULTS

SHPO was moved to the Department of Administration in March, 2018 and continues reporting program results as stipulated by the National Park Service. A division work planning process is underway with goal setting that addresses the organizational transition into state government.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Meet the 30 day response time for federal and state environmental compliance reviews and requests for technical assistance	N/A	96%	2018
Result	Increase amount of public participation to inform the statewide historic preservation program for the next 5 to 10 years	200		2011
Quality	Through three phase development of an online portal, increase the public's online access to statewide survey of standing structures	Study Complete	Phase 1	2017, 2018

### **Federal Legislation:**

National Historic Preservation Act of 1966, as amended ([54 USC 302101 et seq](#))

State Historic Preservation Officers and National Register Review Boards ([36 CFR 61.4](#))

Certified Local Government Program ([54 USC 302501-302305](#)) ([36 CFR 61](#))

National Historic Landmarks Program ([54 USC 302102-302108](#)) ([36 CFR 60](#))

Section 106 Program ([36 CFR 800, Protection of Historic Properties](#))

### **State Laws Concerning Historic and Cultural Resources:**

Minnesota Statutes, [Chapter 138](#)

Minnesota Field Archaeology Act (M.S. 138.31-138.42)

Minnesota Historic Sites Act (M.S. 138.661-138.666)

Minnesota Historic Districts Act (M.S. 138.71-138.75)

Minnesota Statutes, [Chapter 290.0681](#)

Minnesota Historic Structure Rehabilitation Tax Credit

Clean Water, Land and Legacy Amendment to the MN Constitution, Article XI

Minnesota Statutes, [Chapter 471.193](#)

Local Government Historic Preservation Activities Authorized by State Law

### **Other Federal and State Laws and Rules:**

National Environmental Policy Act of 1969

Archaeological and Historic Preservation Act of 1974, as amended

American Indian Religious Freedom Act of 1978, as amended

Archaeological Resources Protection Act of 1979, as amended

Native American Graves Protection and Repatriation Act of 1990, as amended

Minnesota Private Cemeteries Act (M.S. 307.08)

Minnesota Environmental Rights Act (M.S. 116B.02)

Minnesota Environmental Quality Board Rules

Minnesota Shoreland Management Rules

Wetland Conservation Act Rules

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

**Expenditures by Fund**

1000 - General			249	535	1,464	1,427	1,464	1,427
2000 - Restrict Misc Special Revenue			31	378	216	220	216	220
3000 - Federal			205	1,146	1,217	1,180	1,217	1,180
<b>Total</b>			<b>485</b>	<b>2,059</b>	<b>2,897</b>	<b>2,827</b>	<b>2,897</b>	<b>2,827</b>
Biennial Change				2,544		3,180		3,180
Biennial % Change						125		125
Governor's Change from Base								0
Governor's % Change from Base								0

**Expenditures by Category**

Compensation			329	1,178	1,284	1,322	1,284	1,322
Operating Expenses			145	696	566	495	566	495
Grants, Aids and Subsidies				185	1,047	1,010	1,047	1,010
Other Financial Transaction			11					
<b>Total</b>			<b>485</b>	<b>2,059</b>	<b>2,897</b>	<b>2,827</b>	<b>2,897</b>	<b>2,827</b>

**Full-Time Equivalents**

			3.19	12.65	13.30	13.30	13.30	13.30
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In				159				
Direct Appropriation			300	1	527	527	527	527
Open Appropriation				50	937	900	937	900
Transfers In			108	325				
Balance Forward Out			159					
<b>Expenditures</b>			<b>249</b>	<b>535</b>	<b>1,464</b>	<b>1,427</b>	<b>1,464</b>	<b>1,427</b>
Biennial Change in Expenditures				784		2,107		2,107
Biennial % Change in Expenditures						269		269
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalentents			0.95	3.75	4.15	4.15	4.15	4.15

**2000 - Restrict Misc Special Revenue**

Balance Forward In				534	353	429	353	429
Receipts			565	197	292	255	292	255
Balance Forward Out			534	353	429	464	429	464
<b>Expenditures</b>			<b>31</b>	<b>378</b>	<b>216</b>	<b>220</b>	<b>216</b>	<b>220</b>
Biennial Change in Expenditures				409		27		27
Biennial % Change in Expenditures						7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalentents			0.22	1.45	1.55	1.55	1.55	1.55

**3000 - Federal**

Receipts			205	1,146	1,217	1,180	1,217	1,180
<b>Expenditures</b>			<b>205</b>	<b>1,146</b>	<b>1,217</b>	<b>1,180</b>	<b>1,217</b>	<b>1,180</b>
Biennial Change in Expenditures				1,351		1,046		1,046
Biennial % Change in Expenditures						77		77
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalentents			2.02	7.45	7.60	7.60	7.60	7.60

**Program:** Strategic Management Services

**Activity:** Executive Leadership/Partnerships

<https://mn.gov/admin/about/who-we-are/commissioners-office.jsp>

### AT A GLANCE

- Provide executive leadership to the agency
- Establish and lead implementation of agency strategic vision to implement statutory responsibilities and meet the needs of Minnesotans
- Ensure a safe, inclusive, and productive work environment
- Leadership of statewide efforts on sustainability
- State Historic Preservation Officer
- Agency-wide executive, legislative, and public communications and transparency

### PURPOSE & CONTEXT

Executive Leadership and Partnerships drives the agency mission, vision, and values. Providing leadership and strategic direction across the agency we set aggressive goals, expect a high level of customer service, and hold ourselves and the agency accountable. We oversee and manage the administrative functions of other executive branch state agencies, including their purchasing and contracting, facilities management and more. We also manage strategic planning efforts for the state and investigate and study the management of state agencies, reorganizing them when necessary to ensure effective and efficient operations.

### SERVICES PROVIDED

#### Executive Leadership

- Executive Management Support
- Internal and External Communications
- Data Practices Compliance
- Website Management

#### Partnerships

- Intra-agency and inter-agency coordination
- Legislative Coordination
- Media Relations
- Continuity of Operations – Emergency Preparedness
- Enterprise Sustainability

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Annual avoided energy costs	\$1.3M	\$2.6M	FY10 FY18
Quantity	Department website views	30,375	76,053	FY16 FY17
Quantity	Agency COOP Trainings	8	16	CY17 CY18

M.S. 16B.04 (<https://www.revisor.mn.gov/statutes/cite/16B.04>) provides the legal authority for the Department of Administration.

**Exec Support Leadership/Partnerships**

**Activity Expenditure Overview**

*(Dollars in Thousands)*

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	558	578	642	763	713	713	713	713
2001 - Other Misc Special Revenue	91	150	548	702	450	450	450	450
<b>Total</b>	<b>650</b>	<b>728</b>	<b>1,190</b>	<b>1,465</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>
Biennial Change				1,278		(329)		(329)
Biennial % Change				93		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
<b><u>Expenditures by Category</u></b>								
Compensation	411	541	664	819	774	784	774	784
Operating Expenses	238	186	517	641	384	374	384	374
Other Financial Transaction	1	0	9	5	5	5	5	5
<b>Total</b>	<b>650</b>	<b>728</b>	<b>1,190</b>	<b>1,465</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>
<b><u>Full-Time Equivalents</u></b>								
	<b>3.98</b>	<b>5.05</b>	<b>6.24</b>	<b>6.70</b>	<b>6.70</b>	<b>6.70</b>	<b>6.70</b>	<b>6.70</b>

## Exec Support Leadership/Partnerships

## Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b>1000 - General</b>								
Balance Forward In		6		51				
Direct Appropriation	588	597	701	720	721	721	721	721
Transfers Out	25	25	8	8	8	8	8	8
Cancellations		0						
Balance Forward Out	5		51					
<b>Expenditures</b>	<b>558</b>	<b>578</b>	<b>642</b>	<b>763</b>	<b>713</b>	<b>713</b>	<b>713</b>	<b>713</b>
Biennial Change in Expenditures				269		21		21
Biennial % Change in Expenditures				24		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.98	4.19	3.74	3.60	3.60	3.60	3.60	3.60

### 2000 - Restrict Misc Special Revenue

Balance Forward In	13	13	13	13	13	13	13	13
Balance Forward Out	13	13	13	13	13	13	13	13

### 2001 - Other Misc Special Revenue

Balance Forward In		1		252				
Receipts		30	380	120	120	120	120	120
Transfers In	92	120	420	330	330	330	330	330
Transfers Out		1						
Balance Forward Out	1		252					
<b>Expenditures</b>	<b>91</b>	<b>150</b>	<b>548</b>	<b>702</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>
Biennial Change in Expenditures				1,009		(350)		(350)
Biennial % Change in Expenditures				418		(28)		(28)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.86	2.50	3.10	3.10	3.10	3.10	3.10

**Program: Strategic Management Services**

**Activity: Financial Management and Reporting**

<https://mn.gov/admin/about/contact-us/fmr.jsp>

#### AT A GLANCE

- Financial management, accounting, and purchasing support of the agency's \$217 million expenditures in FY17
- Produce more than 75 monthly, quarterly, and annual financial statements each year
- Serve each of the agency's 19 divisions
- Support the financial management and accounting needs of 17 SmART agencies
- Coordinate internal control activities

#### PURPOSE & CONTEXT

Financial Management and Reporting (FMR) provides administrative services within the agency, overseeing strategic and operational planning, performance management, financial management, internal controls, and budget planning.

#### 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, capital, and supplemental budget preparation
- Purchasing
- Transaction review and approval
- Financial reporting
- Internal control coordination
- Financial statement preparation for proprietary funds
- Billing and accounts receivable management
- Cash and asset management
- Business plan and rate review oversight
- Fiscal note management
- Policy and procedure development and training (e.g. training new managers on travel policies and expense reimbursement)
- Financial analysis
- Accounts payable
- SWIFT security management
- Assurance review
- Financial verification
- State accounting system coordination, implementation, and maintenance

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Agency prompt payment: Percent of valid obligations to vendors within the vendor's early 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.	98.02%	97.67%	2017, 2018
Result	Customer satisfaction: Percent of agency and SmART agency managers who receive financial training in first quarter of their tenure	100%	100%	2017, 2018
Result	Employee engagement: Percent of FMR staff who engage in at least four hours of professional development per quarter	100%	100%	2017, 2018

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M.S. 16A.124 (<https://www.revisor.mn.gov/statutes/cite/16A.124>) describes agency's goals for prompt payment of vendors.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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**Expenditures by Fund**

1000 - General	703	863	761	992	888	888	964	944
<b>Total</b>	<b>703</b>	<b>863</b>	<b>761</b>	<b>992</b>	<b>888</b>	<b>888</b>	<b>964</b>	<b>944</b>
Biennial Change				188		23		155
Biennial % Change				12		1		9
Governor's Change from Base								132
Governor's % Change from Base								7

**Expenditures by Category**

Compensation	599	631	569	693	690	689	764	740
Operating Expenses	100	208	177	294	193	194	195	199
Other Financial Transaction	4	24	15	5	5	5	5	5
<b>Total</b>	<b>703</b>	<b>863</b>	<b>761</b>	<b>992</b>	<b>888</b>	<b>888</b>	<b>964</b>	<b>944</b>

**Full-Time Equivalents**

	6.55	6.89	5.84	7.43	7.24	7.08	7.24	7.08
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		72		106				
Direct Appropriation	774	791	867	886	888	888	964	944
Cancellations		0						
Balance Forward Out	71		106					
<b>Expenditures</b>	<b>703</b>	<b>863</b>	<b>761</b>	<b>992</b>	<b>888</b>	<b>888</b>	<b>964</b>	<b>944</b>
Biennial Change in Expenditures				188		23		155
Biennial % Change in Expenditures				12		1		9
Governor's Change from Base								132
Governor's % Change from Base								7
Full-Time Equivalents	6.55	6.89	5.84	7.43	7.24	7.08	7.24	7.08

**Program: Strategic Management Services**

**Activity: Human Resources**

[mn.gov/admin/employees/hr/](http://mn.gov/admin/employees/hr/)

#### AT A GLANCE

- 292 vacancies filled for customers, including the Departments of Administration, Minnesota Management and Budget, Human Rights and small agencies in fiscal year 2018
- 95% of labor grievances for fiscal years 2017 and 2018 were resolved without arbitration
- 4,181 total transactions processed for fiscal year 2018
- In 2018, established Administration's Joint Labor-Management Committee to help maintain open communication between employees and management concerning safety and health.
- More than 200 FMLA requests processed per year
- Provide services for 1,130 employees, supervisors, and managers

#### PURPOSE & CONTEXT

The Human Resources Division provides human resources services to the employees, prospective employees, and management of the Department of Administration, Minnesota Management and Budget, Department of Human Rights, and SmART Agencies, Boards and Commissions, 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.

#### SERVICES PROVIDED

The Human Resources Division provides the following services:

- Recruitment and staffing
- Fringe benefits enrollment and administration
- Labor contract administration and employee relations
- Employee training and develop
- Bi-weekly payroll processing
- Performance management
- Compensation/wage administration
- Worker's compensation administration
- Safety administration, including Occupational Safety and Health Administration (OSHA) compliance and general safety and wellness program administration
- Consultation on human resources management issues

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Our workforce represents Minnesota's diverse population	19.1%	20.3%	2017, 2018
Quality	Employees, supervisors, and managers understand how their work contributes to Admin's mission	90.37%	95.62%	2015, 2017
Quality	Safety Perceptions Survey (1-5 ranking with 5 reflecting a favorable safety culture) This is a new initiative and the first bi-annual survey conducted which establishes a basis line for future surveys	3.88	N/A	2017
Quality	Employees receive performance reviews annually	88%	94%	2017, 2018

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M.S. 16B.04, subd 4 (2) (<https://www.revisor.mn.gov/statutes/cite/16B.04>) provides the legal authority for the Human Resources Division.

# Human Resources-Administration

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

## Expenditures by Fund

1000 - General	383	464	362	531	450	450	450	450
<b>Total</b>	<b>383</b>	<b>464</b>	<b>362</b>	<b>531</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>
Biennial Change				46		7		7
Biennial % Change				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

## Expenditures by Category

Compensation	325	345	276	371	357	357	357	357
Operating Expenses	58	72	62	158	91	91	91	91
Other Financial Transaction		47	23	2	2	2	2	2
<b>Total</b>	<b>383</b>	<b>464</b>	<b>362</b>	<b>531</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>

## Full-Time Equivalents

	4.26	4.13	3.81	4.23	3.85	3.81	3.85	3.81
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# Human Resources-Administration

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		40		82				
Direct Appropriation	428	436	453	458	459	459	459	459
Transfers Out	5	12	9	9	9	9	9	9
Cancellations		1						
Balance Forward Out	40		82					
<b>Expenditures</b>	<b>383</b>	<b>464</b>	<b>362</b>	<b>531</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>
Biennial Change in Expenditures				46		7		7
Biennial % Change in Expenditures				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.26	4.13	3.81	4.23	3.85	3.81	3.85	3.81

**Program: Strategic Management Services**

**Activity: School Trust Lands**

#### AT A GLANCE

- Developed first School Trust Land Strategic Plan 2018-2028, available at <https://mn.gov/school-trust-lands/projects/strategic-planning/>
- Completed school trust land asset evaluation of 2.5 million acres with an estimated market value of \$1.9 billion in real estate value alone
- Initiated research and analysis projects related to school trust land management costs and accounting structures, and future economic opportunities on school trust lands
- Presentations to numerous stakeholder and beneficiary groups on the history of school trust lands, benefits of school trust lands to public education, and future management plans

#### PURPOSE & CONTEXT

The 2012 legislature established the purpose for the School Trust Lands Director/Office of School Trust Lands in Minn. Stat. sec. 127A. 351. The School Trust Lands Director is to “recommend management policies for Minnesota’s school trust lands in accordance with the provisions of the Minnesota Constitution, Article XI, Section 8.”

During the strategic planning project the Office of School Trust Lands created the following mission statement **“Advocate for sustainable asset management strategies that maximize revenue for Minnesota’s public schools.”** The Office of School Trust Lands and School Trust Lands Director serves as a co-trustee by advising the executive and legislative branches with respect to legislative initiatives and management policies. The School Trust Lands Director also acts as a liaison for school trust beneficiary representatives and beneficiary stakeholder groups.

#### SERVICES PROVIDED

- Established strategic plans and goals for future management of school trust lands. Reviewed and made recommendations on management proposals and legislation to ensure the long-term best interests of school trust land beneficiaries were being met. Researched and analyzed current management structures in an effort to maximize current revenues without negatively impacting future economic opportunities.
- Developed and initiated implementation of School Trust Strategic Plan. Valuation analysis of 2.5 million acres of school trust lands. Project-specific analysis of proposals involving school trust land assets. BWCAW (Boundary Waters Canoe Area Wilderness) project management and recommendations to resolve 40-year management issue with the USDA Forest Service.
- Advised the Permanent School Fund Commission and the Legislature on various legislative initiatives that could affect school trust land management.
- Advised the Department of Natural Resources on management of school trust timber resources in the Sustainable Timber Harvest Analysis.
- Collaborated with the Department of Natural Resources to create an Operating Agreement between the Office of School Trust Lands and the DNR.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Identification of school trust natural resource economic zones	NA	5	2018
Quantity	Identification of woody biomass potential from underutilized school trust timber resources	NA	384,000 green tons potential	2018
Quantity	Lake Superior Wetland Mitigation Bank, phase II	0 acre credits	13,140 acres exchanged; ~4,500 acre credits	2014 to 2018

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Legislative Permanent School Fund Commission (<https://www.revisor.mn.gov/statutes/cite/127A.30>)

Goal of the Permanent School Fund (<https://www.revisor.mn.gov/statutes/cite/127A.31>)

Policy and Purpose (<https://www.revisor.mn.gov/statutes/cite/127A.351>)

Policy Recommendations; Duties (<https://www.revisor.mn.gov/statutes/cite/127A.352>)

School Trust Lands Director (<https://www.revisor.mn.gov/statutes/cite/127A.353>)

# School Trust Lands

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	178	192	185	186	187	187	0	0
3800 - Permanent School	131	509	948	356	300	300	0	0
<b>Total</b>	<b>309</b>	<b>701</b>	<b>1,133</b>	<b>542</b>	<b>487</b>	<b>487</b>	<b>0</b>	<b>0</b>
Biennial Change				665		(701)		(1,675)
Biennial % Change				66		(42)		(100)
Governor's Change from Base								(974)
Governor's % Change from Base								(100)
<b><u>Expenditures by Category</u></b>								
Compensation	161	277	287	290	295	301	0	0
Operating Expenses	149	424	847	252	192	186	0	0
<b>Total</b>	<b>309</b>	<b>701</b>	<b>1,133</b>	<b>542</b>	<b>487</b>	<b>487</b>	<b>0</b>	<b>0</b>
<b><u>Full-Time Equivalents</u></b>	<b>1.22</b>	<b>2.44</b>	<b>2.51</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>0.00</b>	<b>0.00</b>

# School Trust Lands

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		7						
Direct Appropriation	185	185	185	186	187	187	0	0
Balance Forward Out	7							
<b>Expenditures</b>	<b>178</b>	<b>192</b>	<b>185</b>	<b>186</b>	<b>187</b>	<b>187</b>	<b>0</b>	<b>0</b>
Biennial Change in Expenditures				1		3		(371)
Biennial % Change in Expenditures				0		1		(100)
Governor's Change from Base								(374)
Governor's % Change from Base								(100)
Full-Time Equivalents	1.22	1.40	1.00	1.00	1.00	1.00	0.00	0.00

## 3800 - Permanent School

Balance Forward In		169	205	56				
Transfers In	300	550	800	300	300	300	0	0
Cancellations		5						
Balance Forward Out	169	205	56					
<b>Expenditures</b>	<b>131</b>	<b>509</b>	<b>948</b>	<b>356</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>0</b>
Biennial Change in Expenditures				664		(704)		(1,304)
Biennial % Change in Expenditures				104		(54)		(100)
Governor's Change from Base								(600)
Governor's % Change from Base								(100)
Full-Time Equivalents		1.04	1.51	1.50	1.50	1.50	0.00	0.00

**Program: Fiscal Agent**  
**Activity: Public Broadcasting**

[mn.gov/admin](http://mn.gov/admin)

#### AT A GLANCE

- Administered and managed 25 public broadcasting general fund grant contracts in FY18
- Administered and managed 45 arts and cultural heritage fund grant contracts to public broadcasting stations in FY18
- Conducted 55 financial reconciliations and monitoring visits with grantees in FY18

#### PURPOSE & CONTEXT

The fiscal agent function ensures that grants and other special funding received through specific appropriations are distributed and managed according to all applicable laws, statutes, policies, and procedures. Administration of these funds allows us to provide value to the recipients and public by ensuring resources are used as intended.

The fiscal agent function serves a variety of entities representing public television and radio; arts and cultural heritage fund grantees representing museums, zoos, small theatres and local government; and other funds appropriated by the legislature.

#### SERVICES PROVIDED

The fiscal agent function oversees funding for:

- Administered and managed 25 public broadcasting general fund grant contracts to 24 grantees in FY18
  - 24 Grants to public broadcasting stations (M.S. 129D.11-16)
  - One Grant to Pioneer Public Television per Minnesota Laws, 2017, First Special Session, Chapter 8, Article 1, Section 11, Subdivision 4, to purchase equipment for a newly constructed facility
- Administered and managed 45 arts and cultural heritage fund grant contracts to public broadcasting entities (M.S. 129D 17-19)
- Conducted 45 financial reconciliations and site visits with public broadcasting grantees in FY18

Specific services provided include: administer grants and ensure state grant policies and procedures are followed; provide consultation and technical assistance to grantees; conduct focus groups with grantees to improve effectiveness; and maintain information on the state's Legacy website (<https://www.legacy.mn.gov/>).

#### RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percent of required reports from grantees received in a timely manner	96%	100%	2016, 2018

M.S. 16B (<https://www.revisor.mn.gov/statutes/?id=16B>) provides the legal authority for this program.

# Public Broadcasting

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	3,419	2,619	3,019	2,619	2,619	2,619	2,819	2,819
2301 - Arts & Cultural Heritage	6,902	6,582	7,206	7,154				
<b>Total</b>	<b>10,321</b>	<b>9,201</b>	<b>10,225</b>	<b>9,773</b>	<b>2,619</b>	<b>2,619</b>	<b>2,819</b>	<b>2,819</b>
Biennial Change				475		(14,760)		(14,360)
Biennial % Change				2		(74)		(72)
Governor's Change from Base								400
Governor's % Change from Base								8
<b><u>Expenditures by Category</u></b>								
Grants, Aids and Subsidies	9,841	8,782	10,014	9,470	2,529	2,529	2,729	2,729
Other Financial Transaction	480	419	211	303	90	90	90	90
<b>Total</b>	<b>10,321</b>	<b>9,201</b>	<b>10,225</b>	<b>9,773</b>	<b>2,619</b>	<b>2,619</b>	<b>2,819</b>	<b>2,819</b>

**Public Broadcasting**

**Activity Financing by Fund**

*(Dollars in Thousands)*

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In			0					
Direct Appropriation	3,419	2,619	3,181	2,781	2,781	2,781	2,981	2,981
Transfers Out			162	162	162	162	162	162
Cancellations		0						
<b>Expenditures</b>	<b>3,419</b>	<b>2,619</b>	<b>3,019</b>	<b>2,619</b>	<b>2,619</b>	<b>2,619</b>	<b>2,819</b>	<b>2,819</b>
Biennial Change in Expenditures				(400)		(400)		0
Biennial % Change in Expenditures				(7)		(7)		0
Governor's Change from Base								400
Governor's % Change from Base								8

**2301 - Arts & Cultural Heritage**

Balance Forward In	186	23	96	73				
Direct Appropriation	6,900	6,693	7,150	7,300	0	0	0	0
Transfers In			207					
Transfers Out	138	134	143	219				
Cancellations	31		31					
Balance Forward Out	15		73					
<b>Expenditures</b>	<b>6,902</b>	<b>6,582</b>	<b>7,206</b>	<b>7,154</b>				
Biennial Change in Expenditures				875		(14,360)		(14,360)
Biennial % Change in Expenditures				6		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

**Program:** Fiscal Agent

**Activity:** In Lieu of Rent (ILR)

#### AT A GLANCE

- Used to fund the space costs of the: the legislature, veterans' organizations, and ceremonial space on the Capitol Complex
- ILR funded space is billed in the same manner, and at the same rate per square foot, as other tenant-occupied space in the same buildings.

#### PURPOSE & CONTEXT

The In Lieu of Rent (ILR) appropriation is essential to the proper stewardship and operation of buildings that are integral to the State's democratic process, as well as offices that provide support and advocacy on behalf of Minnesota's veterans and vocational opportunities for the blind. ILR is used to fund space costs of the legislature, veterans' organizations, ceremonial space, the capitol grounds, and statutorily free space. Rent is funded by ILR in areas that are either ceremonial or where occupants do not directly pay rent. More specifically, the ILR appropriation covers rent for:

- **Ceremonial Space** – space in the Capitol Building such as the Rotunda, Governor's Residence, ceremonial grounds, and monuments/memorials in the Capitol area.
- **State Services for the Blind** – Space occupied by State Services for the Blind to operate vending operations and convenience stores at eleven sites (M.S. 248.07 Subd. 7).
- **Rent Waived** – Space in the State Capitol Building, the State Office Building, or Veterans Service Building that is occupied by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and Congressionally-chartered veterans' organizations (M.S. 197.55 – 197.58). The newly created public areas in the restored Capitol are also included in this area.

The core of state government is located in buildings on or near the State Capitol Complex, including the entire Legislative Branch, the Supreme Court and Court of Appeals, most Executive branch functions, and state employees. In general, the funding required to operate and maintain state-owned buildings in the Capitol Complex comes through rents paid from the operating budgets of the state government entities that occupy that space. Lease rates are determined by the Commissioner of Administration and approved by the Commissioner of Minnesota Management and Budget. In contrast, the costs to operate and maintain certain legislative and other space defined in law is funded by ILR which is a direct appropriation to the Commissioner of Administration. ILR funded space is billed in the same manner, and at the same rate per square foot, as other tenant-occupied space in the same buildings.

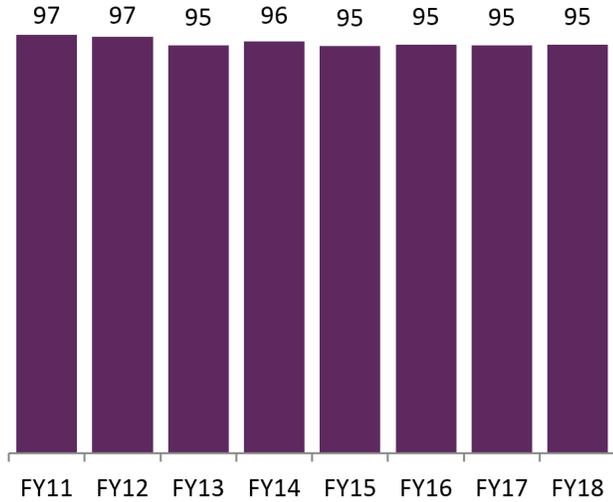
#### SERVICES PROVIDED

Provide the staffing and maintenance necessary to care for many of the State's most valuable real property assets, including the state's recent investment in the restoration of the State Capitol. These services are intended to provide clean, safe, and environmentally-sound facilities and include: energy management, recycling, event permitting and coordination, Capitol Complex food service oversight, and maintenance of green spaces including monuments and memorials.

## RESULTS

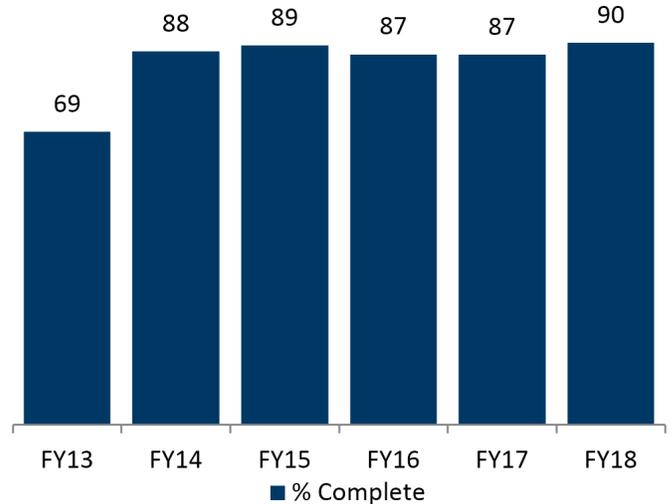
We measure performance in multiple ways including: customer satisfaction, service disruptions, work completion rates, recycling rates, energy consumption, and carbon reduction. We also continually monitor the conditions of the buildings we manage by conducting annual facility condition audits.

### Result: Customer Satisfaction



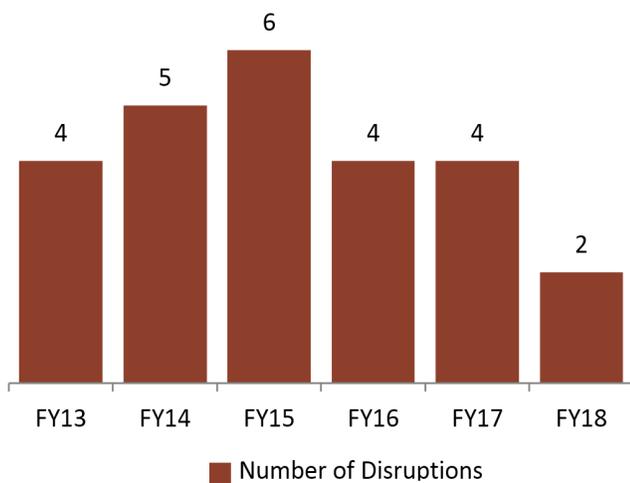
**Customer Satisfaction:** Data is taken from Building Occupant Annual Survey results. The percentage identifies consistently high tenant satisfaction with Admin managed facilities.

### Quality: Work Order Completion Percentage



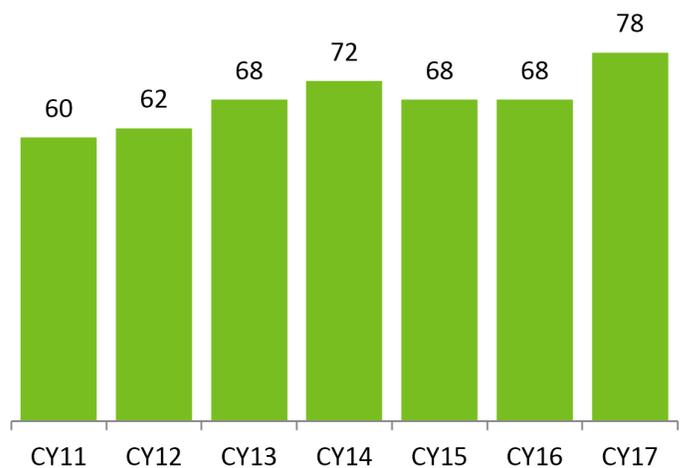
**Best Value:** Percentage of work orders completed on-time statistics show improved timeliness of work order completions.

### Quality: FMD-caused Service Disruptions



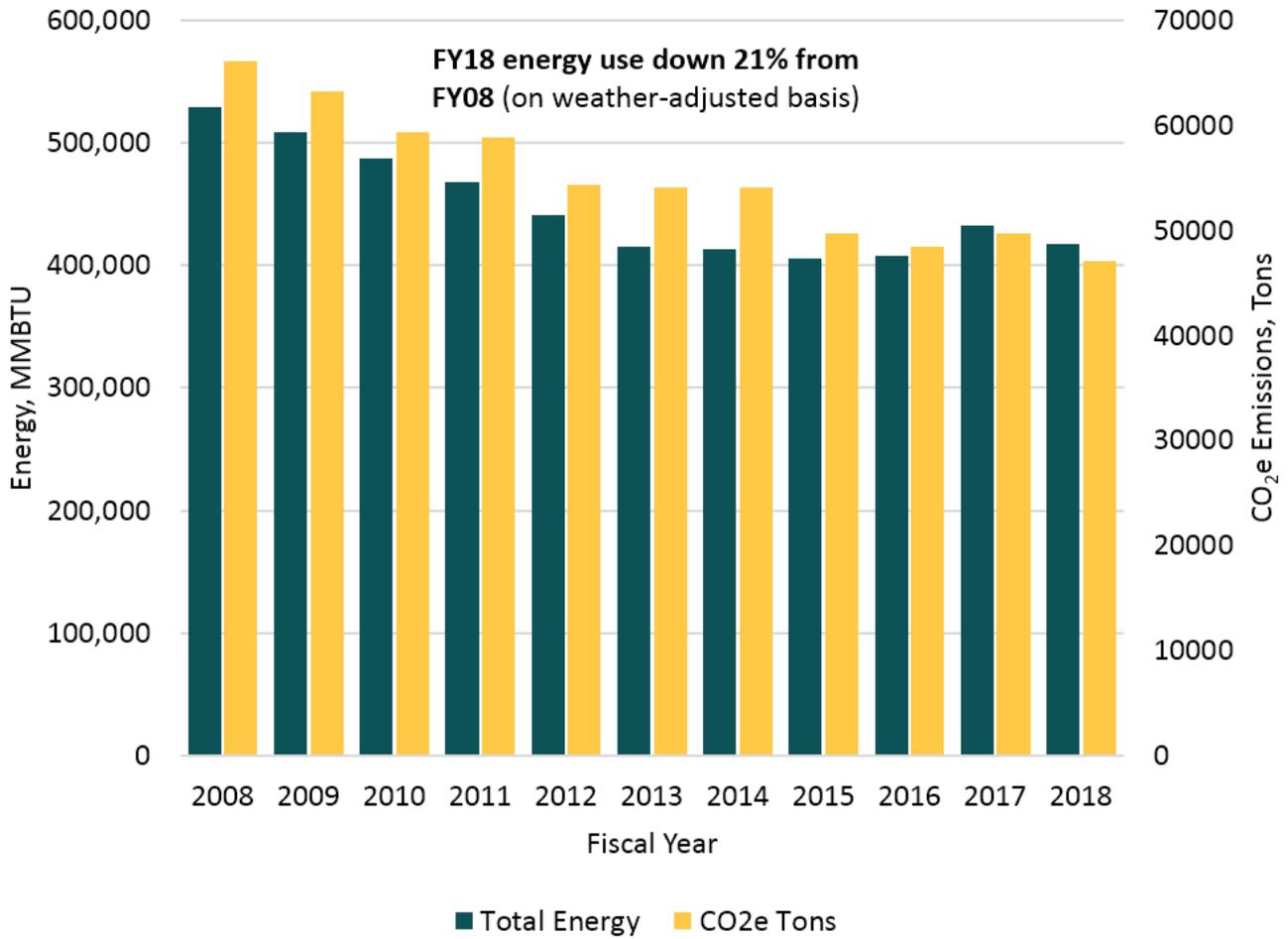
**Best Value:** Our goal is to have zero FMD caused-service disruptions. A service disruption is any change or interruption in a building service such as heating, cooling, plumbing, or electrical service that degrades an occupant's ability to accomplish their mission.

### Result: Sustainability



**Sustainability:** Although we have exceeded the state's recycling goal of 75% by 2030, we will strive to improve on our current rate of 78% as of CY 2017.

**Result: Capitol Complex Annual Energy Use (MMBTU) and CO2e Emissions (Tons)**



**Sustainability:** All Capitol Complex energy sources for all facilities in millions of British Thermal Units (MMBTUs). The current energy reduction of 21% has been normalized for weather.

M.S. 197.55-197.58 (<https://www.revisor.mn.gov/statutes/cite/197.55>) and M.S. 248.07, Subd. 7 (<https://www.revisor.mn.gov/statutes/cite/248.07>) provide the legal authority for In Lieu of Rent.

## In Lieu of Rent

## Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	7,999	8,383	9,374	9,391	9,391	9,391	9,391	9,891
<b>Total</b>	<b>7,999</b>	<b>8,383</b>	<b>9,374</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,891</b>
Biennial Change				2,383		17		517
Biennial % Change				15		0		3
Governor's Change from Base								500
Governor's % Change from Base								3
<b><u>Expenditures by Category</u></b>								
Operating Expenses	7,999	8,383	9,374	9,391	9,391	9,391	9,391	9,891
<b>Total</b>	<b>7,999</b>	<b>8,383</b>	<b>9,374</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,891</b>

**In Lieu of Rent**

**Activity Financing by Fund**

*(Dollars in Thousands)*

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		225						
Direct Appropriation	8,158	8,158	9,374	9,391	9,391	9,391	9,391	9,891
Balance Forward Out	159							
<b>Expenditures</b>	<b>7,999</b>	<b>8,383</b>	<b>9,374</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,391</b>	<b>9,891</b>
Biennial Change in Expenditures				2,383		17		517
Biennial % Change in Expenditures				15		0		3
Governor's Change from Base								500
Governor's % Change from Base								3

**Program:** Fiscal Agent

**Activity:** Misc Grants/Studies/Others

#### AT A GLANCE

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

#### PURPOSE & CONTEXT

Each of the activities within this program is established and operated under specific state legislation.

Many of the grants in this activity are made from the Arts and Cultural Heritage Fund. Grants managed by this activity include past grants to the Como Zoo, Lake Superior Zoo, the Science Museum, Minnesota Public Television, Wilderness Inquiry, Minnesota Public Radio, and Minnesota Outdoors Unlimited.

#### SERVICES PROVIDED

Processes have been established and maintained for handling financial transactions, tracking information, and reporting the information as required by the legislature. Contracts and agreements are an integral function of this activity.

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M.S. 4.071, M.S. 16A.016(2), M.S. 15B.32, Minnesota Laws of 2017, Chapter 91 Section 4 Subdivision 2

Misc Grants/Studies/Others

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><i>Expenditures by Fund</i></b>								
1000 - General	296	2,074						
2301 - Arts & Cultural Heritage	4,262	3,180	3,417	2,485				
2403 - Gift		137	429	45				
<b>Total</b>	<b>4,558</b>	<b>5,391</b>	<b>3,846</b>	<b>2,530</b>				
Biennial Change				(3,573)		(6,376)		(6,376)
Biennial % Change				(36)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

***Expenditures by Category***

Compensation	104	90	8					
Operating Expenses	136	2,151	420	50				
Grants, Aids and Subsidies	2,226	1,842	3,417	2,230				
Capital Outlay-Real Property	2,092	1,307		250				
<b>Total</b>	<b>4,558</b>	<b>5,391</b>	<b>3,846</b>	<b>2,530</b>				

***Full-Time Equivalent***

	<b>1.00</b>	<b>0.88</b>	<b>0.22</b>					
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Misc Grants/Studies/Others

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		1,090						
Direct Appropriation	1,380	1,010						
Receipts	641							
Transfers Out	641							
Cancellations		26						
Balance Forward Out	1,084							
<b>Expenditures</b>	<b>296</b>	<b>2,074</b>						
Biennial Change in Expenditures				(2,370)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

**2301 - Arts & Cultural Heritage**

Balance Forward In	253	1,641	268	255				
Direct Appropriation	5,498	2,092	3,680	2,300	0	0	0	0
Transfers In			57					
Transfers Out	45	37	332	70				
Cancellations	38	248	1					
Balance Forward Out	1,406	268	255					
<b>Expenditures</b>	<b>4,262</b>	<b>3,180</b>	<b>3,417</b>	<b>2,485</b>				
Biennial Change in Expenditures				(1,541)		(5,902)		(5,902)
Biennial % Change in Expenditures				(21)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.00	0.65						

**2403 - Gift**

Balance Forward In	6	7	205	51	6	6	6	6
Receipts	2	332	275					
Balance Forward Out	7	203	51	6	6	6	6	6
<b>Expenditures</b>		<b>137</b>	<b>429</b>	<b>45</b>				
Biennial Change in Expenditures				337		(474)		(474)
Biennial % Change in Expenditures						(100)		(100)

**Misc Grants/Studies/Others**

**Activity Financing by Fund**

*(Dollars in Thousands)*

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.23	0.22					

**3002 - Oil Overcharge**

Balance Forward In	3	3	3	3	3	3	3	3
Balance Forward Out	3	3	3	3	3	3	3	3

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Health & Human Services 93.630	<b>Federal Assistance to State Developmental Disability Councils – DD Act Subtitle B</b> To provide information, education and training to people with developmental disabilities and their families.		1,046	991	1,018	1,062	Yes	2.3
Defense Logistics Agency 12.002	<b>Procurement Technical Assistance Center</b> To assist Minnesota businesses in selling their products/services to federal, state and local government entities.		546	596	596	596	Yes	5.5
Health & Human Services 93,464	<b>State Grants for Assistive Technology – Assistive Technology Act Section 4 –</b> To promote access to and acquisition of assistive technology by people with disabilities of all ages for use at home, school, work, and in the community.		524	549	520	520	No	3.2
Department of Interior 15.904	<b>Historic Preservation Fund</b> To administer federal and state programs to preserve historic and cultural resources.	New	205	1,146	1,217	1,180	Yes	7.6
	<b>Program Total: Govt and Citizen Services</b>		<b>2,321</b>	<b>3,282</b>	<b>3,351</b>	<b>3,358</b>		<b>18.6</b>
	<b>Federal Fund – Agency Total</b>		<b>2,321</b>	<b>3,282</b>	<b>3,351</b>	<b>3,358</b>		<b>18.6</b>

## Narrative

### Developmental Disability Council

The Governor's Council on Developmental Disabilities (DDC) receives an annual formula grant from the U.S. Department of Health and Human Services, under a federal program, with state participation, to provide assistance to state councils for the benefit of individuals with developmental disabilities and their families in the state (Developmental Disabilities Assistance and Bill of Rights Act of 2000, P.L. 106-402). This program requires maintenance of efforts (MOE) by the states. The federal share of the cost of all program and operating activities cannot be more than 75% of the aggregate costs of such activities. The remaining 25% share of aggregate costs is the non-federal share that is provided by the state and sub-grantees. The federal act requires reasonable participation by the state. The DDC currently receives a \$74,000 general fund appropriation each fiscal year. Federal funding is expected to remain at its current level through FY 2023. Spending estimates are based on historical expenditures plus changes in demographics.

### Assistive Technology

STAR is Minnesota's Section 4 Assistive Technology (AT) Act Program and is 100% federally funded under a discretionary formula grant award by the U.S. Department of Health and Human Services. STAR works with

community partners to provide free statewide AT services to Minnesotans of all ages who have a disability or functional need.

#### **Procurement Technical Assistance Center**

The Procurement Technical Assistance Center (PTAC) receives federal funding from the Defense Logistics Agency through an annual cost sharing cooperative agreement. State matching funds are required. Federal funds cover 50% of the cost of work benefiting non-distressed areas of the state, and 75% of costs for distressed areas. The fiscal year 2019 agreement also includes 100% federal funding for a small amount of training and travel costs. State match includes a portion of operating costs for the Office of Equity in Procurement and limited leadership and administrative support costs. The level and percentage of future federal funding may vary, but changes cannot be accurately predicted at this time, so future available federal funds are anticipated to remain at the current level.

#### **Historic Preservation Fund**

The State Historic Preservation Office (SHPO) receives an annual formula grant from the U.S. Department of the Interior, National Park Service. This grant was received by the Minnesota Historical Society in past years. Since SHPO was transferred to the Department of Administration (Admin) in March 2018, Admin is now the recipient. Since 1976, the Historic Preservation Fund (HPF) has supported SHPOs and Tribal Historic Preservation Offices (THPOs) throughout the U.S. to help recognize, save, revitalize and protect America's historic places. The HPF is funded by revenue from federal offshore drilling (non-tax dollars) and has been authorized through 2023, however, each year the HPF must be allocated and approved.

States are required to match at least 40% of the funding they receive from the HPF. The combined funds allow SHPO to carry out their federal and state mandated responsibilities of identifying and protecting historic resources as well as evaluating the impact of federal and state projects upon them. The SHPO's are also required to pass-through at least 10% of the HPF to local governments (sub-grantees) that have preservation programs that are certified by SHPO. The 40% matching share is provided by the state general fund (through the Minnesota Historical Society and State) and sub-grantees.

Each annual SHPO award has a two-year time period and only 25% can be carried over into the second year. A waiver must be requested and approved if more than 25% is carried over into the second year of the grant agreement. During federal fiscal year 2018, the SHPO was authorized \$986,092 HPF with a minimum matching share of \$657,428. It is unlikely there will be an increase in HPF for 2019.

# Department of Administration

## Facilities Management - MN Bookstore

### Fund 4500

#### Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
<b>Operating Revenues:</b>				
Net Sales	1,131	1,238	1,303	1,218
Rental and Service Fees	0	0	0	0
Insurance Premiums	0	0	0	0
Other Income	0	0	0	0
<b>Total Operating Revenues</b>	<b>1,131</b>	<b>1,238</b>	<b>1,303</b>	<b>1,218</b>
<b>Gross Margin</b>	<b>887</b>	<b>691</b>	<b>800</b>	<b>800</b>
<b>Operating Expenses:</b>				
Purchased Services	189	88	229	232
Salaries and Fringe Benefits	744	592	579	591
Claims	0	0	0	0
Depreciation	0	0	0	0
Amortization	1	0	0	0
Supplies and Materials	9	5	408	417
Indirect Costs	24	59	60	60
Other Expenses	26	22	29	29
<b>Total Operating Expenses</b>	<b>993</b>	<b>766</b>	<b>1,305</b>	<b>1,329</b>
<b>Operating Income (Loss)</b>	<b>(106)</b>	<b>(75)</b>	<b>(505)</b>	<b>(529)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Investment Income	0	0	0	0
Interest and Financing Costs	0	0	0	0
Other Nonoperating Expenses	0	0	0	0
Gain (Loss) on Disposal of Capital Assets	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>(106)</b>	<b>(75)</b>	<b>(505)</b>	<b>(529)</b>
Capital Contributions				
Transfers in				
Transfers out	(2)	0	0	0
<b>Change in Net Assets</b>	<b>(108)</b>	<b>(75)</b>	<b>(505)</b>	<b>(529)</b>
<b>Net Assets, Beginning as Reported</b>	<b>(80)</b>	<b>(188)</b>	<b>(263)</b>	<b>(768)</b>
<b>Net Assets, Ending</b>	<b>(188)</b>	<b>(263)</b>	<b>(768)</b>	<b>(1,297)</b>
Rate increase/(decrease)	0%	0%	0%	0%
Full Time Equivalents	7.3	7.3	7.3	7.3

# Department of Administration

Facilities Management - MN Bookstore

Fund 4500

Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	365	323
Investments	0	0
Accounts Receivable	21	20
Accrued Investment/Interest Income	0	0
Inventories	409	394
Deferred Costs	0	0
Total Current Assets	795	737
Noncurrent Assets:		
Deferred Costs	0	0
Depreciable Capital Assets (Net)	1	0
Total Noncurrent Assets	1	0
Total Assets	796	737
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	82	97
Interfund Payables	0	0
Unearned Revenue	16	15
Loans Payable	0	0
Compensated Absences Payable	9	9
Total Current Liabilities	107	121
Noncurrent Liabilities:		
Loans Payable	0	0
Compensated Absences Payable	67	67
Other Liabilities	0	0
Total Noncurrent Liabilities	67	67
Total Liabilities	174	188
Deferred Pension & OPEB Outflow	842	842
Net Pension & OPEB Liability	(1,050)	(1,050)
Deferred Pension & OPEB Inflow	(604)	(604)
	(812)	(812)
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	1	0
Unrestricted	(189)	(263)
Total Net Assets	(188)	(263)

## Department of Administration

Facilities Management - MN Bookstore

Fund 4500

### Brief Narrative

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**Background:**

Minnesota's Bookstore, an enterprise fund, provides publishing and retail services to state agencies, publishes the State Register, and manages the sale of public data from select state agency licensing files.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

None

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for Other Post Employment Benefits other than pensions, this resulted in a Change in Accounting Principle of \$(37,000). In FY18, the total operating loss was \$(106,447.72).

**Explain any reasons for rate changes:**

To reduce retained earnings, State Register billable page fees were waived through FY 2017.

**Impact of rate changes on affected agencies:**

**Department of Administration**  
**Office of State Procurement - COOP Purchasing and MMCAP**  
**Fund 4501**  
**Revenues, Expenses and Changes in Net Assets**  
**(Dollars in Thousands)**

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	26,220	26,470	26,538	26,538
Rental and Service Fees				
Insurance Premiums				
Other Income	2,099	130	210	210
Total Operating Revenues	28,319	26,600	26,748	26,748
Gross Margin	28,319	26,600	26,074	26,074
Operating Expenses:				
Purchased Services	5,652	5,123	5,236	5,236
Salaries and Fringe Benefits	9,459	8,500	8,820	8,920
Claims	0		0	0
Depreciation	0	0	0	0
Amortization	0	0	0	0
Supplies and Materials	72	86	50	50
Indirect Costs	125	133	128	128
Other Expenses	19	407	407	407
Total Operating Expenses	15,327	14,249	14,641	14,741
Operating Income (Loss)	12,992	12,351	11,433	11,333
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses	(13,549)	(12,351)	(12,351)	(12,351)
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	(13,549)	(12,351)	(12,351)	(12,351)
Income (Loss) Before Transfers and Contributions	(557)	0	(918)	(1,018)
Capital Contributions				
Transfers in				
Transfers out	(18)	0	0	0
Change in Net Assets	(575)	0	(918)	(1,018)
Net Assets, Beginning as Reported	11,997	11,422	11,422	10,504
Net Assets, Ending	11,422	11,422	10,504	9,486
Rate increase/(decrease)	*See Note	*See Note	*See Note	*See Note
Full Time Equivalents	68.6	79.3	84.3	85.7

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

# Department of Administration

Office of State Procurement - COOP Purchasing and MMCAP

Fund 4501

Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	42,939	28,987
Investments	0	0
Accounts Receivable	5,609	5,179
Accrued Investment/Interest Income	0	0
Inventories	0	0
Deferred Costs	0	0
Total Current Assets	48,548	34,166
Noncurrent Assets:		
Deferred Costs	0	0
Depreciable Capital Assets (Net)	0	0
Total Noncurrent Assets	0	0
Total Assets	48,548	34,166
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	27,183	12,816
Interfund Payables	15	0
Unearned Revenue	0	0
Loans Payable	0	0
Compensated Absences Payable	57	57
Total Current Liabilities	27,255	12,873
Noncurrent Liabilities:		
Loans Payable	0	0
Compensated Absences Payable	535	535
Other Liabilities	0	0
Total Noncurrent Liabilities	535	535
Total Liabilities	27,790	13,408
Deferred Pension & OPEB Outflow	9,751	9,751
Net Pension & OPEB Liability	(12,092)	(12,092)
Deferred Pension & OPEB Inflow	(6,995)	(6,995)
	(9,336)	(9,336)
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	0	0
Unrestricted	11,422	11,422
Total Net Assets	11,422	11,422

## Department of Administration

Office of State Procurement - COOP Purchasing and MMCAP

Fund 4501

### Brief Narrative

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**Background:**

Materials Management Division operates 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 48 states. The cooperative purchasing program is a self-sustaining enterprise fund.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

None

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for Other Post Employment Benefits other than pensions, this resulted in a Change in Accounting Principle of \$(326,000). In FY18, the total operating loss was \$(575,349).

**Explain any reasons for rate changes:**

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

**Impact of rate changes on affected agencies:**

None

# Department of Administration

## Fleet and Surplus Services

### Fund 4502 - Surplus Services

#### Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	1,602	1,736	1,736	1,736
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	1,602	1,736	1,736	1,736
Gross Margin	1,602	1,671	1,494	1,494
Operating Expenses:				
Purchased Services	617	608	394	394
Salaries and Fringe Benefits	807	757	757	757
Claims	0	0	0	0
Depreciation	51	55	51	50
Amortization	0	0	0	0
Supplies and Materials	18	16	81	81
Indirect Costs	41	9	41	41
Other Expenses	4		220	220
Total Operating Expenses	1,538	1,445	1,544	1,543
Operating Income (Loss)	64	226	(50)	(49)
Nonoperating Revenues (Expenses):				
Investment Income	0	0	0	0
Interest and Financing Costs	0	0	0	0
Other Nonoperating Expenses	(400)	(350)	0	0
Gain (Loss) on Disposal of Capital Assets	0	0	0	0
Total Nonoperating Revenues (Expenses)	(400)	(350)	0	0
Income (Loss) Before Transfers and Contributions	(336)	(124)	(50)	(49)
Capital Contributions				
Transfers in	0	0	0	0
Transfers out	(2)	0	0	0
Change in Net Assets	(338)	(124)	(50)	(49)
Net Assets, Beginning as Reported	1,293	955	831	781
Net Assets, Ending	955	831	781	732
Rate increase/(decrease)	0%	0%	0%	0%
Full Time Equivalents	7.9	8.3	9.3	9.3

# Department of Administration

## Fleet and Surplus Services

### Fund 4502 - Surplus Services

#### Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	1,734	1,392
Investments	0	0
Accounts Receivable	47	200
Accrued Investment/Interest Income	0	0
Inventories	0	0
Deferred Costs	0	0
Total Current Assets	1,781	1,592
Noncurrent Assets:		
Deferred Costs	0	0
Non Depreciable Capital Assets	3	3
Depreciable Capital Assets (Net)	362	307
Total Noncurrent Assets	365	310
Total Assets	2,146	1,902
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	137	117
Interfund Payables	123	23
Unearned Revenue	0	0
Loans Payable	0	0
Compensated Absences Payable	15	15
Total Current Liabilities	275	155
Noncurrent Liabilities:		
Loans Payable	0	0
Compensated Absences Payable	73	73
Other Liabilities	0	0
Total Noncurrent Liabilities	73	73
Total Liabilities	348	228
Deferred Pension & OPEB Outflow	871	871
Net Pension & OPEB Liability	(1,089)	(1,089)
Deferred Pension & OPEB Inflow	(625)	(625)
	(843)	(843)
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	365	310
Unrestricted	590	521
Total Net Assets	955	831

## Department of Administration

Fleet and Surplus Services

Fund 4502 - Surplus Services

### Brief Narrative

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**Background:**

Surplus Services, an enterprise fund, provides redistribution and disposal services for surplus property.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

None

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for Other Post Employment Benefits other than pensions, this resulted in a Change in Accounting Principle of \$(36,000). In FY18, the total operating income was \$63,863.07.

**Explain any reasons for rate changes:**

None

**Impact of rate changes on affected agencies:**

None

# Department of Administration

## Central Motor Pool - Fleet Services

### Fund 5100

#### Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	11,627	17,376	19,770	21,368
Rental and Service Fees	0	0	0	0
Insurance Premiums	0	0	0	0
Other Income	214	155	140	126
Total Operating Revenues	11,841	17,531	19,910	21,494
Gross Margin	11,841	17,531	19,910	21,494
Operating Expenses:				
Purchased Services	1,467	1,954	2,095	2,243
Salaries and Fringe Benefits	1,012	764	838	855
Claims	0	0	0	0
Depreciation	4,866	6,680	6,600	6,600
Amortization	0	0	0	0
Supplies and Materials	3,346	3,315	3,486	3,689
Indirect Costs	381	597	657	722
Other Expenses	1,834	1,421	1,521	1,660
Total Operating Expenses	12,906	14,731	15,197	15,769
Operating Income (Loss)	(1,065)	2,800	4,713	5,725
Nonoperating Revenues (Expenses):				
Investment Income	298	351	365	374
Interest and Financing Costs	(237)	(378)	(378)	(378)
Other Nonoperating Expenses	(1,079)	0	0	0
Gain (Loss) on Disposal of Capital Assets	770	817	817	817
Total Nonoperating Revenues (Expenses)	(248)	790	804	813
Income (Loss) Before Transfers and Contributions	(1,313)	3,590	5,517	6,538
Capital Contributions	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(5)	0	0	0
Change in Net Assets	(1,318)	3,590	5,517	6,538
Net Assets, Beginning as Reported	13,642	12,324	15,914	21,431
Net Assets, Ending	12,324	15,914	21,431	27,969
Rate increase/(decrease)	0%	0%	0%	0%
Full Time Equivalent (FTE)	9.0	7.8	7.8	8.3

# Department of Administration

Central Motor Pool - Fleet Services

Fund 5100

Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	1,921	2,434
Investments	0	0
Accounts Receivable	1,758	1,800
Accrued Investment/Interest Income	0	0
Inventories	0	0
Prepaid Expenses	3	0
Deferred Costs	0	0
Total Current Assets	3,682	4,234
Noncurrent Assets:		
Deferred Costs	1,098	0
Depreciable Capital Assets (Net)	34,229	35,000
Total Noncurrent Assets	35,327	35,000
Total Assets	39,009	39,234
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,126	3,200
Interfund Payables	0	0
Unearned Revenue	0	0
Loans Payable	6,728	4,966
Compensated Absences Payable	9	0
Total Current Liabilities	9,863	8,166
Noncurrent Liabilities:		
Loans Payable	14,603	13,934
Compensated Absences Payable	60	0
Other Liabilities	2,159	1,220
Total Noncurrent Liabilities	16,822	15,154
Total Liabilities	26,685	23,320
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	34,229	35,000
Unrestricted	(21,905)	(19,086)
Total Net Assets	12,324	15,914

## Department of Administration

Central Motor Pool - Fleet Services

Fund 5100

### Brief Narrative

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**Background:**

Fleet Services provides long term vehicle leasing services and fleet management.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

None

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

The implementation of GASB 68, "Accounting and Financial Reporting for Pensions," which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions, has caused many funds to end the fiscal year in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and state Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension-related liabilities or deferred inflow and outflows of resources in the rate-setting process for managing these funds as long as the funds are contributing the monitored by the retirement systems administering these plans and the state Legislature statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the state Legislature.

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for OPEB other than pensions. This new requirement resulted in reporting additional \$77k Net OPEB Obligation, \$3k deferred OPEB outflows, \$3k deferred inflows, and salary expenses in FY18 comparing to FY17. These changes contribute to the net position balance for Fund 5100 as well.

**Explain any reasons for rate changes:**

Individual Fleet vehicle rates are based on vehicle type, acquisition cost, fuel economy, and life cycles. Actual expenses will vary based on contract parking, vehicle type, and lease terms. Fleet administration rates for leased vehicles will decrease in FY19.

**Impact of rate changes on affected agencies:**

Fleet's rates should favorably impact customer by the reduction in administration rates, and, where applicable, charging "actual costs" empowers agencies to manage their expenses respectively.

# Department of Administration

## Central Mail

### Fund 5203

#### Revenues, Expenses and Changes in Net Assets (Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	8,805	9,415	9,500	9,714
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	8,805	9,415	9,500	9,714
Gross Margin	8,805	9,415	9,500	9,714
Operating Expenses:				
Purchased Services	8,192	8,675	8,611	8,777
Salaries and Fringe Benefits	698	645	664	671
Claims				
Depreciation	64	63	63	63
Amortization				
Supplies and Materials	137	141	142	143
Indirect Costs	33	33	34	34
Other Expenses				
Total Operating Expenses	9,124	9,557	9,514	9,688
Operating Income (Loss)	(319)	(142)	(14)	26
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets	5			
Total Nonoperating Revenues (Expenses)	5	0	0	0
Income (Loss) Before Transfers and Contributions	(314)	(142)	(14)	26
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	(314)	(142)	(14)	26
Net Assets, Beginning as Reported	774	460	318	304
Net Assets, Ending	460	318	304	330
Rate increase/(decrease)	8.9%	12%	0%	0%
Full Time Equivalent (FTE)	8.81	9.29	9.29	9.29

# Department of Administration

Central Mail

Fund 5203

Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
Investments		
Accounts Receivable	2,154	2,318
Accrued Investment/Interest Income		
Inventories	5	3
Deferred Costs	640	640
Total Current Assets	2,799	2,961
Noncurrent Assets:		
Deferred Costs	899	899
Depreciable Capital Assets (Net)	480	417
Total Noncurrent Assets	1,379	1,316
Total Assets	4,178	4,277
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	102	7
Interfund Payables	1,804	2,140
Unearned Revenue		
Loans Payable		
Compensated Absences Payable	3	3
Total Current Liabilities	1,909	2,150
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable	36	36
Other Liabilities	1,772	1,772
Total Noncurrent Liabilities	1,808	1,808
Total Liabilities	3,717	3,958
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	481	481
Unrestricted	(21)	(163)
Total Net Assets	460	318

## Department of Administration

Central Mail

Fund 5203

### Brief Narrative

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**Background:**

Central Mail provides the following mail services to state agencies: Inserting, addressing, folding, postage automation services, postage metering and processing outgoing USPS mail.

**Detail of any loans from the general fund, including dollar amounts:**

An amount of \$1,803,431.99 is due to other funds due to the cash overdraft position of the fund on June 30, 2018.

**Proposed investments in technology or equipment of \$100,000 or more:**

With the assistance of an external business analyst, a solution was identified for improvements to Central Mail's billings system. The estimated costs of this improved billing system is \$400,000.

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for Other Post Employment Benefits other than pensions, this resulted in a Change in Accounting Principle of \$(38,000). In FY18, the total operating loss was \$(313,702.68).

**Explain any reasons for rate changes:**

Central Mail is proposing an overall revenue increase of 12% in FY2019. The folding rate will increase and bar code credits will be reduced. The folding rate is changing on order to be more competitive with the current market prices. All other rates will remain the same.

**Impact of rate changes on affected agencies:**

With the new OCR and the ability to sort to the 5-digit zip code, the historical method for calculating bar code credits resulted in credits exceeding bar code sorting charges. Therefore we will reduce the average credit per piece provided to customers so it is equal to the historical credit per piece. In addition, the minimum pieces to qualify for this credit is being raised from 500,000 to 750,000. DHS will no longer qualify for this credit based on the change in minimum.

# Department of Administration

## Risk Management - Property & Casualty

### Fund 5300

#### Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	34	35	35	35
Rental and Service Fees	0	0	0	0
Insurance Premiums	11,401	11,533	11,533	11,533
Other Income	0	0	0	0
Total Operating Revenues	11,435	11,568	11,568	11,568
Gross Margin	11,435	11,568	11,568	11,568
Operating Expenses:				
Purchased Services	4,695	4,819	4,905	4,903
Salaries and Fringe Benefits	1,534	1,381	1,393	1,406
Claims	2,672	5,279	5,279	5,279
Depreciation	0	0	0	0
Amortization	37	37	37	37
Supplies and Materials	8	6	6	6
Indirect Costs	179	70	70	74
Other Expenses	4			
Total Operating Expenses	9,129	11,592	11,690	11,705
Operating Income (Loss)	2,306	(24)	(122)	(137)
Nonoperating Revenues (Expenses):				
Investment Income	338	310	310	310
Interest and Financing Costs	0			
Other Nonoperating Expenses	(2,326)			
Gain (Loss) on Disposal of Capital Assets	0			
Total Nonoperating Revenues (Expenses)	(1,988)	310	310	310
Income (Loss) Before Transfers and Contributions	318	286	188	173
Capital Contributions	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(3)	0	0	0
Change in Net Assets	315	286	188	173
Net Assets, Beginning as Reported	12,897	13,212	13,498	13,686
Net Assets, Ending	13,212	13,498	13,686	13,859
Rate increase/(decrease)	0%	0%	0%	0%
Full Time Equivalent (FTE)	11.3	10.4	10.4	10.4

# Department of Administration

## Risk Management - Property & Casualty

### Fund 5300

#### Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	21,963	20,321
Investments	0	0
Accounts Receivable	1,970	1,990
Accrued Investment/Interest Income	0	0
Prepaid Expenses	96	94
Inventories	0	0
Deferred Costs	1,926	0
Total Current Assets	25,955	22,405
Noncurrent Assets:		
Deferred Costs	0	0
Depreciable Capital Assets (Net)	222	222
Total Noncurrent Assets	222	222
Total Assets	26,177	22,627
LIABILITIES		
Current Liabilities:		
Accounts Payable	173	170
Interfund Payables	3	0
Unearned Revenue	190	180
Loans Payable	8,689	8,689
Compensated Absences Payable	23	23
Total Current Liabilities	9,078	9,062
Noncurrent Liabilities:		
Loans Payable	0	0
Compensated Absences Payable	140	0
Other Liabilities	3,747	67
Total Noncurrent Liabilities	3,887	67
Total Liabilities	12,965	9,129
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	222	222
Unrestricted	12,990	13,276
Total Net Assets	13,212	13,498

## Department of Administration

Risk Management - Property & Casualty

Fund 5300

### Brief Narrative

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**Background:**

The property and casualty program operates as an internal service fund, charging fees based on insurance options requested by customers.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

None

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

The implementation of GASB 68, "Accounting and Financial Reporting for Pensions," which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions, has caused many funds to end the fiscal year in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and state Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension-related liabilities or deferred inflow and outflows of resources in the rate-setting process for managing these funds as long as the funds are contributing the monitored by the retirement systems administering these plans and the state Legislature statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the state Legislature.

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for OPEB other than pensions. This new requirement resulted in reporting additional \$59k Net OPEB Obligation, \$4k deferred OPEB outflows, \$3k deferred inflows, and \$11k salary expenses in FY18 comparing to FY17. These changes contribute to the net position for Fund 5300 as well.

**Explain any reasons for rate changes:**

In FY19 no standard rate change, but a 9% increase in the hourly fee for non-insured tort claims management; and 5% reduction to Minnesota State general liability due to a "A" rating.

**Impact of rate changes on affected agencies:**

Due to favorable loss experience, Risk received a rate guarantee for property reinsurance program (three year through FY17 and a three year through FY20). This rate guarantee creates stability to customers. In addition, Customer with favorable claims experiences will receive dividend payments in FY19. Minnesota State a 5% reduction because of A rating.

## Department of Administration

### Facilities Management - Leases, Repair and Other Jobs Plant Management

#### Fund 5400

#### Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019	Projected 2020	Projected 2021
Operating Revenues:				
Net Sales	73,718	75,304	76,089	77,290
Rental and Service Fees				
Insurance Premiums				
Other Income	1,073	1,832	1,803	1,819
Total Operating Revenues	74,791	77,136	77,892	79,109
Gross Margin	74,791	77,136	77,877	79,104
Operating Expenses:				
Purchased Services	13,310	13,001	12,452	12,708
Salaries and Fringe Benefits	21,573	18,410	19,126	19,619
Claims				
Depreciation	596	589	664	683
Amortization				
Supplies and Materials	2,067	1,974	2,007	2,022
Indirect Costs	807	847	863	879
Other Expenses	1,856	13,894	12,345	10,524
Total Operating Expenses	40,209	48,715	47,457	46,435
Operating Income (Loss)	34,582	28,421	30,420	32,669
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets	17			
Total Nonoperating Revenues (Expenses)	17	0	0	0
Income (Loss) Before Transfers and Contributions	34,599	28,421	30,420	32,669
Capital Contributions				
Transfers in				
Transfers out	(33,984)	(34,110)	(32,549)	(32,508)
Change in Net Assets	615	(5,689)	(2,129)	161
Net Assets, Beginning as Reported	(4,909)	(4,294)	(9,983)	(12,112)
Net Assets, Ending	(4,294)	(9,983)	(12,112)	(11,951)
Rate increase/(decrease)	3.4%	3.4%	0.3%	1.6%
Full Time Equivalent (FTE)	242.6	256.6	258.4	258.4

## Department of Administration

Facilities Management - Leases, Repair and Other Jobs Plant Management

Fund 5400

Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual 2018	Projected 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	15,452	17,479
Investments		
Accounts Receivable	171	130
Accrued Investment/Interest Income		
Inventories	259	258
Deferred Costs		
Total Current Assets	15,882	17,867
Noncurrent Assets:		
Deferred Costs	23,988	24,000
Depreciable Capital Assets (Net)	8,001	7,642
Nondepreciable Capital Assets	261	261
Total Noncurrent Assets	32,250	31,903
Total Assets	48,132	49,770
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,411	8,641
Interfund Payables	46	
Unearned Revenue		
Loans Payable		19
Compensated Absences Payable	253	259
Total Current Liabilities	3,710	8,919
Noncurrent Liabilities:		
Loans Payable		70
Compensated Absences Payable	1,358	1,389
Other Liabilities	47,358	49,375
Total Noncurrent Liabilities	48,716	50,834
Total Liabilities	52,426	59,753
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	8,262	7,903
Unrestricted	(12,556)	(17,886)
Total Net Assets	(4,294)	(9,983)

## Department of Administration

### Facilities Management - Leases, Repair and Other Jobs Plant Management

#### Fund 5400

#### Brief Narrative

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**Background:**

The PMD internal service fund (ISF) is made up of two activities: leases, and repair and other jobs. The predominant customers are state agencies located in custodial control buildings that pay for space through lease rental rates.

**Detail of any loans from the general fund, including dollar amounts:**

None

**Proposed investments in technology or equipment of \$100,000 or more:**

\$100,000 for John Deere 4 WD Loader replacement in FY2020.

**Explanation of changes in net assets (formerly retained earnings increases, operating losses):**

The implementation of GASB 68, "Accounting and Financial Reporting for Pensions," which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions, has caused many funds to end the fiscal year in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and state Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension-related liabilities or deferred inflow and outflows of resources in the rate-setting process for managing these funds as long as the funds are contributing the monitored by the retirement systems administering these plans and the state Legislature statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the state Legislature.

Effective FY18, GASB issued Statement No. 75 to establish new accounting and financial reporting requirements for OPEB other than pensions. This new requirement resulted in reporting additional \$1,188k Net OPEB Obligation, \$87k deferred OPEB outflows, \$70k deferred inflows, and \$13k salary expenses in FY18 comparing to FY17. These changes contribute to the deficit net position for Fund 5400 as well.

**Explain any reasons for rate changes:**

Building life expectancy, vacant space, breakeven rates, positive/negative retained earnings, planned construction projects, and working capital are factors that are considered when developing each building's rate. The difference between actual revenues and expenses versus budgeted amounts will be reflected in future lease rates. The proposed rates reflect overall rate increases of 0.3% in FY 2020 and 1.6% in FY 2021. There is a rate decrease for the MSB and rate increases in 9 buildings. The rate increase of 5% each year for the Judicial Center is due in large part to ongoing water intrusion repairs. It is important to note, this building has had previous rate decreases for reasons described in the historical section on page 8. The FY 2021 rate of \$22.00 reflects an 11% decrease over the 18 year period from FY 2003 when the rate was \$24.63.

**Impact of rate changes on affected agencies:**

In FY2020, the lease for Dept of Human Services, Dept of Agriculture, Dept of Revenue, and Dept of Transportation will be increased; the lease for Dept of Health, MN Senate, and Dept of Public Safety will be decreased. In FY2021, the lease for Dept of Human Services and Dept of Public Safety will be increased.

# Community Services

# Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b><u>Expenditures by Fund</u></b>								
1000 - General	1,316	1,468						
2000 - Restrict Misc Special Revenue	10	5						
2001 - Other Misc Special Revenue	51	13						
2301 - Arts & Cultural Heritage	164	25						
3000 - Federal	930	258						
<b>Total</b>	<b>2,470</b>	<b>1,769</b>						
Biennial Change				(4,239)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
<b><u>Expenditures by Category</u></b>								
Compensation	1,623	1,294						
Operating Expenses	559	294						
Grants, Aids and Subsidies	218	34						
Capital Outlay-Real Property	8	4						
Other Financial Transaction	63	143						
<b>Total</b>	<b>2,470</b>	<b>1,769</b>						
<b><u>Full-Time Equivalents</u></b>								
	<b>16.51</b>	<b>13.10</b>						

# Community Services

# Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		51						
Direct Appropriation	1,367	1,417						
Balance Forward Out	51							
<b>Expenditures</b>	<b>1,316</b>	<b>1,468</b>						
Biennial Change in Expenditures				(2,784)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	10.64	11.27						

## 2000 - Restrict Misc Special Revenue

Balance Forward In	3	5						
Receipts	11							
Balance Forward Out	5							
<b>Expenditures</b>	<b>10</b>	<b>5</b>						
Biennial Change in Expenditures				(15)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.15							

## 2001 - Other Misc Special Revenue

Receipts	51	13						
<b>Expenditures</b>	<b>51</b>	<b>13</b>						
Biennial Change in Expenditures				(64)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.39	0.35						

## 2301 - Arts & Cultural Heritage

Balance Forward In	2	25						
Transfers In	183							

# Community Services

# Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17			FY18	FY19	FY20	FY21
Cancellations	0	0						
Balance Forward Out	21							
<b>Expenditures</b>	<b>164</b>	<b>25</b>						
Biennial Change in Expenditures				(188)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.01	0.30						

## 3000 - Federal

Receipts	930	258						
<b>Expenditures</b>	<b>930</b>	<b>258</b>						
Biennial Change in Expenditures				(1,188)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	3.32	1.18						