



400 Wabasha Street North, Suite 400  
St. Paul, MN 55102

P: 800.657.3769

F: 651.296.8139 | TTY: 651.297.2361

[www.mnhousing.gov](http://www.mnhousing.gov)

**Date:** February 15, 2021

**To:** The Honorable Alice Hausman  
State Representative

The Honorable Rich Draheim  
State Senator

The Honorable Rena Moran  
State Representative

The Honorable Julie Rosen  
State Senator

**cc:** Ken Savary, Fiscal Analyst  
House of Representatives

Dan Mueller, Fiscal Analyst  
Senate

Kwesi Pasley, EBO  
Minnesota Management and Budget

Jon Kelly, Policy Advisor  
Governor's Office

**From:** Jennifer Ho, Commissioner

**Subject:** 2021 Operating Costs Report

Pursuant to Minn. Stat. § 462A.20, subd. 4, I am submitting the Agency's Operating Costs Report for FY 2020 and Budget Plan for FY 2021. Our FY 2020 operating budget was \$37.1 million and we anticipate total operating costs will be \$39.2 million for FY 2021. Our total assistance provided increased by 13.8% from FY 2019 to FY 2020 and with \$1.6 billion in total assistance in FY 2020, our ratio of operating expenses to assistance provided was 2.3%.

Also enclosed is the Agency's FY 2020 Financial Report, which includes the audited financial statements for all of the Agency's funds. An independent certified public accounting firm audits the Agency's financial statements every year. The procedures used to audit the Agency's administrative expenses are primarily analytical in nature. For the larger individual amounts included in the salaries and benefits and other general operating expense lines, comparisons are made to the prior year. Large fluctuations, if any, are identified, reviewed and assessed for reasonableness. The total amount of payroll is consistent with the Agency's payroll records. The FY2020 Financial Report fulfills the statutory requirement that the financial statement include information on expenditures and receipts relating to debt issuance and administration, and loan origination and administration.

If you have any questions, please contact me at (651) 296-5738 or [Jennifer.Ho@state.mn.us](mailto:Jennifer.Ho@state.mn.us) or Ryan Baumtrog at (651) 296-9820 or [ryan.baumtrog@state.mn.us](mailto:ryan.baumtrog@state.mn.us)



**ACTUAL OPERATING COSTS REPORT FOR FY 2020 AND BUDGET FOR FY 2021  
SUBMITTED PURSUANT TO M.S. 462A.20, Subd. 4**

	<u>FY 2020</u>		<u>FY 2021</u>				Estimated Yr over Yr Increase (Decrease) in Expendits
	<u>Budget</u>	<u>Actual</u>	<u>Budgeted</u>	Actual through 12/31/2020	Estimated for the Full Year	Under (Over) Budget	
<b><u>Operating Costs</u></b>							
Salaries and Benefits (NOTE A)	29,862	29,393	30,980	14,380	30,965	15	1,572
Rents and Utilities	1,799	1,741	1,874	923	1,623	251	(118)
Repairs, Alterations, Maintenance	52	77	54	25	54	0	(23)
Printing and Advertising	181	66	182	28	104	78	38
Professional/Technical Services	3,038	2,198	2,968	1,156	2,382	861	184
Computer and Systems Services	3,240	2,011	2,671	345	2,061	610	50
Communications	164	119	182	46	134	48	15
Travel and Subsistence, Instate	217	148	174	18	118	56	(30)
Travel and Subsistence, Out of State	196	92	163	0	116	47	24
Supplies	391	244	310	24	184	126	(60)
Equipment	353	292	763	54	392	371	100
Employee Development	469	216	362	115	310	52	94
Other Operating Costs	270	264	268	148	251	17	(13)
State Indirect Cost Billings (NOTE B)	237	237	536	268	536	0	299
Attorney General Costs	12	19	14	11	18	(4)	(1)
<b>Total, Agency Operating Costs</b>	<b>40,481</b>	<b>37,117</b>	<b>41,501</b>	<b>17,541</b>	<b>39,248</b>	<b>2,528</b>	<b>2,131</b>

<b><u>Assistance Provided</u></b>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
<b>Total Assistance Provided by the Agency (NOTE C)</b>	<b>638,307</b>	<b>781,838</b>	<b>754,083</b>	<b>1,037,283</b>	<b>1,091,030</b>	<b>1,117,548</b>	<b>1,266,939</b>	<b>1,419,299</b>	<b>1,614,804</b>
Operating Costs as a % of Assistance Provided	3.73%	3.30%	3.55%	2.88%	2.82%	3.19%	2.84%	2.46%	2.30%

**NOTE A, Salaries and Benefits.** The increase in Salaries is due mainly to a 2.5% Cost of Living increase and progression increases for those eligible.

**NOTE B, State Indirect Cost Billings.** The increase in State Indirect Cost Billings is due mainly to an expense from the Office of the Legislative Auditor for services billed to us. Those services can vary from year to year depending what programs they decide to audit.

**NOTE C, Assistance Provided.** The assistance provided figures are from the Agency's annual Program Assessment Report that is submitted to the Legislature each year. The assistance figures are for a federal fiscal year ended September 30.