



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

Date: February 15, 2023

To: The Honorable Michael Howard
State Representative

The Honorable Lindsey Port
State Senator

The Honorable Liz Olson
State Representative

The Honorable John Marty
State Senator

cc: Joe Harney, Fiscal Analyst
House of Representatives

Dan Mueller, Fiscal Analyst
Senate

Casey Mock, Exe. Budget Coordinator
Minnesota Management and Budget

Josh Ney, Policy Advisor
Governor's Office

From: Jennifer Leimaile Ho, Commissioner, Minnesota Housing

A handwritten signature in blue ink, appearing to read 'Jennifer Ho'.

Subject: 2023 Operating Costs Report

Pursuant to Minn. Stat. § 462A.20, subd. 4, I am submitting the Agency's Operating Costs Report for FY 2022 and Budget Plan for FY 2023.

Our FY 2022 operating budget was \$39.168 million and we anticipate our operating budget will be \$42.448 million for FY 2023, an estimated increase of 8.4%. Total assistance provided in FY 2022 was \$2.2 billion and our ratio of operating expenses to assistance provided was 1.8%. Total assistance provided increased by 13.5% from FY 2021 to FY 2022.

Also enclosed is the Agency's FY 2022 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 FY2022 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 or Ryan Baumtrog at (651) 296-9820 or ryan.baumtrog@state.mn.us



Operating Costs Report for FY 2022 and Budget for FY 2023
Submitted Pursuant to M.S. 462A.20, Subd. 4

	<u>FY 2022</u>		<u>FY 2023</u>				Estimated Yr over Yr Increase (Decrease) in Spending
	<u>Budgeted Spending</u>	<u>Actual Spending</u>	<u>Budgeted Spending</u>	<u>Actual Spending through 12/31/2022</u>	<u>Estimated Spending for the Full Year</u>	<u>Under (Over) Budget</u>	
<u>Operating Costs</u>							
Salaries and Benefits (NOTE A)	35,156	32,715	37,150	15,979	34,571	2,579	1,856
Rents and Utilities	1,797	1,661	1,766	838	1,729	37	68
Repairs, Alterations, Maintenance	50	246	121	63	123	(2)	(123)
Printing and Advertising	142	99	239	34	179	60	80
Professional/Technical Services (NOTE B)	3,545	628	3,115	727	2,011	1,104	1,383
Computer and Systems Services	2,456	2,346	2,633	725	2,077	556	(269)
Communications	155	88	109	31	86	23	(2)
Travel and Subsistence, Instate	194	102	201	51	151	50	49
Travel and Subsistence, Out of State	154	19	194	45	147	47	128
Supplies	255	197	163	105	186	(23)	(11)
Equipment	610	316	730	30	355	375	39
Employee Development	400	229	421	80	283	138	54
Other Operating Costs	234	269	291	219	296	(5)	27
State Indirect Cost Billings	196	196	124	62	124	0	(72)
Attorney General Costs	32	57	180	40	130	50	73
Total, Agency Operating Costs	<u>45,376</u>	<u>39,168</u>	<u>47,437</u>	<u>19,029</u>	<u>42,448</u>	<u>4,989</u>	<u>3,280</u>

<u>Assistance Provided</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>	<u>FY 2021</u>	<u>FY 2022</u>
Total Assistance Provided by the Agency (NOTE C)	<u>754,083</u>	<u>1,037,283</u>	<u>1,091,030</u>	<u>1,117,548</u>	<u>1,266,939</u>	<u>1,353,737</u>	<u>1,599,546</u>	<u>1,919,613</u>	<u>2,178,282</u>
Operating Costs as a % of Assistance Provided	<u>3.55%</u>	<u>2.88%</u>	<u>2.82%</u>	<u>3.19%</u>	<u>2.84%</u>	<u>2.58%</u>	<u>2.32%</u>	<u>1.99%</u>	<u>1.80%</u>

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, as well as an increase in FTE's hired temporarily for assistance running the RentHelpMN and HomeHelpMN programs.

NOTE B, Professional/Technical Services. The increase in the Professional/Technical Services is a result of the greatly reduced expenditures in this line item in fiscal year 2021 due to less activity on special projects during the pandemic.

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.