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

AT A GLANCE

- 518 employees in FY 2024
- Oversee over \$3.7 billion in state procurement annually, including negotiating more than \$25 million in contract savings in addition to supporting purchasing from diverse businesses in FY 2023 and FY 2024
- Reduction in Capitol Complex energy consumption by 26% and greenhouse gas emissions by 68% since 2008 as well as increased reliance on renewable energy sources to nearly one-third of annual usage
- Manage more than 320 construction projects and 650 property leases in FY 2024
- Monitor facility conditions and asset preservation needs of approximately 5,000 state-owned buildings
- Oversee a fleet of more than 2,000 vehicles, increasing use of electric and fuel-efficient vehicles
- Provide technical assistance and training on data practices and the open meeting law to about 4,300 partners each year
- Provide direct training and informational resources to over 10,000 individuals with developmental disabilities, family members, students, and professionals in FY 2024

PURPOSE

The Department of Administration is a core central service agency serving the Governor, legislature, state agencies, local governments, and the public. Its mission is to provide leadership, innovation, solutions, and support to help its partners succeed. That mission is achieved by focusing on partner service and satisfaction; agency culture; diversity, equity, and inclusion; sustainability; technology optimization; and stewardship positioning the Department for the future. 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 along with standardizing core services, such as procurement, contract and grant terms, leasing, risk management, and many other centralized administrative functions, facilitates greater understanding and transparency. This transparency allows for policymakers and the public to understand what is expected to occur and what does occur in government so both can be evaluated.

The department advances the One Minnesota Plan priorities through its oversight of state procurement by promoting greater opportunity in state contracting, leading an increase in contracting with targeted group businesses, and negotiating savings on state contracts. Additionally, the department also advances the goals to improve Minnesota's environment by supporting agencies in reducing state government's environmental footprint through the work of Administration's Office of Enterprise Sustainability. Through its community services work with Minnesotans with disabilities, the Department seeks to increase the ability of children and families to live and work independently. In the workplace, the department is designing and providing workspaces which meet the space needs of agencies, promoting safety through its Minnesota Safety Accountability from Everyone (MnSAFE) initiative, and fostering a workplace of choice.

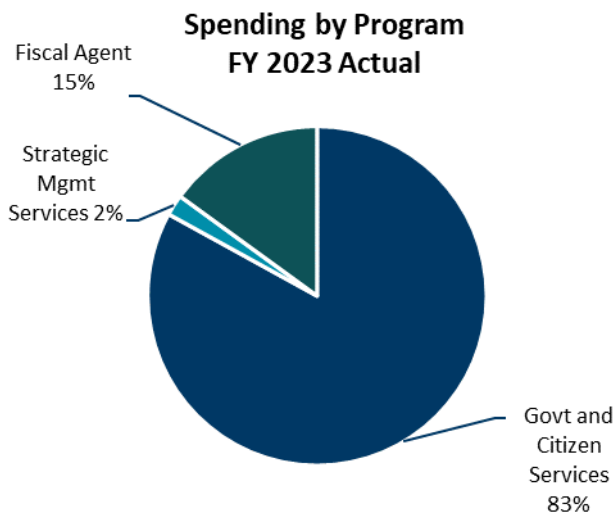
The Department provides enterprise leadership for a broad range of professional services and business functions essential to the efficient operation of government, including:

- 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 across the enterprise

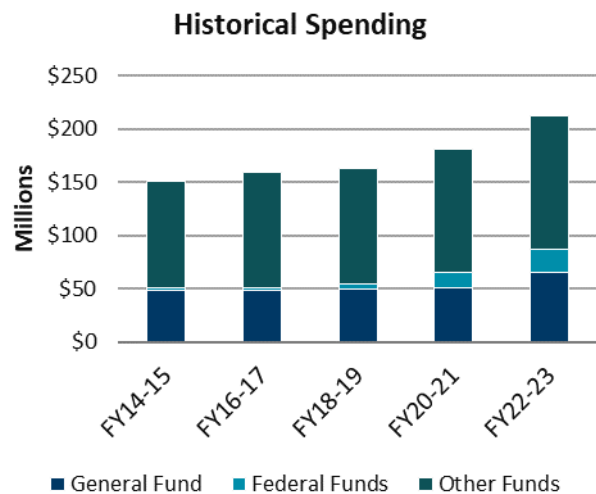
- Providing government and non-governmental agencies, businesses, and the public with population data and demographic services
- Providing financial management and human resource support to a growing number of small state agencies, boards, and commissions
- Operating the Capitol Complex and other buildings efficiently while keeping the Capitol grounds beautiful
- Providing technical assistance to small businesses seeking federal or state contracts
- Overseeing state and federal historic preservation laws in addition to administering historic preservation tax credits
- Delivering high-quality, accurate written translation services to agencies ensuring that all Minnesotans have access to state services

In addition, the Department provides key services directly to the public. It helps individuals and organizations understand and access their rights to government data. It promotes efficient management of archaeological resources in Minnesota. It provides opportunities for those with developmental disabilities and their families to advocate for their rights to education, work, and community participation. And it provides assistive technology so those with physical disabilities can lead more independent and productive lives.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The Department's mix of funding is as complex and diverse as the services it provides, with 83% of funds spent through internal service, special revenue, enterprise, and other non-general fund resources it manages. Additionally, more than half of the general fund dollars the Department is appropriated are passed on to, or spent on behalf of, other entities or non-operating activities via its fiscal agent work.

STRATEGIES

The Department of Administration utilizes multiple strategies and service delivery models to support the priorities of fiscal accountability and measurable results; equity and inclusion; children and families; thriving communities; and Minnesota's environment. These strategies provide efficient and accountable government services to ensure the best value in government administrative services. They include:

- Sustainable services that leverage enterprise expertise in fleet, leasing, construction, facilities management, and purchasing services. Additionally, they provide the expertise of 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 leverage 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, serving as the state's leasing agent in addition to the owner's representative on construction projects. The Department provides efficient and effective oversight of capital construction projects, ensures facility solutions that meet the space needs of state agencies and their customers, and facilitates effective management to allow 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, language translation, dispute resolution, workers' compensation, historic preservation and archeological services, grants management training, and vehicle fleet services.
- Government consultation to help agencies achieve energy reduction goals, comply with open government requirements, reduce workers' compensation costs, and reduce the state's reliance on fossil fuels.
- Public services that include assistive technology, demographic services, and resources for people with developmental disabilities. The Department also facilitates the public's access to state government by educating on the public's right to government data, granting permits to stage public rallies, and administering public spaces in the State Capitol building.

The Department of Administration's legal authority comes from:

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

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

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

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

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

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>)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	26,094	38,991	78,060	66,240	42,540	43,173	43,351	45,148
2000 - Restrict Misc Special Revenue	37,659	2,067	4,008	5,909	4,411	4,111	4,411	4,111
2001 - Other Misc Special Revenue	2,460	49,428	65,550	72,113	55,484	56,210	55,484	56,210
2002 - Climate and Economic Dev				2,500				
2050 - Environment & Natural Resources		200						
2301 - Arts & Cultural Heritage	11,995	11,391	13,937	18,626				
2340 - Renewable Development	158	128	717	155	92	92	92	92
2403 - Gift	601	8,971	7,583	39	33	33	33	33
2700 - Trunk Highway				23,850				
3000 - Federal	3,325	3,778	3,694	3,900	3,920	3,960	3,920	3,960
3015 - ARP-State Fiscal Recovery	6,069	8,712						
4500 - MN Bookstore	338	296	283	244	302	302	302	302
4501 - Coop Purchasing	38,850	19,858	46,346	32,656	34,893	36,120	34,893	36,120
4502 - Surplus Property	1,810	1,315	1,634	1,866	1,646	1,665	1,646	1,665
5000 - Master Lease	4,004	11,055	26,561	38,059	37,813	37,813	37,813	37,813
5100 - Fleet Services	7,639	8,343	8,467	9,115	9,183	9,413	9,183	9,413
5203 - Central Mail	11,013	10,945	14,214	11,959	11,963	11,989	11,963	11,989
5300 - Risk Management	16,407	20,817	19,820	21,922	22,005	22,035	22,005	22,035
5400 - Plant Management	57,677	59,635	75,783	54,008	60,407	63,123	60,407	63,123
Total	226,101	255,929	366,657	363,161	284,692	290,039	285,503	292,014
Biennial Change				247,788		(155,087)		(152,301)
Biennial % Change				51		(21)		(21)
Governor's Change from Base								2,786
Governor's % Change from Base								0

Expenditures by Program

Government and Citizen Services	198,754	212,704	286,792	303,320	255,879	260,526	256,143	261,059
Strategic Management Services	2,029	5,394	6,338	8,160	7,380	7,480	7,417	7,557
Fiscal Agent	25,318	37,831	73,528	51,681	21,433	22,033	21,943	23,398
Total	226,101	255,929	366,657	363,161	284,692	290,039	285,503	292,014

Expenditures by Category

Administration

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Compensation	45,959	48,853	54,824	65,868	69,949	72,207	70,250	72,817
Operating Expenses	118,698	147,150	195,635	184,631	155,875	159,659	156,385	161,024
Grants, Aids and Subsidies	15,041	15,170	22,374	23,214	5,383	5,395	5,383	5,395
Capital Outlay-Real Property	6,791	26,242	50,380	66,556	39,651	39,214	39,651	39,214
Other Financial Transaction	39,611	18,515	43,443	22,892	13,834	13,564	13,834	13,564
Total	226,101	255,929	366,657	363,161	284,692	290,039	285,503	292,014

Total Agency Expenditures	226,101	255,929	366,657	363,161	284,692	290,039	285,503	292,014
Internal Billing Expenditures		3,583	3,804	3,895	3,946	3,984	3,946	3,984
Expenditures Less Internal Billing	226,101	252,346	362,853	359,266	280,746	286,055	281,557	288,030

<u>Full-Time Equivalents</u>	487.31	517.85	525.28	571.97	586.55	593.87	586.55	593.87
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Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		902		14,387				
Direct Appropriation	26,285	26,511	88,898	46,911	36,198	36,206	37,009	38,181
Open Appropriation	896	13,217	45,068	27,409	42,724	43,349	42,724	43,349
Transfers In		22						
Transfers Out	234	1,594	41,520	22,467	36,382	36,382	36,382	36,382
Cancellations		66						
Balance Forward Out	853		14,386					
Expenditures	26,094	38,991	78,060	66,240	42,540	43,173	43,351	45,148
Biennial Change in Expenditures				79,215		(58,587)		(55,801)
Biennial % Change in Expenditures				122		(41)		(39)
Governor's Change from Base								2,786
Governor's % Change from Base								3
Full-Time Equivalents	86.23	82.77	89.52	108.01	111.50	110.73	111.50	110.73

2000 - Restrict Misc Special Revenue

Balance Forward In	39,596	3,781	3,313	6,093	4,513	3,413	4,513	3,413
Receipts	35,217	4,558	4,903	4,437	4,396	4,396	4,396	4,396
Transfers In	18,290	214	3,255	1,085				
Transfers Out	52,164	3,329	1,370	1,193	1,085	1,085	1,085	1,085
Balance Forward Out	3,279	3,156	6,094	4,513	3,413	2,613	3,413	2,613
Expenditures	37,659	2,067	4,008	5,909	4,411	4,111	4,411	4,111
Biennial Change in Expenditures				(29,810)		(1,395)		(1,395)
Biennial % Change in Expenditures				(75)		(14)		(14)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	32.72	8.16	9.87	10.46	10.45	10.45	10.45	10.45

2001 - Other Misc Special Revenue

Balance Forward In	3,789	41,565	42,207	43,635	26,041	25,146	26,041	25,146
Receipts	2,284	41,145	46,830	49,087	49,396	51,722	49,396	51,722
Internal Billing Receipts		3,581	3,808	4,369	4,726	4,802	4,726	4,802
Transfers In	39,747	15,327	28,504	13,937	15,406	14,296	15,406	14,296
Transfers Out	2,195	8,621	8,354	8,505	10,213	9,262	10,213	9,262

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Balance Forward Out	41,165	39,988	43,638	26,041	25,146	25,692	25,146	25,692
Expenditures	2,460	49,428	65,550	72,113	55,484	56,210	55,484	56,210
Biennial Change in Expenditures				85,775		(25,969)		(25,969)
Biennial % Change in Expenditures				165		(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	17.14	61.90	68.08	67.56	65.93	66.02	65.93	66.02

2002 - Climate and Economic Dev

Transfers In			2,500			
Expenditures			2,500			
Biennial Change in Expenditures			2,500		(2,500)	(2,500)
Biennial % Change in Expenditures						
Governor's Change from Base						0
Governor's % Change from Base						

2050 - Environment & Natural Resources

Direct Appropriation	200					
Expenditures	200					
Biennial Change in Expenditures			(200)		0	0
Biennial % Change in Expenditures						
Governor's Change from Base						0
Governor's % Change from Base						

2301 - Arts & Cultural Heritage

Balance Forward In	1,057	440	274	2,926		
Direct Appropriation	11,383	11,225	17,040	15,825	0	0
Transfers In	341	337	662	392		
Transfers Out	341	337	1,037	517		
Cancellations	5	1	76			
Balance Forward Out	440	274	2,926			
Expenditures	11,995	11,391	13,937	18,626		
Biennial Change in Expenditures			9,177		(32,563)	(32,563)

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Biennial % Change in Expenditures				39		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.62	2.77	2.74	7.34				

2340 - Renewable Development

Balance Forward In		5,208	4,997	5,309	5,246	5,246	5,246	5,246
Direct Appropriation	5,344	88	780	92	92	92	92	92
Receipts	19	154	250	250	250	250	250	250
Transfers In	5,000							
Transfers Out	5,000							
Net Loan Activity		(165)		(250)	(250)	(250)	(250)	(250)
Cancellations		265						
Balance Forward Out	5,206	4,893	5,309	5,246	5,246	5,246	5,246	5,246
Expenditures	158	128	717	155	92	92	92	92
Biennial Change in Expenditures				587		(688)		(688)
Biennial % Change in Expenditures				205		(79)		(79)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.06	0.04	0.16	0.25	0.25	0.25	0.25	0.25

2403 - Gift

Balance Forward In	1,234	12,165	8,211	1,636	1,783	1,809	1,783	1,809
Receipts	11,102	380	262	59	59	59	59	59
Transfers In			747	127				
Transfers Out		1,705						
Balance Forward Out	11,735	1,869	1,637	1,783	1,809	1,835	1,809	1,835
Expenditures	601	8,971	7,583	39	33	33	33	33
Biennial Change in Expenditures				(1,950)		(7,556)		(7,556)
Biennial % Change in Expenditures				(20)		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
2700 - Trunk Highway								
Direct Appropriation				23,850	0	0	0	0
Expenditures				23,850				
Biennial Change in Expenditures				23,850		(23,850)		(23,850)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In	2	30	11	11				
Receipts	3,345	3,777	3,694	3,889	3,920	3,960	3,920	3,960
Balance Forward Out	22	29	11					
Expenditures	3,325	3,778	3,694	3,900	3,920	3,960	3,920	3,960
Biennial Change in Expenditures				490		286		286
Biennial % Change in Expenditures				7		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	18.52	20.15	19.49	20.83	20.78	20.78	20.78	20.78

3002 - Oil Overcharge

Balance Forward In	3	3						
Cancellations		3						
Balance Forward Out	3							

3015 - ARP-State Fiscal Recovery

Balance Forward In		8,646						
Direct Appropriation	14,838	1,358						
Cancellations	350	1,292						
Balance Forward Out	8,419							
Expenditures	6,069	8,712						
Biennial Change in Expenditures				(14,780)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Full-Time Equivalents	3.58	7.27	0.15	0.15	0.15	0.15	0.15	0.15

4500 - MN Bookstore

Balance Forward In	216	410	566	589	643	639	643	639
Receipts	496	442	307	298	298	298	298	298
Balance Forward Out	374	557	589	643	639	635	639	635
Expenditures	338	296	283	244	302	302	302	302
Biennial Change in Expenditures				(107)		77		77
Biennial % Change in Expenditures				(17)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.96	2.15	1.92	1.50	2.10	2.10	2.10	2.10

4501 - Coop Purchasing

Balance Forward In	56,548	49,697	64,465	49,349	49,872	48,539	49,872	48,539
Receipts	29,800	32,926	31,229	33,179	33,560	34,114	33,560	34,114
Transfers Out	2							
Balance Forward Out	47,495	62,764	49,349	49,872	48,539	46,533	48,539	46,533
Expenditures	38,850	19,858	46,346	32,656	34,893	36,120	34,893	36,120
Biennial Change in Expenditures				20,293		(7,989)		(7,989)
Biennial % Change in Expenditures				35		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	77.44	86.04	89.66	102.56	111.56	115.56	111.56	115.56

4502 - Surplus Property

Balance Forward In	375	286	1,622	1,716	1,626	1,756	1,626	1,756
Receipts	1,509	1,292	1,728	1,776	1,776	1,776	1,776	1,776
Transfers In	200	1,300						
Transfers Out	1							
Balance Forward Out	273	1,563	1,716	1,626	1,756	1,867	1,756	1,867
Expenditures	1,810	1,315	1,634	1,866	1,646	1,665	1,646	1,665
Biennial Change in Expenditures				376		(189)		(189)

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Biennial % Change in Expenditures				12		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.36	9.63	9.91	10.16	10.16	10.16	10.16	10.16

5000 - Master Lease

Balance Forward In	1	13	50	246				
Receipts	4,017	11,045	26,763	37,813	37,813	37,813	37,813	37,813
Transfers Out		3	6					
Balance Forward Out	13		246					
Expenditures	4,004	11,055	26,561	38,059	37,813	37,813	37,813	37,813
Biennial Change in Expenditures				49,561		11,006		11,006
Biennial % Change in Expenditures				329		17		17
Governor's Change from Base								0
Governor's % Change from Base								0

5100 - Fleet Services

Balance Forward In	3,728	3,381	3,016	3,989	6,120	6,000	6,120	6,000
Receipts	18,882	18,807	20,888	28,237	26,733	26,733	26,733	26,733
Transfers In	0		5,000					
Transfers Out	11,916	11,031	16,448	16,991	17,670	17,670	17,670	17,670
Balance Forward Out	3,054	2,814	3,989	6,120	6,000	5,650	6,000	5,650
Expenditures	7,639	8,343	8,467	9,115	9,183	9,413	9,183	9,413
Biennial Change in Expenditures				1,600		1,014		1,014
Biennial % Change in Expenditures				10		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.64	7.62	6.61	6.81	6.81	6.81	6.81	6.81

5203 - Central Mail

Balance Forward In	1,771	1,877	2,337	2,066	1,919	1,768	1,919	1,768
Receipts	11,347	11,160	13,943	11,812	11,812	11,812	11,812	11,812
Transfers Out	325							

Administration

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Balance Forward Out	1,780	2,092	2,066	1,919	1,768	1,591	1,768	1,591
Expenditures	11,013	10,945	14,214	11,959	11,963	11,989	11,963	11,989
Biennial Change in Expenditures				4,216		(2,221)		(2,221)
Biennial % Change in Expenditures				19		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.13	7.02	7.64	7.64	7.64	7.64	7.64	7.64

5300 - Risk Management

Balance Forward In	22,930	23,846	21,984	36,777	38,119	39,378	38,119	39,378
Receipts	16,814	18,885	22,113	23,264	23,264	23,264	23,264	23,264
Transfers In			12,500					
Balance Forward Out	23,337	21,913	36,777	38,119	39,378	40,607	39,378	40,607
Expenditures	16,407	20,817	19,820	21,922	22,005	22,035	22,005	22,035
Biennial Change in Expenditures				4,517		2,298		2,298
Biennial % Change in Expenditures				12		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.93	9.49	9.51	10.90	10.90	10.90	10.90	10.90

5400 - Plant Management

Balance Forward In	18,958	19,320	21,660	4,379	10,943	10,057	10,943	10,057
Receipts	77,047	80,649	76,995	78,240	77,093	78,371	77,093	78,371
Transfers In	325		5,000					
Transfers Out	20,040	19,877	23,493	17,668	17,572	17,238	17,572	17,238
Balance Forward Out	18,612	20,457	4,379	10,943	10,057	8,067	10,057	8,067
Expenditures	57,677	59,635	75,783	54,008	60,407	63,123	60,407	63,123
Biennial Change in Expenditures				12,479		(6,261)		(6,261)
Biennial % Change in Expenditures				11		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	209.98	212.84	210.02	217.80	228.32	232.32	228.32	232.32

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	46,955	46,955	46,955	93,910
Base Adjustments				
All Other One-Time Appropriations		(11,279)	(11,279)	(22,558)
Current Law Base Change		545	553	1,098
Allocated Reduction	(44)	(44)	(44)	(88)
Minnesota Paid Leave Allocation		21	21	42
Forecast Base	46,911	36,198	36,206	72,404
Change Items				
Operating Adjustment		301	610	911
In Lieu of Rent		1,010	1,865	2,875
Eliminate Unassigned Fiscal Agent Funding		(500)	(500)	(1,000)
Total Governor's Recommendations	46,911	37,009	38,181	75,190
Fund: 2301 - Arts & Cultural Heritage				
FY2025 Appropriations	15,825	15,825	15,825	31,650
Base Adjustments				
One-Time Legacy Fund Appropriations		(15,825)	(15,825)	(31,650)
Forecast Base	15,825			
Total Governor's Recommendations	15,825			
Fund: 2340 - Renewable Development				
FY2025 Appropriations	92	92	92	184
Forecast Base	92	92	92	184
Total Governor's Recommendations	92	92	92	184
Fund: 2700 - Trunk Highway				
FY2025 Appropriations	23,850	23,850	23,850	47,700
Base Adjustments				
All Other One-Time Appropriations		(23,850)	(23,850)	(47,700)
Forecast Base	23,850			
Total Governor's Recommendations	23,850			
Open				
Fund: 1000 - General				
FY2025 Appropriations	45,206	45,206	45,206	90,412
Base Adjustments				
Forecast Open Appropriation Adjustment		294	(651)	(357)
November Forecast Adjustment	(17,797)	(2,776)	(1,206)	(3,982)

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Forecast Base	27,409	42,724	43,349	86,073
Total Governor's Recommendations	27,409	42,724	43,349	86,073
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	5,909	4,411	4,111	8,522
Forecast Base	5,909	4,411	4,111	8,522
Total Governor's Recommendations	5,909	4,411	4,111	8,522
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	72,113	55,484	56,210	111,694
Forecast Base	72,113	55,484	56,210	111,694
Total Governor's Recommendations	72,113	55,484	56,210	111,694
Fund: 2002 - Climate and Economic Dev				
Planned Spending	2,500			
Forecast Base	2,500			
Total Governor's Recommendations	2,500			
Fund: 2403 - Gift				
Planned Spending	39	33	33	66
Forecast Base	39	33	33	66
Total Governor's Recommendations	39	33	33	66
Fund: 3000 - Federal				
Planned Spending	3,900	3,920	3,960	7,880
Forecast Base	3,900	3,920	3,960	7,880
Total Governor's Recommendations	3,900	3,920	3,960	7,880
Fund: 4500 - MN Bookstore				
Planned Spending	244	302	302	604
Forecast Base	244	302	302	604
Total Governor's Recommendations	244	302	302	604
Fund: 4501 - Coop Purchasing				
Planned Spending	32,656	34,893	36,120	71,013
Forecast Base	32,656	34,893	36,120	71,013
Total Governor's Recommendations	32,656	34,893	36,120	71,013
Fund: 4502 - Surplus Property				

Administration

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Planned Spending	1,866	1,646	1,665	3,311
Forecast Base	1,866	1,646	1,665	3,311
Total Governor's Recommendations	1,866	1,646	1,665	3,311
Fund: 5000 - Master Lease				
Planned Spending	38,059	37,813	37,813	75,626
Forecast Base	38,059	37,813	37,813	75,626
Total Governor's Recommendations	38,059	37,813	37,813	75,626
Fund: 5100 - Fleet Services				
Planned Spending	9,115	9,183	9,413	18,596
Forecast Base	9,115	9,183	9,413	18,596
Total Governor's Recommendations	9,115	9,183	9,413	18,596
Fund: 5203 - Central Mail				
Planned Spending	11,959	11,963	11,989	23,952
Forecast Base	11,959	11,963	11,989	23,952
Total Governor's Recommendations	11,959	11,963	11,989	23,952
Fund: 5300 - Risk Management				
Planned Spending	21,922	22,005	22,035	44,040
Forecast Base	21,922	22,005	22,035	44,040
Total Governor's Recommendations	21,922	22,005	22,035	44,040
Fund: 5400 - Plant Management				
Planned Spending	54,008	60,407	63,123	123,530
Forecast Base	54,008	60,407	63,123	123,530
Total Governor's Recommendations	54,008	60,407	63,123	123,530
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	4,437	4,396	4,396	8,792
Total Governor's Recommendations	4,437	4,396	4,396	8,792
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	49,087	49,396	51,722	101,118
Total Governor's Recommendations	49,087	49,396	51,722	101,118

Administration

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2340 - Renewable Development				
Forecast Revenues	250	250	250	500
Total Governor's Recommendations	250	250	250	500
Fund: 2403 - Gift				
Forecast Revenues	59	59	59	118
Total Governor's Recommendations	59	59	59	118
Fund: 3000 - Federal				
Forecast Revenues	3,889	3,920	3,960	7,880
Total Governor's Recommendations	3,889	3,920	3,960	7,880
Fund: 4500 - MN Bookstore				
Forecast Revenues	298	298	298	596
Total Governor's Recommendations	298	298	298	596
Fund: 4501 - Coop Purchasing				
Forecast Revenues	33,179	33,560	34,114	67,674
Total Governor's Recommendations	33,179	33,560	34,114	67,674
Fund: 4502 - Surplus Property				
Forecast Revenues	1,776	1,776	1,776	3,552
Total Governor's Recommendations	1,776	1,776	1,776	3,552
Fund: 5000 - Master Lease				
Forecast Revenues	37,813	37,813	37,813	75,626
Total Governor's Recommendations	37,813	37,813	37,813	75,626
Fund: 5100 - Fleet Services				
Forecast Revenues	28,237	26,733	26,733	53,466
Total Governor's Recommendations	28,237	26,733	26,733	53,466
Fund: 5203 - Central Mail				
Forecast Revenues	11,812	11,812	11,812	23,624
Total Governor's Recommendations	11,812	11,812	11,812	23,624
Fund: 5300 - Risk Management				
Forecast Revenues	23,264	23,264	23,264	46,528
Total Governor's Recommendations	23,264	23,264	23,264	46,528

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 5400 - Plant Management				
Forecast Revenues	78,240	77,093	78,371	155,464
Total Governor's Recommendations	78,240	77,093	78,371	155,464

Administration

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	301	610	610	610
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	301	610	610	610
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$301,000 in FY 2026 and \$610,000 in each subsequent year from the general fund to help address operating cost increases at the Department of Administration (Admin)

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. 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 year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For Admin the following efficiencies have been implemented to help offset rising operating costs:

- In FY 2024, the Office of State Procurement tracked savings and cost avoidance of over \$13 million, which is nearly five times greater than its General Fund appropriation of \$2.8 million for the same period. This cost avoidance was achieved through contract negotiation and effective procurement practices.
- In FY 2023 Admin implemented an indirect cost plan which streamlines processes and better allocates overhead costs to divisions within the agency. This change resulted in lower costs to divisions which charge user fees to state agencies and thereby reduced pressure on rates charged to partners.

For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery. Agencies will need additional tools and flexibility, similar to those available in the private sector and other government entities, to help address operating pressures in upcoming biennium.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For Admin, this funding will help cover expected growth in employee compensation and insurance, rents, IT services, and other operating costs.

Additionally, the Governor recommends providing Admin with additional management tools to address upcoming operating pressures. This includes:

- the authority to transfer administrative funding between programs, with approval of Minnesota Management and Budget and notification to the legislature,
- the ability to retain up to 10 percent of competitively awarded grants if administrative funding is not already appropriated, and
- the ability for executive branch agencies to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next, beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

These new authorities will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	301	610	911	610	610	1,220
Total All Funds	301	610	911	610	610	1,220

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	301	610	911	610	610	1,220

Results:

This recommendation is intended to help Admin address rising cost pressures and mitigate impacts to current levels of service and information to the public.

Administration

FY 2026-27 Biennial Budget Change Item

Change Item Title: In Lieu of Rent

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	1,010	1,865	2,950	2,950
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,010	1,865	2,950	2,950
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$1.01 million in FY 2026, \$1.865 million in FY 2027, and \$2.95 million in each subsequent year from the general fund for In Lieu of Rent (ILR). ILR is appropriated to the Department of Administration (Admin) to fund space costs for the legislature, veterans' organizations, ceremonial space, the Capitol grounds, and statutorily free space.

ILR levels are based on approved FY 2026-2027 lease rates and are in line with rate changes at other Admin-operated facilities. This recommendation represents a thirteen percent increase for FY 2026 and 2027 biennium over the FY 2024-2025 biennial base appropriation.

Rationale/Background:

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

- **Ceremonial space** - space in the Capitol Building (such as the Rotunda), the Governor's Residence, ceremonial grounds, monuments, and memorials in the Capitol area;
- **State Services for the Blind space** - space used for vending operators and convenience stores at eleven building sites under Admin's custodial control (M.S. 248.07, subd.7); and,
- **Rent Waived space** - Capitol public space and space occupied in the Capitol, Centennial, State Office Building, and Veterans Service Building by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and congressionally chartered veterans' organizations (M.S. 197.55 to 197.58).

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 for essential public and legislative spaces. ILR-funded space is billed in the same manner, and at the same rate, as other tenant-occupied space in the same building.

Adequately funding ILR is necessary to be good stewards of the state's \$302 million investment in the historic Minnesota Capitol Building completed in June 2017 and other spaces included in the In Lieu of Rent appropriation. If an operational increase is not provided, the services Admin delivers to Minnesotans and our tenants will be impacted. Some examples of potential impacts include:

- Closing the State Capitol Building on Saturdays.
- No after-hours events at the State Capitol Building.
- Reducing maintenance of ceremonial grounds including mowing, fertilizing, watering, and weeding. Planting of annuals would be eliminated.
- Reducing cleaning in the State Capitol Building and other ILR funded areas of office buildings on the Capitol Complex.
- Closing conference rooms, and other select areas of the State Capitol Building, during non-legislative session days.

Proposal:

The Governor recommends providing for the known costs of operating and maintaining spaces utilized by veteran services organizations, the Legislative Branch, Services for the Blind, and the public in interacting with their government. ILR is the only available source of funding for maintenance and operation of these spaces.

The proposal will help pay for programmed maintenance, such as exterior envelop assessment and repairs, for the State Capitol Building. These repairs are necessary to protect the significant public investment for the building restoration and ensure the building does not fall back into disrepair. The FY 2027 amount also reflects the restoration and expansion of buildings with ILR space on the Capitol Complex.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	1,010	1,865	2,875	2,950	2,950	5,900
Total All Funds	1,010	1,865	2,875	2,950	2,950	5,900

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Loss of rent revenue	1,010	1,865	2,875	2,950	2,950	5,900

Impact of Children and Families:

This proposal does not have a direct impact on the next generation of Minnesotans, but maintaining buildings and grounds on the Capitol Complex will ensure that it continues to be a safe and welcoming place where the public can gather to debate the issues of the day and have their voices heard.

Equity and Inclusion:

ILR supports rent-free space for Disabled American Veterans, Jewish War Veterans, Marine Corps League, Military Order of the Purple Heart, Minnesota American Legion Auxiliary, Minnesota American Legion Headquarters, American Veterans, Minnesota Veterans for Veterans Trust Fund, United Veteran Legislative Committee, Veterans of Foreign Wars (VFW), and VFW Auxiliary in the Veterans Service Building. Therefore, continued full funding of the account will maintain the support for these organizations through rent-free commercial space to conduct the assistance they provide Minnesota veterans.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:

The goal of the In Lieu of Rent appropriation is to provide the budget consistency needed to plan for and implement routine operations, basic infrastructure maintenance, and expeditiously repurpose space as needed to meet the changing and unique needs of the legislative branch. The long-term impact of this funding is to maintain the proper maintenance and operation of integral state buildings and providing stable funding of space costs of the legislature, veterans' organizations, ceremonial space, the capitol grounds, and statutorily free space. The Department of Administration's Facilities Management Division (FMD), which is responsible for maintaining spaces funded by ILR, measures performance in multiple ways including partner satisfaction, service disruptions, work completion rates, and carbon reduction. FMD also continually monitors the condition of the buildings it manages by conducting annual Facility Condition Assessments. Years of experience with these facilities and information provided in the assessments indicate that this level of funding is necessary to maintain buildings in good condition.

Measure name	Measure type	Measure data source	Most recent data	Projected change
Partner Satisfaction	Quality	Data is collected through customer surveys.	92% (FY 2024)	95%
Service Disruptions	Result	Data is collected throughout the year anytime there is a service disruption.	1 (FY 2024)	1
Work Orders Completed	Quality	Data is gathered from the Archibus Work Order system.	91% (FY 2024)	93%

Narrative survey questions will be used to assess partner satisfaction with facilities. FMD has been measuring these goals related to customer satisfaction and facility condition for many years through customer surveys, self-tracking, and reporting from the Archibus work order system. No formal program evaluation is planned at this time.

Statutory Change(s):

N/A

Administration

FY 2026-27 Biennial Budget Change Item

Change Item Title: Insulin Safety Net Corrections

Fiscal Impact (\$000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0	0
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends corrections to Laws of 2024, chapter 127 to properly identify the account into which transfers from the Health Care Access Fund should be made for the Insulin Safety Net Program.

Rationale/Background:

As currently drafted, Laws of 2024, chapter 127, article 67, sec 6, directs the Commissioner of Management and Budget to transfer a specified amount to the incorrect program account. The referenced amount, certified by the Commissioner of Administration, should instead be transferred to the Insulin Repayment Account in the special revenue fund to properly fund any potential reimbursement of insulin manufacturers.

Proposal:

The Governor recommends changing the account referenced in Laws of 2024, chapter 127, article 67, sec 6 from the Insulin Safety Net program account to the Insulin Repayment Account.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
Special Revenue Fund	0	0	0	0	0	0	0
Total All Funds	0	0	0	0	0	0	0

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
SRF	Insulin Safety Net Prog Acct. Transfer	(100)	0	0	(100)	0	0	0
SRF	Insulin Repayment Acct. Transfer	100	0	0	100	0	0	0

Impact on Children and Families:

N/A

Equity and Inclusion:

N/A

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

Results:

This correction will direct funding to the correct account name so that the Department of Administration can be reimbursed for payments it makes to insulin manufacturers under the Insulin Safety Net Program.

Statutory Change(s):

Laws of 2024, chapter 127, article 67, sec 6, para. b

M.S. 151.741, subd. 5, para. c.

Administration

FY 2026-27 Biennial Budget Change Item

Change Item Title: Establish State Facilities Renewable Energy Account

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	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)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends establishing the State Facilities Renewable Energy and Storage Account.

Rationale/Background:

The Department of Administration's (Admin) Office of Enterprise Sustainability (OES) works with agencies to help them improve the energy efficiency of their operations, reduce greenhouse gas emissions, and avoid costs from facility energy use. After energy efficiency investments have been made, agencies have voiced the need for resources to make renewable energy and battery storage improvements.

The federal Inflation Reduction Act included a program for entities who don't pay taxes to receive federal cash rebates (previously known as "Elective Pay, Direct Pay, or Incentive Pay in lieu of tax credits to non-taxed entities") for eligible renewable energy investments. However, any credits coming back to the state from the federal government would need to go to the general fund and not be used for future renewable energy improvement projects for agencies.

Legislation is needed to clarify where these federal rebates go, establishing an account that could accept the cash rebates to pay for the investments directly out of the fund and use the rebates to pay for future projects. Admin has also requested an appropriation to seed this account in the Capital Budget.

Proposal:

The Governor recommends establishing the State Facilities Renewable Energy and Storage Account at Admin. The fund would receive federal cash rebates to support future state agency renewable energy and storage projects. Rebates will also support OES staff to administer this program including technical assistance for agencies on project eligibility, coordination, and federal applications. Funds will also be used to contract with a Certified Public Accountant to file a federal tax return on behalf of the State to receive federal cash rebates.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	0	0	0	0	0	0
Total All Funds	0	0	0	0	0	0

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	N/A	0	0	0	0	0	0

Impact on Children and Families:

Working to reduce the state’s carbon footprint will ensure a better, more equitable future for our children and families and will help reduce the disparate impact of climate change, and its associated health impacts, on underserved and diverse populations.

Equity and Inclusion:

By leveraging Inflation Reduction Act investments, which include increased incentives for renewable projects that include domestic content, apprenticeship programs, and work in environmental justice communities, this fund has the opportunity to impact workforce development for disadvantaged groups.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:

Leveraging federal funds to pay for renewable energy improvement projects at state facilities and electric fleet vehicle purchases will maximize state dollars. For some state renewable energy projects, access to federal funds is the key to make these investments affordable for agencies.

Measure	Measure type	Measure data source	Most recent data	Projected change
Increased renewable energy capacity in state operations	Quantity	Calculated	N/A*	\$14.775M in value, equivalent to 5.9 MW of solar (or an equivalent value in ground source heat pump thermal energy)

* This is a new measure.

A formal program evaluation was not conducted. This proposal was developed in response to a new program created by the 2022 Congress called the Inflation Reduction Act, Elective Pay, or Direct pay in lieu of taxes to non-taxed entities. This program allows for non-taxed entities to file taxes and receive cash rebates for investments in electric vehicle purchase, EV charging equipment, and renewable energy properties. This program is a first in the Nation for states, as far as we know.

This proposal is the result of a gap analysis, identifying the need to establish this fund to take receipt of the federal funds and leverage them for further use in deploying EVs and Renewables. Without these funds, smaller and fewer renewable energy projects will be constructed, and fewer EVs will be purchased by agencies.

Annual projections in consultation with a qualified tax firm will be completed. Revenues and expenditures will be analyzed to maximize investments that are the lowest cost per unit of renewable energy, maximize the leveraging of other funds, and in most cases meet a “but for” standard.

The State of MN is leading the way with this proposal. No such mechanism has been created in other places and the Elective Pay cash rebates that would be directed to this fund are new. In its most simplistic form, these funds will be used in a revolving fund fashion, where many local and national entities share successes, including the City of Saint Paul, the Saint Paul Port Authority, the Dept. Of Energy Loan Program Office, and many others. The MN Climate Innovation Finance Authority was created on these same principles.

<https://sppa.com/portfinancing/trillion-btu>, <https://mn.gov/commerce/energy/consumer/energy-programs/climate-innovation.jsp>, <https://www.energy.gov/lpo/loan-programs-office>

Statutory Change(s):

New section: 16B.851

Administration

FY 2026-27 Biennial Budget Change Item

Change Item Title: Eliminate Unassigned Fiscal Agent Funding

Fiscal Impact (\$000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	(500)	(500)	(500)	(500)	(500)
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(500)	(500)	(500)	(500)	(500)
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends reducing the Department of Administration's (Admin) funding for fiscal agent activities by \$500,000 in FY 2026 and ongoing. This funding is currently not assigned to any grant making programs. This results in a reduction of \$1 million in FY 2026-27 and \$1 million in FY 2028-29. Reduction items at Admin are intended to focus on protecting the agency's core mission. This reduction does not reduce agency staffing.

This is a 2.3% reduction to this budget activity.

Rationale/Background:

In Laws of 2023, Chapter 62, Admin was appropriated a base budget for its fiscal agent activities. This included \$500,000 each year that was not assigned to any grants or projects possibly due to a drafting error. An appropriation for public television grants was designated as onetime in law, but the funding was included as ongoing in Admin's fiscal agent appropriations for FY 2026 and thereafter.

Proposal:

The Governor recommends reducing Admin's fiscal agent funding by \$500,000 each year.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	(500)	(500)	(1,000)	(500)	(500)	(1,000)
Total All Funds	(500)	(500)	(1,000)	(500)	(500)	(1,000)

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	(500)	(500)	(1,000)	(500)	(500)	(1,000)

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:

Reducing this funding will correct a drafting error.

Statutory Change(s):

N/A

Program: Government and Citizen Services**Activity: Governor's Council on Developmental Disabilities**<https://mn.gov/mnddc><https://mn.gov/mnddc/pipm>**AT A GLANCE**

- The Governor's Council on Developmental Disabilities celebrated its 53rd anniversary in October 2024.
- The Council disseminated over 2 million publications and downloads about developmental disabilities during the past year.
- The Council has almost 1,200 graduates of the Partners in Policymaking® program.
- The Council maintains the largest online archive of developmental disabilities history in the U.S.

PURPOSE AND CONTEXT

The Governor's Council on Developmental Disabilities fulfills the requirements of the federal Developmental Disabilities Act (DD Act) for Minnesota. The mission of the Council is to provide information, education, and training to people with developmental disabilities and their families 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 1.58% 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 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.
- Assisting individuals with developmental disabilities to advocate for themselves, including a bullying prevention program for 4th graders taught by individuals with developmental disabilities who have been bullied.
- Outreach and intensive training to diverse racial and ethnic communities to reduce disparities.
- Innovative employment opportunities for people with developmental disabilities.
- Research studies on topics critical to the field including a longitudinal attitude survey and intersectionality studies.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of publications disseminated	Quantity	Internal tracking.	3 million (FFY 2022)	Over 2 million (FFY 2023)
Rate of customer satisfaction with Council products and services	Quality	Customer satisfaction surveys.	98% (FFY 2022)	96% (FFY 2023)
Level of independence, productivity, self-determination, integration, and inclusion (IPSII)*	Results	On a scale of 1-5 with 5 as the highest, end users are asked to assess their IPSII pre- and post- participation in Council activities.	4.5 (FFY 2022)	4.4 (FFY 2023)

FFY – Federal Fiscal Year

*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 scores above are post-training self-assessments of federal outcomes on a scale of 1-5 (5 is highest).

The legal authority for the Council is provided in the Developmental Disabilities Assistance and Bill of Rights Act of 2000, Public Law 106-402 (<https://www.congress.gov/106/plaws/publ402/PLAW-106publ402.pdf>), M.S. 16B.053 (<https://www.revisor.mn.gov/statutes/cite/16B.053>), and M.S. 16B.054 (<https://www.revisor.mn.gov/statutes/cite/16B.054>).

Governor's Council on Developmental Disabilities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	222	222	222	222	222	222	222	222
2001 - Other Misc Special Revenue		83	211	26				
3000 - Federal	1,259	1,391	1,199	1,056	1,153	1,153	1,153	1,153
Total	1,481	1,696	1,633	1,304	1,375	1,375	1,375	1,375
Biennial Change				(240)		(187)		(187)
Biennial % Change				(8)		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	417	391	427	447	454	461	454	461
Operating Expenses	728	686	666	375	396	388	396	388
Grants, Aids and Subsidies	333	618	539	482	525	526	525	526
Other Financial Transaction	3	0						
Total	1,481	1,696	1,633	1,304	1,375	1,375	1,375	1,375

Total Agency Expenditures	1,481	1,696	1,633	1,304	1,375	1,375	1,375	1,375
Internal Billing Expenditures		29	35	34	34	34	34	34
Expenditures Less Internal Billing	1,481	1,666	1,598	1,270	1,341	1,341	1,341	1,341

Full-Time Equivalents

3.86	3.79	3.71	3.60	3.60	3.60	3.60	3.60
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Governor's Council on Developmental Disabilities

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Direct Appropriation	222	222	222	222	222	222	222	222
Expenditures	222	222	222	222	222	222	222	222
Biennial Change in Expenditures				0				0
Biennial % Change in Expenditures				0				0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.41	0.76	0.89	1.20	1.20	1.20	1.20	1.20

2001 - Other Misc Special Revenue

Balance Forward In			0					
Receipts		83	211	26				
Balance Forward Out		0						
Expenditures		83	211	26				
Biennial Change in Expenditures				155		(237)		(237)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.16					

3000 - Federal

Receipts	1,259	1,391	1,199	1,056	1,153	1,153	1,153	1,153
Expenditures	1,259	1,391	1,199	1,056	1,153	1,153	1,153	1,153
Biennial Change in Expenditures				(394)		51		51
Biennial % Change in Expenditures				(15)		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.45	3.03	2.66	2.40	2.40	2.40	2.40	2.40

Program: Government and Citizen Services**Activity: Fleet and Surplus Services**<https://mn.gov/admin/government/vehicles/><https://mn.gov/admin/government/surplus-property/>**AT A GLANCE**

- Manage a fleet of approximately 2,295 vehicles
- Utilize vehicle telematics to increase safety, efficiency, sustainability, and effectiveness of fleet management
- 85% of managed vehicles use alternative fuels or are hybrid vehicles
- Increased number of electric and hybrid vehicles from 1,145 in FY 2024 to 1,225 in FY 2024
- Assist state and local governments with the distribution and disposal of surplus property
- Repurposed 8,462 items through the Surplus Property Distribution Center in FY 2024
- Returned over \$28 million to agencies from surplus property sales in FY 2024
- Sold 5,032 lots of property through the State Auction Program in FY 2024

PURPOSE AND 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 for reuse or disposal. Primary partners 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.

The Fleet Services unit provides safe, cost-effective transportation solutions for official government business. It ensures a cost-effective operation by tailoring services to actual agency usage. It monitors key data points such as mileage and fuel consumption to advise agencies on the best vehicle to meet their needs. In addition, the green fleet choice initiative aims to reduce vehicle life-cycle costs, greenhouse gas emissions, and petroleum consumption. It helps agencies transition to “greener” vehicles through scheduled replacement of existing fleet inventory. 71% of vehicles acquired in the Department’s leased fleet in FY 2024 had an emission score of 7 or greater on a 10-point scale (where 10 is the best).

The Surplus Services unit assists state agencies and local governments to distribute surplus property in an environmentally and financially responsible manner. Additionally, it maximizes the public investment in equipment through redistribution to other public entities or sale. It returns approximately 94% of sale proceeds to the agencies that dispose of surplus property.

SERVICES PROVIDED

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

Fleet Services:

- Full service long-term vehicle rental program
- Vehicle maintenance service
- Fuel card program
- Statewide fleet reporting and information management system

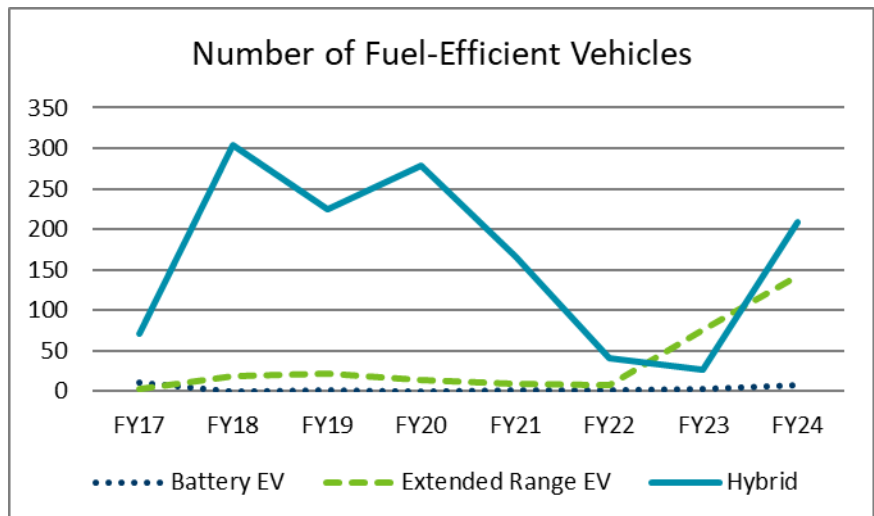
- Utilization of telematics, using telecommunications and informatics technologies to collect, transmit, and analyze data from multiple vehicles in real time. This improves fleet safety, increases effectiveness, and drives decisions to expand statewide accountability.
- Agency assistance with vehicle utilization and lifecycle management
- Vehicle usage policy guidance

Surplus Property Services:

- 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
- Storage services

RESULTS

Measure (Quantity): Number of fuel-efficient vehicles by year. Fuel efficiency improved by an average of 7.92 miles per gallon on vehicle replacements in FY 2023 – FY 2024. Service and program increase within agencies and local units of government has resulted in an increase of 220 Department Fleet vehicles since 2022 based on internal tracking.



Measure name	Measure type	Measure data source	Historical trend	Most recent data
Count of agency-owned vehicles. The Department aims to reduce the number of agency-owned vehicles by converting to Department-leased vehicles. This program provides a managed life cycle for vehicles to improve safety, dependability, and cost effectiveness.	Quality	Internal tracking	500 (FY 2023)	452 (FY 2024)
Percent increase in number of active Veteran organizations who participate in Surplus Services' partner program. Goal of increasing participation by 10% over a 2022 baseline.	Quantity	Internal tracking	39, baseline (FY 2022) 41 total, 5% increase (FY 2023)	45 total, 10% increase (FY 2024)

M.S. 16B.2975 (<https://www.revisor.mn.gov/statutes/cite/16B.2975>), M.S. 16B.24 (<https://www.revisor.mn.gov/statutes/cite/16B.24>), and M.S. 16B.54 (<https://www.revisor.mn.gov/statutes/?id=16B.54>) provide the legal authority for Fleet and Surplus Services.

Fleet and Surplus Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

4502 - Surplus Property	1,810	1,315	1,634	1,866	1,646	1,665	1,646	1,665
5000 - Master Lease	4,004	11,055	26,561	38,059	37,813	37,813	37,813	37,813
5100 - Fleet Services	7,639	8,343	8,467	9,115	9,183	9,413	9,183	9,413
Total	13,453	20,713	36,662	49,040	48,642	48,891	48,642	48,891
Biennial Change				51,536		11,831		11,831
Biennial % Change				151		14		14
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	1,802	1,572	1,639	1,839	1,879	1,919	1,879	1,919
Operating Expenses	7,293	8,804	10,049	9,388	8,950	9,159	8,950	9,159
Grants, Aids and Subsidies	22	(2)	0					
Capital Outlay-Real Property	3,835	10,335	24,974	37,813	37,813	37,813	37,813	37,813
Other Financial Transaction	502	4						
Total	13,453	20,713	36,662	49,040	48,642	48,891	48,642	48,891

Total Agency Expenditures	13,453	20,713	36,662	49,040	48,642	48,891	48,642	48,891
Internal Billing Expenditures		152	147	141	147	153	147	153
Expenditures Less Internal Billing	13,453	20,561	36,515	48,899	48,495	48,738	48,495	48,738

Full-Time Equivalents

	19.00	17.25	16.52	16.97	16.97	16.97	16.97	16.97
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Fleet and Surplus Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
4502 - Surplus Property								
Balance Forward In	375	286	1,622	1,716	1,626	1,756	1,626	1,756
Receipts	1,509	1,292	1,728	1,776	1,776	1,776	1,776	1,776
Transfers In	200	1,300						
Transfers Out	1							
Balance Forward Out	273	1,563	1,716	1,626	1,756	1,867	1,756	1,867
Expenditures	1,810	1,315	1,634	1,866	1,646	1,665	1,646	1,665
Biennial Change in Expenditures				376		(189)		(189)
Biennial % Change in Expenditures				12		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.36	9.63	9.91	10.16	10.16	10.16	10.16	10.16

5000 - Master Lease

Balance Forward In	1	13	50	246				
Receipts	4,017	11,045	26,763	37,813	37,813	37,813	37,813	37,813
Transfers Out		3	6					
Balance Forward Out	13		246					
Expenditures	4,004	11,055	26,561	38,059	37,813	37,813	37,813	37,813
Biennial Change in Expenditures				49,561		11,006		11,006
Biennial % Change in Expenditures				329		17		17
Governor's Change from Base								0
Governor's % Change from Base								0

5100 - Fleet Services

Balance Forward In	3,728	3,381	3,016	3,989	6,120	6,000	6,120	6,000
Receipts	18,882	18,807	20,888	28,237	26,733	26,733	26,733	26,733
Transfers In	0		5,000					
Transfers Out	11,916	11,031	16,448	16,991	17,670	17,670	17,670	17,670
Balance Forward Out	3,054	2,814	3,989	6,120	6,000	5,650	6,000	5,650
Expenditures	7,639	8,343	8,467	9,115	9,183	9,413	9,183	9,413
Biennial Change in Expenditures				1,600		1,014		1,014
Biennial % Change in Expenditures				10		6		6
Governor's Change from Base								0

Fleet and Surplus Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Governor's % Change from Base								0
Full-Time Equivalents	8.64	7.62	6.61	6.81	6.81	6.81	6.81	6.81

Program: Government and Citizen Services**Activity: Data Practices Office**<https://mn.gov/admin/data-practices/>**AT A GLANCE**

- Provides technical assistance and training on data practices and the open meeting law to about 4,300 partners each year
- Maintains a website with information and training materials on data practices and open meetings, including over 1,000 Advisory Opinions drafted on behalf of the Commissioner of Administration since the Data Practices Office establishment
- Hosted or presented at 40 training or outreach events across the state in FY 2024

PURPOSE AND CONTEXT

The Data Practices Office is a statewide resource on Minnesota's data practices and open meeting laws. It helps to ensure fiscal accountability and measurable results in providing timely, expert technical assistance, issuing advisory opinions, conducting training, and maintaining an informational website and library of more than 1,000 relevant advisory opinions.

By promoting compliance with and understanding of these laws, the Data Practices Office ensures that government data and information can be accessed appropriately and effectively by policymakers, members of the public and the media, the legislature, and state and local governments.

SERVICES PROVIDED**Technical Assistance and Consultation**

- Assist government, public, media, and legislative partners with questions about data practices and open meeting laws
- Informally resolve formal advisory opinion requests when possible
- Track data practices and open meeting legislation and provide drafting feedback

Training and Resource Development

- Develop resource materials including model policies and guides
- Present training on data practices and open meeting laws

Statutory Duties

- Assist the Commissioner of Administration by responding to advisory opinion requests and drafting 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 automated license plate reader audits of law enforcement agencies

These functions help promote fiscal accountability and measurable results by providing government entities with resources to ensure compliance with the laws and by providing the public, media, and legislature with an understanding of their rights and implications of the laws.

RESULTS

The Data Practices Office's performance measures show increasing demand for services and consistently high ratings for the usefulness of training, and it remains committed to reaching even more people who need help. The Office presents smaller, hands-on workshops, as well as presentations via webinar that reach a larger audience. The Office also partners with government entities to bring training to communities around Minnesota.

Prior to a workshop, the Office asks attendees to rate their data practices or Open Meeting Law knowledge on a five-point scale – very high, somewhat high, neither high nor low, somewhat low, low. After the workshop, the Office collects responses to the same question. The Office also asks whether attendees would recommend a Data Practices Office training to other interested individuals.

These numbers do not include the Office's work on advisory opinion requests or data challenge appeals.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Total partners assisted and trained per year	Quantity	Includes total number of email and phone call contacts and individuals trained	4,269 (FY 2020) 3,533 (FY 2022)	4,336 (FY 2024)
Partners who would recommend a Data Practices Office training to someone interested in data practices or the Open Meeting Law.	Quality	Survey/evaluation of training attendees	98% (FY 2022)	98% (FY 2024)
Increase in data practices knowledge that workshop training attendees rated following training (on a 5-point scale).	Results	Survey/evaluation of workshop training attendees prior to the workshop and after the workshop	1pt (FY 2022)	1pt (FY 2024)

The legal authority for the Data Practices Office is provided in: M.S. §§ 13.04, 13.06, 13.07, 13.072, 13.073 (<https://www.revisor.mn.gov/statutes/cite/13>) and Minn. Rules 1205.1700 (<https://www.revisor.mn.gov/rules/1205.1700/>).

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
<u>Expenditures by Fund</u>								
1000 - General	479	534	528	702	625	625	625	625
2000 - Restrict Misc Special Revenue	41	46	49	56	59	60	59	60
Total	520	579	577	758	684	685	684	685
Biennial Change				235		34		34
Biennial % Change				21		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	458	496	497	541	554	560	554	560
Operating Expenses	61	84	80	217	130	125	130	125
Other Financial Transaction	1							
Total	520	579	577	758	684	685	684	685
Total Agency Expenditures	520	579	577	758	684	685	684	685
Internal Billing Expenditures		37	40	45	45	45	45	45
Expenditures Less Internal Billing	520	543	537	713	639	640	639	640
<i>Full-Time Equivalents</i>	4.35	4.31	3.97	3.76	4.00	4.00	4.00	4.00

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		91		78				
Direct Appropriation	571	582	606	624	625	625	625	625
Transfers Out	2	138						
Cancellations		1						
Balance Forward Out	90		78					
Expenditures	479	534	528	702	625	625	625	625
Biennial Change in Expenditures				217		20		20
Biennial % Change in Expenditures				21		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.99	3.92	3.60	3.38	3.60	3.60	3.60	3.60

2000 - Restrict Misc Special Revenue

Balance Forward In	27	30	39	45	39	30	39	30
Receipts	44	52	55	50	50	50	50	50
Balance Forward Out	29	37	45	39	30	20	30	20
Expenditures	41	46	49	56	59	60	59	60
Biennial Change in Expenditures				18		14		14
Biennial % Change in Expenditures				21		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.36	0.39	0.37	0.38	0.40	0.40	0.40	0.40

Program: Government and Citizen Services**Activity: Office of State Procurement**

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

AT A GLANCE

- Oversee state agency purchasing valued at over \$3.5 billion in FY 2023 and \$3.7 billion in FY 2024
- Operate the Office of Equity in Procurement that helps veteran, minority, disabled, and woman-owned small businesses become state vendors
- Manage about 2,200 contracts offering best value options to state agencies, counties, cities, and school districts in FY 2024
- Review about 7,900 professional and technical contract documents prepared by agencies annually
- Negotiate over \$25 million in contract savings for government entities in FY 2023 and FY 2024.

PURPOSE AND CONTEXT

The Office of State Procurement (OSP) strives to achieve the best value for taxpayers through strategic contracting and purchasing of goods and services. It oversees and facilitates purchasing across the enterprise valued at over \$3.7 billion annually. OSP's primary partners 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 provides funding for the contracting and purchasing services OSP provides to state agencies. Vendor-paid contract administration fees fund the services the office provides 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 women, minority, disabled, and veteran-owned small businesses to eliminate contract disparities

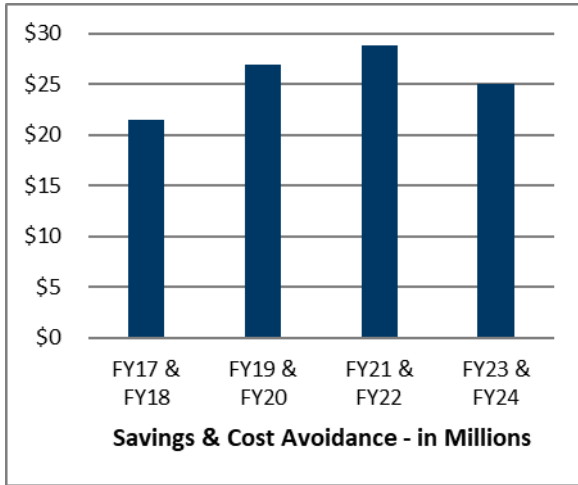
Specific services provided include:

- Purchasing and contracting for goods, services, utilities, and construction
- Operating a cooperative purchasing program for over 1,700 local units of government in Minnesota
- Operating a national purchasing cooperative for pharmaceuticals and medical supplies through MMCAP Infuse, which establishes contracts on behalf of thousands of participating facilities in all 50 states and the District of Columbia
- Promoting equity in contracting and environmentally responsible purchasing
- Performing oversight of professional and technical contracts
- Working with businesses to ensure fair and open competition
- Certifying Minnesota small businesses that are owned by minorities, women, and veterans
- Managing procurement functions manually and through the Statewide Integrated Financial Tools (SWIFT) system
- Monitoring compliance with state procurement law, policy, and contract terms
- Conducting training for state agencies, vendors, and other partners

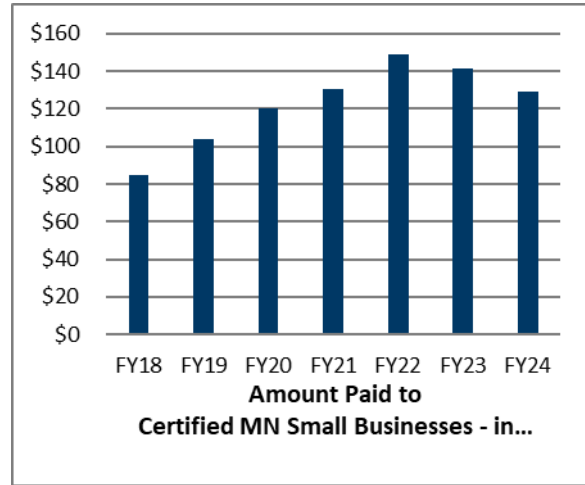
- Co-chairing and coordinating the Environmental Standards Procurement Task Force to provide recommendations for standards established by the commissioner that limit greenhouse gas emissions impacts of construction materials in state building projects

RESULTS

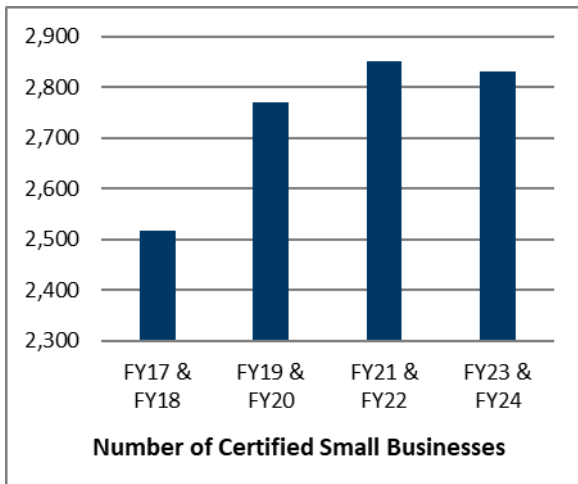
OSP uses a variety of quantity, quality, and result metrics to monitor success.



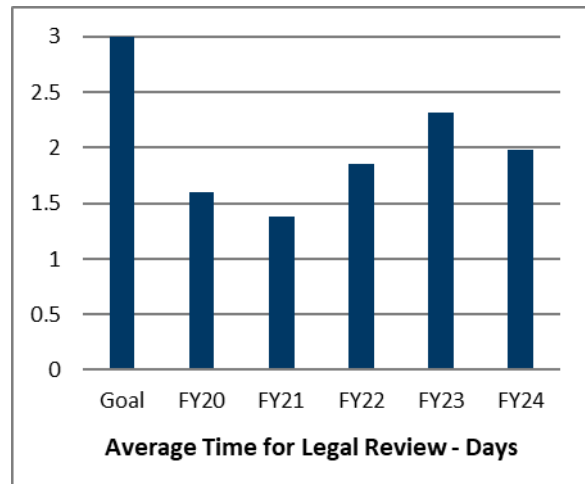
Performance Measure (Result): Dollars saved through contract negotiations. In FY 2024, OSP internally tracked savings and cost avoidance of over \$13 million, which is nearly five times greater than its General Fund appropriation of \$2.8 million for the same period.



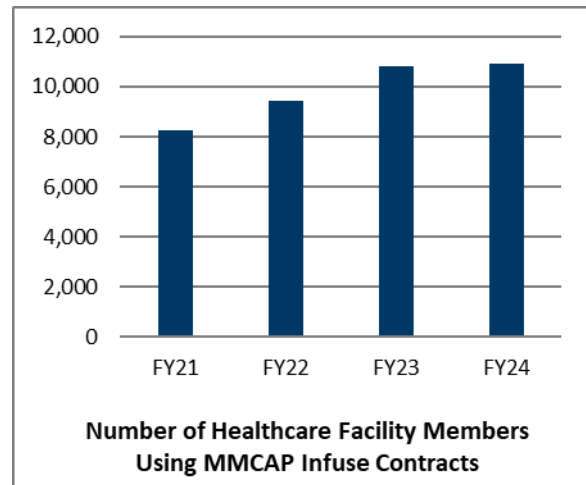
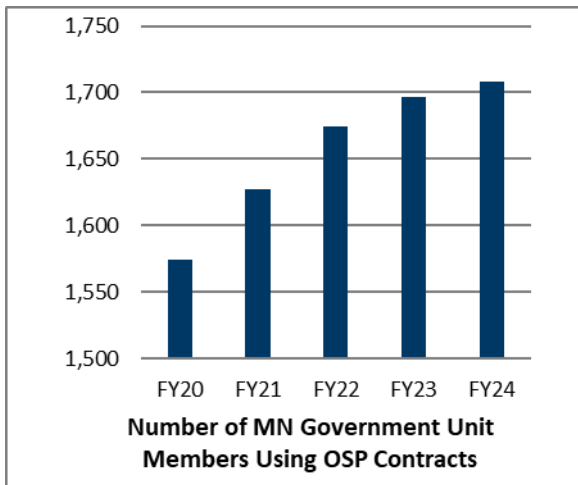
Performance Measure (Result): Contract dollars paid to certified Minnesota Small Businesses. Based on the State's financial management system, SWIFT, contract payments to certified Minnesota small businesses have exceeded \$100 million annually since FY19, reaching \$129 million in FY 2024.



Performance Measure (Quantity): The number of certified Minnesota Small Businesses. Increasing the number of certified small businesses is critical to expand equity in State contracting opportunities. State law authorizes preferences, sheltered-market, and direct select authority within monetary limits to vendors certified under the program. Data is based on internal tracking.



Performance Measure (Quality): Average time to provide a legal review. Agencies need prompt turnaround on the nearly 7,900 contract documents they send OSP annually for compliance review. OSP measures work quality by assessing the average time it takes to provide a legal review, with the goal being fewer than 3 days. Data is based on internal tracking.



Performance Measure (Quantity): The number of Minnesota governments and healthcare facilities that use OSP contracts. OSP internally tracks 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.

M.S. 16C (<https://www.revisor.mn.gov/statutes/?id=16c>) provides the legal authority for the Office of State Procurement.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	2,422	2,448	3,299	4,927	3,199	3,199	3,252	3,306
2000 - Restrict Misc Special Revenue	11			277	102		102	
2001 - Other Misc Special Revenue		19	24	22	24	25	24	25
3015 - ARP-State Fiscal Recovery	77	853						
4501 - Coop Purchasing	38,850	19,858	46,346	32,656	34,893	36,120	34,893	36,120
Total	41,359	23,178	49,669	37,882	38,218	39,344	38,271	39,451
Biennial Change				23,013		(9,989)		(9,829)
Biennial % Change				36		(11)		(11)
Governor's Change from Base								160
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	10,635	11,511	12,696	15,844	17,643	18,649	17,696	18,756
Operating Expenses	5,059	6,916	6,749	9,117	7,654	7,774	7,654	7,774
Capital Outlay-Real Property		26	1,162					
Other Financial Transaction	25,666	4,725	29,062	12,921	12,921	12,921	12,921	12,921
Total	41,359	23,178	49,669	37,882	38,218	39,344	38,271	39,451
Total Agency Expenditures	41,359	23,178	49,669	37,882	38,218	39,344	38,271	39,451
Internal Billing Expenditures		956	956	1,028	1,028	1,028	1,028	1,028
Expenditures Less Internal Billing	41,359	22,223	48,712	36,854	37,190	38,316	37,243	38,423
<u>Full-Time Equivalents</u>	98.81	109.27	108.33	120.54	129.06	133.26	129.06	133.26

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		37		732				
Direct Appropriation	2,463	2,522	4,035	4,198	3,202	3,202	3,255	3,309
Transfers Out	7	96	4	3	3	3	3	3
Cancellations		16						
Balance Forward Out	34		733					
Expenditures	2,422	2,448	3,299	4,927	3,199	3,199	3,252	3,306
Biennial Change in Expenditures				3,356		(1,828)		(1,668)
Biennial % Change in Expenditures				69		(22)		(20)
Governor's Change from Base								160
Governor's % Change from Base								3
Full-Time Equivalents	20.52	18.93	18.29	17.64	17.16	17.36	17.16	17.36

2000 - Restrict Misc Special Revenue

Balance Forward In	10			379	102		102	
Receipts	19	0	379					
Transfers Out	19	0						
Balance Forward Out			379	102				
Expenditures	11			277	102		102	
Biennial Change in Expenditures				266		(175)		(175)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.11	0.01						

2001 - Other Misc Special Revenue

Balance Forward In		19	24	23	23	21	23	21
Receipts		23	24	22	22	22	22	22
Transfers In		19	0					
Balance Forward Out		19	24	23	21	18	21	18
Expenditures		19	24	22	24	25	24	25
Biennial Change in Expenditures				28		3		3
Biennial % Change in Expenditures						5		5
Governor's Change from Base								0

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Governor's % Change from Base								0
Full-Time Equivalents	0.01	0.19	0.23	0.19	0.19	0.19	0.19	0.19

3015 - ARP-State Fiscal Recovery

Balance Forward In		883						
Direct Appropriation	960							
Cancellations		30						
Balance Forward Out	883							
Expenditures	77	853						
Biennial Change in Expenditures				(930)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.73	4.10	0.15	0.15	0.15	0.15	0.15	0.15

4501 - Coop Purchasing

Balance Forward In	56,548	49,697	64,465	49,349	49,872	48,539	49,872	48,539
Receipts	29,800	32,926	31,229	33,179	33,560	34,114	33,560	34,114
Transfers Out	2							
Balance Forward Out	47,495	62,764	49,349	49,872	48,539	46,533	48,539	46,533
Expenditures	38,850	19,858	46,346	32,656	34,893	36,120	34,893	36,120
Biennial Change in Expenditures				20,293		(7,989)		(7,989)
Biennial % Change in Expenditures				35		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	77.44	86.04	89.66	102.56	111.56	115.56	111.56	115.56

Program: Government and Citizen Services**Activity: APEX Accelerator**<https://mn.gov/admin/business/vendor-info/apexaccelerator/>**AT A GLANCE**

- Improve Minnesota's economy by helping businesses obtain contracts through the federal, state, and local government procurement processes
- Work in tandem with the Office of Equity in Procurement to provide counseling and offer training
- Conduct one-on-one counseling with the Minnesota business community
- Offer certification assistance, bid matching, and training to businesses in all 87 counties with five offices in Greater Minnesota

PURPOSE AND CONTEXT

The APEX Accelerator (formerly PTAC) is funded by the general fund and through a cooperative agreement with the United States Department of Defense to implement the APEX Accelerator Program and has been available to Minnesota businesses since 1991. APEX Accelerator's mission is to strengthen Minnesota's economy by stimulating job creation, growth, and business retention. To accomplish this goal, APEX Accelerator assists Minnesota businesses in securing government contracts.

APEX Accelerator's primary purpose is to offer free counseling, education, training, certification, registrations, and guidance for all Minnesota businesses including women-, minority-, and veteran-owned businesses wishing to sell their products and services to federal, state, and local government entities. APEX Accelerator contributes to the growth of its partners and Minnesota's economy by providing counseling and procurement technical assistance of the highest quality and relevancy. APEX Accelerator provides partners with the tools needed to be competitive in the contracting arena.

The APEX Accelerator team is geographically located throughout the state. Greater Minnesota personnel provide in-person training and counseling services in a variety of communities allowing government services to extend to all Minnesotans. Additionally, APEX Accelerator improved services in FY 2023 by adding a team member in the Twin Cities metro area. The ability to connect with a local APEX Accelerator representative makes government contracting less intimidating and more accessible for all women-, minority-, and veteran-owned businesses in Minnesota.

SERVICES PROVIDED

Using market identification, registration assistance, contracting regulations and compliance assistance, and on-going technical support, APEX Accelerator helps businesses navigate through the complexities of obtaining federal, state, and local government contracts. The APEX Accelerator team is located throughout the state and advises and assists partners in the identification of market opportunities. APEX Accelerator also assists with the preparation and proper submission of applications, certifications, and registrations necessary for businesses to work with government entities at all levels.

Specific services include:

- Assist with government website and database registrations and with socio-economic certifications
- Provide a bid matching service to look for bidding opportunities
- Conduct product and procurement history research
- Identify federal regulations and military specifications

- Subcontracting guidance
- Offer workshops and other training on contracting topics
- Assist with proposal preparation
- Provide pre- and post-award assistance

RESULTS

Since joining the Department of Administration in 2017, APEX Accelerator has made significant impact for Minnesotans, including assisting Minnesota vendors in achieving nearly \$1.4 billion in prime and subcontractor contracts at all levels of government.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of new clients per year	Quantity	Internal tracking	841 (FY 2021) 702 (FY 2022) 672 (FY 2023)	646 (FY 2024)
Number of hours of free counseling provided to Minnesota businesses per year	Quantity	Internal tracking	5152 (FY 2021) 4580 (FY 2022) 4300 (FY 2023)	4027 (FY 2024)
Number of free training, information, networking, and procurement fair events that APEX Accelerator hosted or co-hosted per year	Quantity	Internal tracking	121 (FY 2021) 146 (FY 2022) 90 (FY 2023)	89 (FY 2024)

The legal authority for APEX Accelerator falls under 10 U.S. Code Chapter 388 (<https://uscode.house.gov/view.xhtml?path=/prelim@title10/subtitleA/part5/subpartI/chapter388&edition=prelim>) and M.S. 16C.16 (<https://www.revisor.mn.gov/statutes/cite/16C.16>).

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General			322	378	351	351	351	351
2001 - Other Misc Special Revenue	75	42						
3000 - Federal	636	639	723	802	831	873	831	873
Total	711	681	1,044	1,180	1,182	1,224	1,182	1,224
Biennial Change				833		182		182
Biennial % Change				60		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	639	605	846	952	978	990	978	990
Operating Expenses	71	76	198	228	204	234	204	234
Other Financial Transaction	1		1					
Total	711	681	1,044	1,180	1,182	1,224	1,182	1,224

Total Agency Expenditures	711	681	1,044	1,180	1,182	1,224	1,182	1,224
Internal Billing Expenditures			60	62	62	63	62	63
Expenditures Less Internal Billing	711	681	984	1,118	1,120	1,161	1,120	1,161

Full-Time Equivalents

	6.50	6.59	8.33	8.96	9.18	9.11	9.18	9.11
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				28				
Direct Appropriation			350	350	351	351	351	351
Balance Forward Out			28					
Expenditures			322	378	351	351	351	351
Biennial Change in Expenditures				700		2		2
Biennial % Change in Expenditures						0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			2.71	3.66	3.88	3.81	3.88	3.81

2001 - Other Misc Special Revenue

Receipts	75	42						
Expenditures	75	42						
Biennial Change in Expenditures				(117)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.82	0.45						

3000 - Federal

Balance Forward In	2	30	11	11				
Receipts	656	637	723	791	831	873	831	873
Balance Forward Out	22	29	11					
Expenditures	636	639	723	802	831	873	831	873
Biennial Change in Expenditures				250		179		179
Biennial % Change in Expenditures				20		12		12
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.68	6.14	5.62	5.30	5.30	5.30	5.30	5.30

Program: Government and Citizen Services**Activity: Operational Excellence****AT A GLANCE**

- Coordinated the Return to Office implementation and hybrid work change management process for the Department of Administration.
- Established agency norms and expectations for a shared space culture during Admin's space consolidation.
- Supported the elimination of Admin workspace at the Centennial Office Building and consolidation into the Administration Building.
- Published the Space Planning Toolkit with resources for all agencies to support their space optimization efforts.
- Established and facilitated internal processes for identifying, prioritizing, and capturing essential knowledge before individuals in critical agency roles retire and/or transition to a new position.
- Facilitate annual strategic planning for agency leadership, monitored goal reporting, and lead agency initiatives as directed by leadership.
- Maintained internal goal reporting process.
- Supported the implementation of Admin's One Minnesota Budget items.

PURPOSE AND CONTEXT

The Office of Operational Excellence (OpEx) supports the Department of Administration's (Admin) mission by using a wide range of problem solving and team building skills to increase service and team efficiency and effectiveness. This work is achieved through process improvement, facilitation services, agency engagement and inclusion work, and strategic planning. These strategies help prepare for and respond to challenges facing state government including:

- Public expectations for greater accountability and transparency
- Customer expectations
- Need for resiliency in divisions and services provided by the department
- Higher employee retirement rate
- New technology implementation

This division is primarily focused on work within Admin and leading the implementation of strategic priorities.

SERVICES PROVIDED**OpEx provides the following services at Admin:**

- Agency Strategic Planning
 - Facilitate annual strategic planning process
 - Maintain goal reporting processes
 - Lead agency initiatives and change management process as assigned by agency leadership
- Process Improvement Projects
 - Continuous Improvement
 - Process standardization
 - Partner assessments
 - IT Project Readiness, in alignment with MNIT @ Admin
 - Process documentation and technical writing
- Succession and Knowledge Transfer Strategy and Initiatives

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of telework agreements completed and reviewed	Quality	Internal tracking	N/A*	97% (FY 2024)
Percent of Admin office space reduced	Result	Internal tracking	341 physical workstations, prior to 2023 space consolidation	33% seat reduction, post space consolidation (FY 2024)
Number of process improvement projects completed	Quantity	Internal tracking	N/A*	10 (FY 2024)
Number of succession and knowledge transfer processes completed	Quantity	Internal tracking	N/A*	6 (FY 2024)

*These are new measures.

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	375	273	262	528	449	449	449	449
Total	375	273	262	528	449	449	449	449
Biennial Change				143		108		108
Biennial % Change				22		14		14
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	343	216	201	360	377	379	377	379
Operating Expenses	31	57	58	158	72	70	72	70
Other Financial Transaction			4	10				
Total	375	273	262	528	449	449	449	449

Total Agency Expenditures	375	273	262	528	449	449	449	449
Internal Billing Expenditures		19	30	19	19	19	19	19
Expenditures Less Internal Billing	375	254	232	509	430	430	430	430

Full-Time Equivalents

	2.67	1.88	1.65	2.75	2.83	2.69	2.83	2.69
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Operational Excellence

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		43		80				
Direct Appropriation	424	430	346	452	453	453	453	453
Transfers Out	7	200	4	4	4	4	4	4
Cancellations		0						
Balance Forward Out	43		80					
Expenditures	375	273	262	528	449	449	449	449
Biennial Change in Expenditures				143		108		108
Biennial % Change in Expenditures				22		14		14
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.67	1.88	1.65	2.75	2.83	2.69	2.83	2.69

Program: Government and Citizen Services**Activity: Office of Grants Management**

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

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

AT A GLANCE

- Administer 13 comprehensive policies that cover the administration of a grant to improve state grant making
- Provide information via subject matter expert assistance and websites to grant-makers and grant-seekers including state agencies, local units of government, nonprofits and foundations, citizens, and legislators
- Educate over 500 customers annually through practical, interactive, assessment and training sessions on statewide grants policies and processes
- Administer more than \$55 million per biennium in state general fund and Arts and Cultural Heritage Fund grants on behalf of the Department of Administration

PURPOSE AND CONTEXT

The Department of Administration's (Admin) Office of Grants Management (OGM) works to standardize, streamline, and improve state grant-making practices and to increase public information about state grant opportunities. OGM develops and administers enterprise-wide grant management policies; delivers risk assessment, training, and guidance to state agencies to support policy implementation; and conducts outreach to empower and learn from external stakeholders.

OGM provides policy guidance, grant templates and other resources to support effective grant administration by the roughly 32 state agencies, boards, and commissions responsible for state grant investments. OGM highlights and shares best practices to facilitate state enterprise collaboration and information sharing, including customized presentations and online learning tools. OGM also convenes and works closely with the Grants Governance Committee made up of members from state grant-making agencies and key grantee constituencies, promoting compliance and continuous improvement.

SERVICES PROVIDED

OGM provides the following services to promote efficiency, effectiveness, and transparency of state grants and to provide increased access to state-wide grant opportunities:

- Developing and revising state grants management policies to create greater accountability, consistency, transparency, and equity of state grant expenditures and investments.
- Researching and sharing information and resources about policy requirements and grants management best practices through training (virtual, web-based, and in-person), provision of templates and technical guidance, and convening of partners. For example, the Community of Practice for Diversity Equity and Inclusion (DEI) in grants has more than 300 participants from throughout the state enterprise.
- Providing compliance management support across the enterprise, tailored to individual grant making agencies.
- Convening the Grants Governance Committee to inform policy development, promote policy compliance, and facilitate cooperation between state agencies, grantees, and community partners.

- Managing two websites that provide resources for executive branch grant-makers (<https://mn.gov/admin/government/grants>) and links to state grant opportunities for grant-seekers (<https://mn.gov/grants>).
- Managing enterprise technology projects, including a feasibility study of a centralized grants management system to determine the feasibility of replacing the disparate systems currently in use across the executive branch.
- In 2024, OGM launched the Equity in Grants Office (EIGO) to drive innovation, compile data, build capacity and influence policies to embed equity in grant administration. This office will build on OGM’s convening of state practitioners via the DEI in Grants Community of Practice to identify and promote best practices. The office will also gather and disseminate data and engage external stakeholders to understand their experience as state grantees to help reduce system barriers.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of respondents that rated OGM’s “Pre-award Risk Assessment” training materials effective.	Quality	Customer survey	N/A*	63% (FY 2024)
Percent of respondents that said they learned about effective DEI in grant administration practices after participating in the DEI Grant Administration Community of Practice	Quality	Customer survey	N/A*	78.5% (FY 2024)
Number of public grant opportunities inquiries resolved	Quantity	Internal tracking	70 (FY 2022) 88 (FY 2023)	107 (FY 2024) (53% increase)

*This is a new measure

M.S. 16B.97-16.991 (<https://www.revisor.mn.gov/statutes/cite/16B/full#stat.16B.97>) provide the legal authority for the Office of Grants Management.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	147	182	1,369	3,828	1,580	1,580	1,615	1,651
2301 - Arts & Cultural Heritage	275	316	351	968				
Total	422	498	1,721	4,796	1,580	1,580	1,615	1,651
Biennial Change				5,597		(3,357)		(3,251)
Biennial % Change				609		(52)		(50)
Governor's Change from Base								106
Governor's % Change from Base								3

Expenditures by Category

Compensation	375	403	675	1,811	1,231	1,255	1,266	1,326
Operating Expenses	47	95	944	2,981	346	322	346	322
Grants, Aids and Subsidies			100					
Other Financial Transaction			2	4	3	3	3	3
Total	422	498	1,721	4,796	1,580	1,580	1,615	1,651

Total Agency Expenditures	422	498	1,721	4,796	1,580	1,580	1,615	1,651
Internal Billing Expenditures		20	31	33	21	21	21	21
Expenditures Less Internal Billing	422	477	1,690	4,763	1,559	1,559	1,594	1,630

Full-Time Equivalents

3.67	3.80	5.15	14.89	7.87	7.87	7.87	7.87
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		24		1,847				
Direct Appropriation	170	173	3,216	1,981	1,580	1,580	1,615	1,651
Transfers Out	2	13						
Cancellations		3						
Balance Forward Out	22		1,847					
Expenditures	147	182	1,369	3,828	1,580	1,580	1,615	1,651
Biennial Change in Expenditures				4,869		(2,037)		(1,931)
Biennial % Change in Expenditures				1,482		(39)		(37)
Governor's Change from Base								106
Governor's % Change from Base								3
Full-Time Equivalents	1.05	1.03	2.41	7.55	7.87	7.87	7.87	7.87

2301 - Arts & Cultural Heritage

Balance Forward In	179	246	266	576				
Transfers In	341	337	662	392				
Cancellations	0	0						
Balance Forward Out	246	266	576					
Expenditures	275	316	351	968				
Biennial Change in Expenditures				729		(1,319)		(1,319)
Biennial % Change in Expenditures				123		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.62	2.77	2.74	7.34				

Program: Government and Citizen Services**Activity: State Archaeologist**

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

AT A GLANCE

- Approves qualifications and jointly issues licenses with the Minnesota Historical Society for archaeological work on Minnesota's public (non-federal) land
- Recovers or assists with the recovery of human remains and burial items from unrecorded burials and cemeteries over 50 years old (does not include crime scenes) under M.S. 309.25
- Works with the Minnesota Indian Affairs Council, Tribal Historic Preservation Offices, agencies, developers, and archaeologists to preserve and protect archaeological and unrecorded cemetery sites
- Records archaeological sites and maintains recorded archaeological site files for Minnesota
- Manages and oversees the completeness, accuracy, and security of site information within the Office of the State Archaeologist's online Portal
- Securely records and maintains the unrecorded burial and cemetery site files (M.S. 307.08)
- Develops procedures and archaeological standards for the state of Minnesota
- Develops procedures and standards for handling unrecorded cemetery sites over 50 years old in collaboration with the Minnesota Indian Affairs Council
- Promotes collaboration between cultural resource professionals, government agencies, Native American groups, and the public

PURPOSE AND CONTEXT

The Office of the State Archaeologist (OSA) acts as the chief public contact for archaeology in Minnesota. With three full-time equivalent team members, the OSA strives to preserve archaeological sites and unrecorded burials, encourage communication between state agencies regarding archaeological sites and cemeteries, foster collaboration between the archaeological and Tribal communities, and promote archaeological research and education in Minnesota. The OSA works with developers, Tribal representatives, governmental agencies, and the public to preserve, protect, and interpret Minnesota's archaeological resources.

The OSA's primary partners are landowners, state and local governments, developers, Tribal communities, professional archaeologists, students, and the public. The office is funded by an inter-agency agreement with the Department of Transportation, an agreement with the Minnesota Historical Society under the Arts and Cultural Heritage fund (M.S. 129D.17), and an appropriation from the general fund.

SERVICES PROVIDED

The OSA works closely with the Minnesota Indian Affairs Council, State Historic Preservation Office, Tribal Historic Preservation Offices, Tribal representatives, professional and amateur archaeologists, and agencies to review and discuss proposed development projects, unrecorded 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
- Answering questions, giving presentations, and providing cultural resource-related training opportunities
- Compiling and maintaining up-to-date information on recorded archaeological sites and unrecorded cemeteries in paper site files and digitally via the internet on the OSA Portal

- Educating the public about cultural resources by meeting with individuals, answering questions, and giving public presentations
- Facilitating research activities by prioritizing, promoting, and managing the Legacy-funded *Statewide Survey of Historical and Archaeological Sites* (M.S. 129D.17)
- Reviewing development plans to limit harm to archaeological and cemetery sites cost-effectively and efficiently
- Evaluating professional qualifications and licensing professionals working on public lands
- Administering the Field Archaeology Act (M.S. 138.31-42)

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of development projects submitted to the OSA for review	Quantity	The OSA tracks the number of reviews requested and completed each quarter.	393 (FY2020)	552 (FY2024) 40% increase
Number of archaeological licenses issued for work on non-federal public land.	Quantity	The OSA tracks the number of archaeological licenses issued each quarter, the type of license issued, who receives the license, and when the licensee has completed the project by submitting all required materials to the OSA.	119 (FY 2020)	454 (FY 2024) 282% increase
Number of archaeological reports submitted to the OSA representing the number of projects completed on non-federal public land or requesting review by the OSA.	Quantity	The OSA tracks the number of reports submitted to the OSA each quarter. Most of these reports are required as part of the licensing process.	125 (FY 2020)	274 (FY 2024) 119% increase

The legal authority for the work of the State Archaeologist is provided under: M.S. 138.31–138.42

(<https://www.revisor.mn.gov/statutes/cite/138>),

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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	312	316	587	864	772	784	788	817
2000 - Restrict Misc Special Revenue	40	13	9	6				
2001 - Other Misc Special Revenue	65	87	54	125	125	125	125	125
Total	416	417	650	995	897	909	913	942
Biennial Change				813		161		210
Biennial % Change				98		10		13
Governor's Change from Base								49
Governor's % Change from Base								3

Expenditures by Category

Compensation	365	332	386	525	621	630	637	663
Operating Expenses	51	85	264	465	271	274	271	274
Other Financial Transaction				5	5	5	5	5
Total	416	417	650	995	897	909	913	942

Total Agency Expenditures	416	417	650	995	897	909	913	942
Internal Billing Expenditures		13	33	34	34	34	34	34
Expenditures Less Internal Billing	416	404	617	961	863	875	879	908

Full-Time Equivalents

2.92	3.13	3.00	3.96	5.00	5.00	5.00	5.00
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State Archaeologist

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		1		44				
Direct Appropriation	314	314	631	820	772	784	788	817
Transfers In		17						
Transfers Out	2	11						
Cancellations		5						
Balance Forward Out	0		44					
Expenditures	312	316	587	864	772	784	788	817
Biennial Change in Expenditures				823		105		154
Biennial % Change in Expenditures				131		7		11
Governor's Change from Base								49
Governor's % Change from Base								3
Full-Time Equivalents	2.34	2.51	2.60	3.53	4.62	4.62	4.62	4.62

2000 - Restrict Misc Special Revenue

Balance Forward In	0	1	9				
Receipts	41	25	1	6			
Balance Forward Out	1	13					
Expenditures	40	13	9	6			
Biennial Change in Expenditures				(37)		(15)	(15)
Biennial % Change in Expenditures				(71)		(100)	(100)
Governor's Change from Base							0
Governor's % Change from Base							
Full-Time Equivalents	0.04	0.02	0.01	0.05			

2001 - Other Misc Special Revenue

Balance Forward In			0				
Receipts	65	87	54	125	125	125	125
Expenditures	65	87	54	125	125	125	125
Biennial Change in Expenditures				27		71	71
Biennial % Change in Expenditures				18		40	40
Governor's Change from Base							0
Governor's % Change from Base							0
Full-Time Equivalents	0.54	0.60	0.39	0.38	0.38	0.38	0.38

State Archaeologist

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27

2403 - Gift

Balance Forward In	1	1	1	1	1	1	1	1
Receipts	0	0	0					
Balance Forward Out	1	1	1	1	1	1	1	1

Program: Government and Citizen Services**Activity: Facilities Management**<https://mn.gov/admin/government/buildings-grounds/>**AT A GLANCE**

- Maintain 4.7 million square feet of office, laboratory, ceremonial, meeting, and other space in 21 buildings, including the State Capitol
- Maintain the grounds of the 140-acre Capitol Complex
- Maintain 25 monuments and memorials
- Operate and maintain over 6,000 parking stalls in 28 facilities
- Issue more than 400 special event permits annually
- Processed 17 million pieces of mail and achieved \$1.9 million in postage savings in FY 2024
- Reduced carbon emissions by 68% from CY 2008 while also increasing building square footage and capacity
- Oversee a 'Toward Zero Waste' recycling and organics diversion program

PURPOSE AND CONTEXT

Facilities Management Division (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 competitive. The division seeks innovative solutions for parking asset management and to ensure sustainability through energy management and environmental stewardship.

Additionally, FMD mail processing and distribution services through Central Mail provide cost-effective solutions critical to state agency functions.

FMD's primary partners are state agencies and their customers, state employees, the Governor's Office, the Legislature, Judicial branch, event organizers and participants, and visitors to the Capitol Complex.

FMD Lease function 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. FMD also receives revenue from central mail postage services and parking fees. There is a general fund appropriation for processing incoming federal mail and for interagency mail delivery.

FMD works to create an inclusive workplace by partnering with a local non-profit, Project for Pride in Living (PPL), to train individuals from disadvantaged neighborhoods by providing on-site internships for building operations technician students to help them gain the experience they need to obtain full employment. FMD also participates in Project Search, hosting up to four special needs high school seniors from the St. Paul School district to provide hands-on training and workplace experiences with the goal of preparing them for meaningful full-time employment after graduation.

During the upcoming biennium FMD will continue to facilitate the evolving space needs for state agencies that occupy FMD managed buildings through timely programming, execution of maintenance and repairs, and minor alteration work necessary to meet their building needs.

SERVICES PROVIDED

FMD provides services in four primary categories:

- Facilities
- Parking and transit
- Groundskeeping
- Centralized mail service for agencies located in St. Paul

Specific services 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 operate parking facilities
- Provide snow and ice control on Capitol Complex sidewalks and parking facilities

RESULTS

FMD measures performance in multiple ways including partner satisfaction, service disruptions, work completion rates, and carbon reduction. The division also continually monitors the conditions of the buildings it manages by conducting annual facility condition audits. Greenhouse gas emissions have been reduced by energy efficiency measures, renewable energy installations on the Capitol Complex, and the increase in the amount of renewable energy in the regional electrical grid.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of partners who are satisfied with FMD's service	Quality	Collected through customer surveys	92% (FY 2019)	92% (FY 2024)
Number of Service Disruptions	Result	Internal tracking	3 (FY 2021)	1 (FY 2024)
Percent of Work Orders Completed	Quality	Internal tracking	86% (FY 2021)	91% (FY 2024)
Percent of Greenhouse Gas Emissions reduced	Quantity	Collected from all utility invoices and converted into carbon dioxide equivalent (CO ₂ e)	93,678 tons CO ₂ e (CY 2008) 40,113 tons CO ₂ e (CY 2020) 43,370 tons CO ₂ e (CY 2021) 32,609 tons CO ₂ e (CY 2022)	30,414 CO ₂ e (CY 2023) CO ₂ e have been reduced by 68% from CY 2008 to CY 2023.

CY – Calendar Year

M.S. 16B.24-16B.58 (<https://www.revisor.mn.gov/statutes/cite/16B/full#stat.16B.24.1>) provides the legal authority for Facilities Management Division's services.

Facilities Management

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	438	436	438	490	472	472	472	472
2000 - Restrict Misc Special Revenue	4,555	1,753	3,177	4,922	3,691	3,678	3,691	3,678
2001 - Other Misc Special Revenue		6,932	18,605	22,813	5,084	4,525	5,084	4,525
2403 - Gift	43							
3015 - ARP-State Fiscal Recovery	1,523	2,865						
5203 - Central Mail	11,013	10,945	14,214	11,959	11,963	11,989	11,963	11,989
5400 - Plant Management	57,677	59,635	75,783	54,008	60,407	63,123	60,407	63,123
Total	75,250	82,565	112,217	94,192	81,617	83,787	81,617	83,787
Biennial Change				48,595		(41,005)		(41,005)
Biennial % Change				31		(20)		(20)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	18,524	18,055	19,909	23,156	25,027	25,785	25,027	25,785
Operating Expenses	41,086	44,567	70,033	55,368	54,283	56,390	54,283	56,390
Capital Outlay-Real Property	2,217	6,535	8,330	9,593	1,828	1,401	1,828	1,401
Other Financial Transaction	13,422	13,408	13,945	6,075	479	211	479	211
Total	75,250	82,565	112,217	94,192	81,617	83,787	81,617	83,787

Total Agency Expenditures	75,250	82,565	112,217	94,192	81,617	83,787	81,617	83,787
Internal Billing Expenditures		1,549	1,599	1,617	1,644	1,675	1,644	1,675
Expenditures Less Internal Billing	75,250	81,016	110,618	92,575	79,973	82,112	79,973	82,112

Full-Time Equivalents

	231.72	231.79	229.39	237.52	248.06	252.06	248.06	252.06
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Facilities Management

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		2		18				
Direct Appropriation	440	440	13,102	1,557	472	472	472	472
Transfers Out			12,646	1,085				
Cancellations		5						
Balance Forward Out	2		18					
Expenditures	438	436	438	490	472	472	472	472
Biennial Change in Expenditures				53		16		16
Biennial % Change in Expenditures				6		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.55	4.56	4.12	4.12	4.12	4.12	4.12	4.12

2000 - Restrict Misc Special Revenue

Balance Forward In	27,168	1,469	1,821	4,797	3,872	3,201	3,872	3,201
Receipts	4,374	4,231	4,078	4,105	4,105	4,105	4,105	4,105
Transfers In	10,163		3,255	1,085				
Transfers Out	35,812	2,285	1,181	1,193	1,085	1,085	1,085	1,085
Balance Forward Out	1,338	1,662	4,797	3,872	3,201	2,543	3,201	2,543
Expenditures	4,555	1,753	3,177	4,922	3,691	3,678	3,691	3,678
Biennial Change in Expenditures				1,791		(730)		(730)
Biennial % Change in Expenditures				28		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.21	4.20	7.61	7.96	7.98	7.98	7.98	7.98

2001 - Other Misc Special Revenue

Balance Forward In	860	29,643	28,091	23,674	5,430	4,698	5,430	4,698
Transfers In	28,783	9,847	18,253	8,384	9,655	8,245	9,655	8,245
Transfers Out		4,504	4,063	3,815	5,303	4,052	5,303	4,052
Balance Forward Out	29,643	28,054	23,675	5,430	4,698	4,366	4,698	4,366
Expenditures		6,932	18,605	22,813	5,084	4,525	5,084	4,525
Biennial Change in Expenditures				34,487		(31,809)		(31,809)
Biennial % Change in Expenditures						(77)		(77)

Facilities Management

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's Change from Base								0
Governor's % Change from Base								0

2403 - Gift

Balance Forward In	620	579	597	626	652	678	652	678
Receipts	2	18	30	26	26	26	26	26
Balance Forward Out	579	597	626	652	678	704	678	704
Expenditures	43							
Biennial Change in Expenditures				(43)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In		1,507						
Direct Appropriation	3,000	1,358						
Balance Forward Out	1,477							
Expenditures	1,523	2,865						
Biennial Change in Expenditures				(4,388)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.85	3.17						

5203 - Central Mail

Balance Forward In	1,771	1,877	2,337	2,066	1,919	1,768	1,919	1,768
Receipts	11,347	11,160	13,943	11,812	11,812	11,812	11,812	11,812
Transfers Out	325							
Balance Forward Out	1,780	2,092	2,066	1,919	1,768	1,591	1,768	1,591
Expenditures	11,013	10,945	14,214	11,959	11,963	11,989	11,963	11,989
Biennial Change in Expenditures				4,216		(2,221)		(2,221)
Biennial % Change in Expenditures				19		(8)		(8)
Governor's Change from Base								0

Facilities Management

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Governor's % Change from Base								0
Full-Time Equivalents	7.13	7.02	7.64	7.64	7.64	7.64	7.64	7.64

5400 - Plant Management

Balance Forward In	18,958	19,320	21,660	4,379	10,943	10,057	10,943	10,057
Receipts	77,047	80,649	76,995	78,240	77,093	78,371	77,093	78,371
Transfers In	325		5,000					
Transfers Out	20,040	19,877	23,493	17,668	17,572	17,238	17,572	17,238
Balance Forward Out	18,612	20,457	4,379	10,943	10,057	8,067	10,057	8,067
Expenditures	57,677	59,635	75,783	54,008	60,407	63,123	60,407	63,123
Biennial Change in Expenditures				12,479		(6,261)		(6,261)
Biennial % Change in Expenditures				11		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	209.98	212.84	210.02	217.80	228.32	232.32	228.32	232.32

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

<https://mn.gov/admin/government/real-estate/>

<https://mn.gov/admin/government/construction-projects/>

AT A GLANCE

- Managed 650 non-state-owned and state-owned real property leases in FY 2024
- Leased 3.1 million useable square feet of non-state-owned space
- Managed over 320 construction projects for state-owned facilities in FY 2024
- Oversaw capital expenditures from 2020, 2023, and 2024 bond and cash appropriations

PURPOSE AND CONTEXT

Real Estate and Construction Services delivers project management and real estate 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, the 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, Real Estate and Construction Services is increasing the participation of women-, minority-, disabled-, and veteran-owned small businesses in public design and construction projects.

Effective lease negotiations ensure that agencies receive competitive market rates. Real Estate and Construction Services also helps agencies get the most functionality and efficiency from their space through the implementation of space standards and oversight of space lease terms and conditions.

The Facilities Strategic Plan established revised standards that guide space consolidation efforts among state agencies. The plan is intended to support the delivery of programs and services expected by Minnesotans in an effective and efficient manner. Activities are primarily funded through the General Fund and capital appropriations.

SERVICES PROVIDED**Construction**

- Project management for new, remodel, and asset preservation building projects
- Management of the Capital Asset Preservation and Replacement Account (CAPRA) funds
- Management of predesign program
- Capital improvement planning
- Management and oversight of the Minnesota Sustainable Building Guidelines and Benchmarking Tool for the Sustainable Buildings 2030 (SB 2030) energy standard
- Providing administrative support for the State Designer Selection Board

Real Estate and Space Management

- Acquiring and selling real property
- Coordination of transfers of real property between agencies
- Providing space utilization services for efficient and effective facility management
- Implementing strategic facilities plan guidance
- Coordination of space consolidation program

- Negotiation and drafting of easements and permits
- Preparing and updating current space profiles of Capitol Complex buildings and occupancies

Leasing

- Preparing and soliciting request for proposals from landlords for leased space
- Negotiation and drafting of lease documents
- Management of state-owned and non-state-owned real property leases
- Actively managing the implementation of new space guidelines for leased locations
- Helping facilitate transition to hybrid work environment and space consolidation

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of RFPs that had at least one or more TG/ED/VO vendor(s) to submit proposals.	Quantity	Internal tracking	100% (FY 2022)	100% (FY 2024)
Number of cabinet level agencies that have initiated or completed office space consolidation projects	Quantity	Internal Tracking	N/A*	9 (FY 2024)
Number of new annual construction projects	Quantity	Tracking of project initiation requests	155 new projects (FY 2023)	161 new projects (FY 2024)

*This is a new measure. Consolidation of office space in owned and leased real estate: Administration (complete), Agriculture, Commerce, Health, Human Services, Information Technology, Natural Resources, Revenue, Transportation.

The legal authority for Real Estate and Construction Services is provided under 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 (<https://www.revisor.mn.gov/statutes/cite/16B.30>),

M.S.16B.305 (<https://www.revisor.mn.gov/statutes/cite/16B.305>),

M.S.16B.31-16B.335 (<https://www.revisor.mn.gov/statutes/cite/16B.31>), and

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

Real Estate and Construction Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	2,651	2,842	4,169	8,468	3,477	3,477	3,559	3,642
2000 - Restrict Misc Special Revenue			472	26				
2001 - Other Misc Special Revenue	500	542	500	500	500	500	500	500
2340 - Renewable Development	125		690					
2403 - Gift	548	8,971	7,583	33	33	33	33	33
2700 - Trunk Highway				23,850				
3015 - ARP-State Fiscal Recovery	881	2,054						
Total	4,704	14,409	13,414	32,877	4,010	4,010	4,092	4,175
Biennial Change				27,177		(38,271)		(38,024)
Biennial % Change				142		(83)		(82)
Governor's Change from Base								247
Governor's % Change from Base								3

Expenditures by Category

Compensation	2,145	2,179	2,453	2,743	2,880	2,882	2,962	3,047
Operating Expenses	2,071	3,288	3,031	7,531	1,127	1,125	1,127	1,125
Capital Outlay-Real Property	489	8,942	7,902	19,150				
Other Financial Transaction	0	0	28	3,453	3	3	3	3
Total	4,704	14,409	13,414	32,877	4,010	4,010	4,092	4,175

Total Agency Expenditures	4,704	14,409	13,414	32,877	4,010	4,010	4,092	4,175
Internal Billing Expenditures		197	233	200	200	200	200	200
Expenditures Less Internal Billing	4,704	14,212	13,180	32,677	3,810	3,810	3,892	3,975

Full-Time Equivalents

19.15	20.06	20.03	21.31	21.06	20.53	21.06	20.53
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Real Estate and Construction Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		233		4,746				
Direct Appropriation	2,882	2,946	8,919	3,726	3,481	3,481	3,563	3,646
Transfers Out	7	332	4	4	4	4	4	4
Cancellations		6						
Balance Forward Out	224		4,747					
Expenditures	2,651	2,842	4,169	8,468	3,477	3,477	3,559	3,642
Biennial Change in Expenditures				7,144		(5,683)		(5,436)
Biennial % Change in Expenditures				130		(45)		(43)
Governor's Change from Base								247
Governor's % Change from Base								4
Full-Time Equivalents	19.15	20.06	20.03	21.31	21.06	20.53	21.06	20.53

2000 - Restrict Misc Special Revenue

Balance Forward In	498	498	498	26		
Balance Forward Out	498	498	26			
Expenditures			472	26		
Biennial Change in Expenditures				498	(498)	(498)
Biennial % Change in Expenditures					(100)	(100)
Governor's Change from Base						0
Governor's % Change from Base						

2001 - Other Misc Special Revenue

Balance Forward In	42	42	0			
Receipts	500	500	500	500	500	500
Balance Forward Out	42	0	0			
Expenditures	500	542	500	500	500	500
Biennial Change in Expenditures				(42)	0	0
Biennial % Change in Expenditures				(4)	0	0
Governor's Change from Base						0
Governor's % Change from Base						0

2340 - Renewable Development

Balance Forward In	0			
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Real Estate and Construction Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Direct Appropriation	125		690					
Cancellations		0						
Balance Forward Out	0							
Expenditures	125		690					
Biennial Change in Expenditures				565		(690)		(690)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	587	11,569	7,597	992	992	992	992	992
Receipts	11,100	362	231	33	33	33	33	33
Transfers In			747					
Transfers Out		1,705						
Balance Forward Out	11,139	1,255	992	992	992	992	992	992
Expenditures	548	8,971	7,583	33	33	33	33	33
Biennial Change in Expenditures				(1,902)		(7,550)		(7,550)
Biennial % Change in Expenditures				(20)		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0

2700 - Trunk Highway

Direct Appropriation			23,850		0	0	0	0
Expenditures			23,850					
Biennial Change in Expenditures			23,850			(23,850)		(23,850)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In		3,316						
Direct Appropriation	4,000							
Cancellations		1,262						

Real Estate and Construction Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Balance Forward Out	3,119							
Expenditures	881	2,054						
Biennial Change in Expenditures				(2,935)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Program: Government and Citizen Services**Activity: Enterprise Real Property Program**<https://realprop.admin.state.mn.us/archibus/login.axvw>**AT A GLANCE**

- Manages data for approximately 5,000 state-owned buildings consisting of more than 35 million square feet, and more than 3.1 million acres of land
- Preserves a catalog of floorplans for more than 83% of state-owned space
- Performs standardized and consistent Facility Condition Assessments of state-owned space
- Tracks an average of 121,000 maintenance and work orders annually for state facilities
- Manages data and tracks approximately 765 active leases
- Inventories and tracks maintenance history of more than 44,000 pieces of facility-supporting equipment
- Facilitates space planning to allow for the most effective use of work areas

PURPOSE AND CONTEXT

The Enterprise Real Property Program strives to provide the tools and information necessary for a data-driven facility investment and management strategy across state government to promote fiscal accountability and measurable results.

The Enterprise Real Property Program indirectly serves the Minnesota population that utilize public and non-public property by directly serving the 19 state agencies that maintain state-owned property. By leading the collaboration and data analysis for the real property services and tools offered to these agencies, the Enterprise Real Property Program helps operate state facilities more cost-effectively by encouraging a proactive maintenance strategy rather than a reactive one. The Enterprise Real Property Program's data is consistent, trusted, and available in real-time. This allows partnering agencies and policymakers the opportunity to understand the condition and occupancy of a space and how it is used, operated, and maintained. This helps to make infrastructure decisions that will have a positive impact on Minnesota's environment.

The Enterprise Real Property Program plays a vital role in supporting the Department of Administration's mission by providing leadership, innovation, solutions, and support to the 19 state agencies that maintain state-owned property. The Enterprise Real Property Program consolidates data from these agencies into one database and application (ARCHIBUS; <https://realprop.admin.state.mn.us/archibus/login.axvw>). The Enterprise Real Property Program utilizes this data to standardize real property management across state government. The Enterprise Real Property Program directs collaborative efforts for developing and establishing policies, procedures, consistent standards, and guidelines for operating, sustaining, and managing the state's real property portfolio. The Enterprise Real Property Program also uses this data to help determine state asset preservation funding needs and the fiscal impact of deferring facility maintenance.

SERVICES PROVIDED

- Manage state facility data
- Create and maintain standards of compliance, policies, and processes to ensure consistency
- Train users to maximize program results
- Research new technologies to leverage data and optimize operations
- Implement application installations
- Implement enhancements to support agency business needs and optimize user friendliness
- Resolve system issues

- Create enterprise-level facility reports
- Assist agencies with consultations and action plans to align ARCHIBUS data to meet business goals
- Technology tools supported and offered to partnering agencies by the Enterprise Real Property Program:
 - Space Management: Optimize space, track space usage, and floor plans
 - Maintenance Management: Track and manage maintenance requests and costs
 - Condition Assessment: Track building and site conditions, and prioritize maintenance needs
 - Lease Management: Track and manage lease portfolio, lease rates, contracts, and renewals
 - Asset Management: Track and Manage furniture and equipment inventory, life expectancy, and depreciation
 - Compliance Management: Track compliance with regulatory requirements through surveys and documentation
 - Project Management: Track and manage small projects from conception to completion
 - Move Management: Manage employee work relocations
 - Health & Safety Management: Track personal protective equipment, employee training, and work incidents
 - Emergency Preparedness: Track evacuation routes, locations of fire extinguishers, automated external defibrillators (AEDs), or hazardous materials
 - Geographic Information System (GIS) asset locating: Track and locate key assets on maps

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of work orders processed annually	Quantity	Agency captured data extracted from ARCHIBUS	122,211 (FY 2020)	127,370 (FY 2024)
Percent of work orders completed on time	Quality	Agency captured data extracted from ARCHIBUS	66% (FY 2020)	79% (FY 2020)
Percent of square footage in poor and crisis condition	Result	Agency captured data extracted from ARCHIBUS	18% (FY 2020)	19% (FY 2024)

The Enterprise Real Property Program supports and maintains compliance with the following statutes and orders:

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/full#stat.16B.24>)

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

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

Executive Order 05-06 (<https://www.leg.state.mn.us/archive/execorders/05-06.pdf>).

Enterprise Real Property Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
<u>Expenditures by Fund</u>								
1000 - General	676	841	883	890	890	890	890	890
2001 - Other Misc Special Revenue		60	150	105	28		28	
Total	676	901	1,033	995	918	890	918	890
Biennial Change				451		(220)		(220)
Biennial % Change				29		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	228	244	269	282	238	238	238	238
Operating Expenses	448	656	764	713	680	652	680	652
Other Financial Transaction	1							
Total	676	901	1,033	995	918	890	918	890
Total Agency Expenditures	676	901	1,033	995	918	890	918	890
Internal Billing Expenditures		22	16	22	22	22	22	22
Expenditures Less Internal Billing	676	879	1,017	973	896	868	896	868
Full-Time Equivalents	2.04	2.07	2.00	2.00	1.65	1.61	1.65	1.61

Enterprise Real Property Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		80						
Direct Appropriation	756	761	883	890	890	890	890	890
Cancellations		0						
Balance Forward Out	80							
Expenditures	676	841	883	890	890	890	890	890
Biennial Change in Expenditures				256		7		7
Biennial % Change in Expenditures				17		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.04	2.07	2.00	2.00	1.65	1.61	1.65	1.61

2001 - Other Misc Special Revenue

Balance Forward In	328	328	283	133	28		28	
Balance Forward Out	328	268	133	28				
Expenditures		60	150	105	28		28	
Biennial Change in Expenditures				195		(227)		(227)
Biennial % Change in Expenditures						(89)		(89)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Government and Citizen Services**Activity: Minnesota Advisory Council on Infrastructure**<https://mn.gov/admin/>**AT A GLANCE**

- The Infrastructure Resilience Advisory Task Force (Task Force) was established in 2023 to evaluate issues related to coordination, sustainability, resiliency, and federal funding on state, local, and private infrastructure in Minnesota.
- The Task Force submitted their final report to the Minnesota Legislature in January 2024. It recommended that a permanent council be established to support inter-governmental infrastructure collaboration and coordination.
- The Minnesota Advisory Council on Infrastructure was established under sections M.S. 16B.356 to M.S. 16B.359 by the Minnesota Legislature in May 2024.
- Initial appointments and staff support must be in place for the Minnesota Advisory Council on Infrastructure by May 1, 2025.

PURPOSE AND CONTEXT

The Minnesota Advisory Council on Infrastructure (Council) will define and maintain a vision for the future of Minnesota's infrastructure that provides for its proper management, coordination, and investment.

The council consists of fifteen non-voting members that are experts in an aspect of infrastructure and 11 voting members.

The council consists of the following voting members:

- two members appointed by the governor
- two members appointed by the senate majority leader
- two members appointed by the senate minority leader
- two members appointed by the speaker of the house
- two members appointed by the house minority leader
- one member appointed by the Indian Affairs Council

SERVICES PROVIDED**The council coordinates with stakeholders to identify and recommend best practices to:**

- preserve and extend the longevity of Minnesota's public and privately owned infrastructure; and
- provide for effective and efficient management of infrastructure.

Following the initial appointments to the Council and the hiring of an executive director, the Council will undertake community engagement efforts throughout the state. These meetings will provide comments and information to the Council related to the needs of the state and how best to maintain and manage Minnesota's public and privately owned infrastructure.

The work of the Council will focus on these tasks:

- identify approaches to enhance and expedite infrastructure coordination across jurisdictions, agencies, state and local government, and public and private sectors, including in planning, design, engineering, construction, maintenance, and operations

- analyze methods to improve efficiency and the use of resources related to (i) public infrastructure, and (ii) public asset management practices
- identify opportunities to reduce duplication in infrastructure projects and asset management
- identify barriers and gaps in effective asset management
- identify objectives and strategies that enhance the longevity and adaptability of infrastructure throughout the state
- develop advisory recommendations, if any, related to the responsibilities and duties specified under this section, including to state agencies for programs, policies, and practices
- implement the requirements under M.S. 16B.356 to M.S. 16B.359

The council will develop and recommend a plan for a statewide asset managers program that provides:

- identification, exchange, and distribution of (i) information on existing asset management tools and resources, and (ii) best practices on infrastructure management
- training for infrastructure owners and asset managers
- coordination and collaboration among infrastructure owners and asset managers.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of community engagement events	Quantity	Internal tracking	N/A*	N/A
Number of opportunities identified to reduce duplication in infrastructure projects	Quantity	Internal tracking	N/A*	N/A
Number of projects coordinated between infrastructure owners	Quantity	Internal tracking	N/A*	N/A

*These are new measures for this newly established council

M.S. 16B.356 - 16B.359 (<https://www.revisor.mn.gov/statutes/cite/16B/full>) provides the legal authority for the Minnesota Advisory Council on Infrastructure.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General				41	475	471	475	471
Total				41	475	471	475	471
Biennial Change				41		905		905
Biennial % Change								
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation				28	377	388	377	388
Operating Expenses				13	98	83	98	83
Total				41	475	471	475	471

Full-Time Equivalents

				0.17	3.00	3.00	3.00	3.00
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Direct Appropriation				41	475	471	475	471
Expenditures				41	475	471	475	471
Biennial Change in Expenditures				41		905		905
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				0.17	3.00	3.00	3.00	3.00

Program: Government and Citizen Services**Activity: Risk Management**<https://mn.gov/admin/risk>**AT A GLANCE**

- Provide cost-effective management of the state's self-insured coverages for property, auto, general liability, and workers' compensation liability
- Help partners and stakeholders understand operational risks and maintain financial stability through insurance or the use of other risk management strategies
- Insure \$22.4 billion in state property and 13,800 vehicles for auto liability
- Cover over 56,400 employees in the executive, legislative, and judicial branches of state government, Minnesota State Colleges and Universities, and quasi-state agencies such as the Minnesota Zoo for workers' compensation
- Manage 2,776 new liability, property, and workers' compensation claims annually (includes 1,484 COVID-19 workers' compensation claims)
- Lead MnSAFE, the statewide injury reduction effort, which has helped prevent more than 7,000 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 three or more critical injuries – services include counseling, victim assistance, behavioral health, and communications management

PURPOSE AND CONTEXT

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

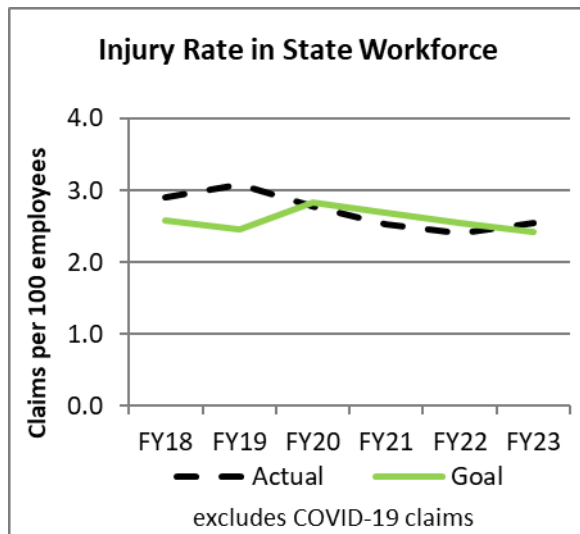
The division helps its partners and stakeholders understand their operational risks and maintain financial stability through insurance or the use of other risk management strategies. In addition, it helps state agencies develop and promote a safe, productive workplace that helps protect state employees and state resources. It delivers 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

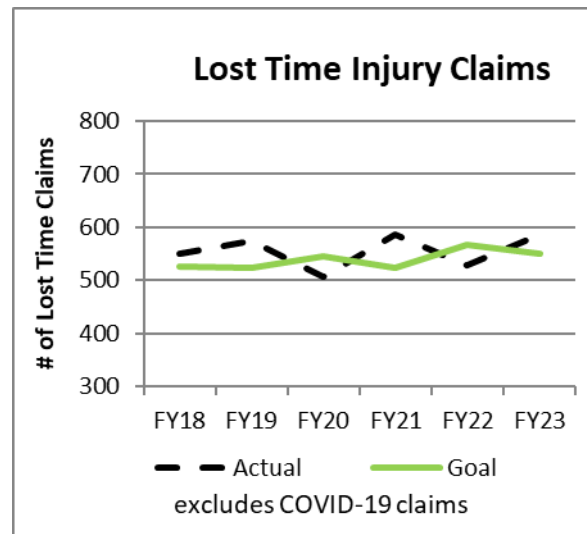
Risk Management helps state agencies and employees return to serving Minnesota citizens following unexpected events or accidents.

- The services provided by Risk Management include:
- Advising partners about how to best control operational and contractual risks
- Helping partners acquire 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 Risk Management's customers
- Repairing partners' damaged property and vehicles

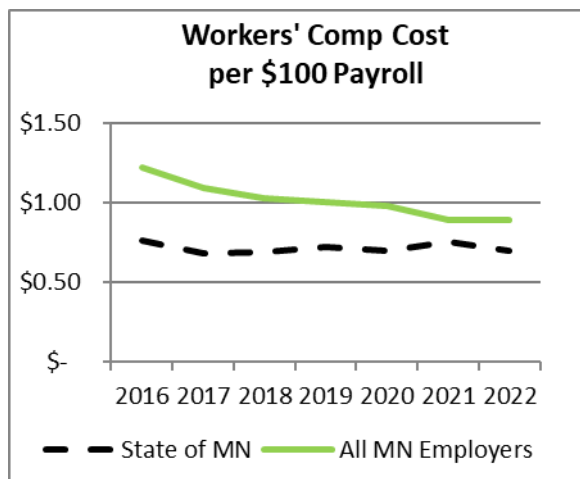
RESULTS



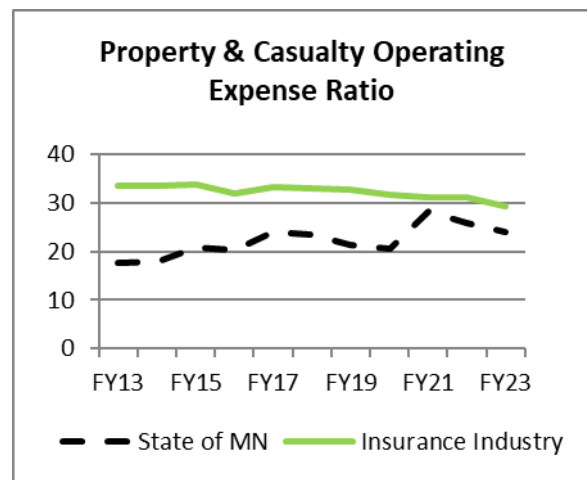
Performance Measure (Result): Based on internal tracking, the number of workplace injuries is declining.



Performance Measure (Result): Based on internal tracking, the number of lost time injury claims continues to fluctuate, both above and below the goal for each fiscal year.



Performance Measure (Quality): To ensure cost effective services, Risk Management routinely compares its costs with those of private and public employers. Risk Management's workers' compensation cost per every \$100 of payroll is less than that of other Minnesota employers. Based on information from Department of Labor and Industry website: <https://www.dli.mn.gov/business/workers-compensation/work-comp-rate-information-statewide-average-weekly-wage-saww>



Performance Measure (Quality): Risk Management strives to keep administrative expenses low and measures costs annually against insurance market averages. Based on internal tracking and industry standards, State property and casualty operating expenses are less than the average insurance industry operating costs.

The legal authority for Administration's Risk Management Division is provided by: 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>).

Risk Management

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	764	769	788	812	836	861	836	861
2000 - Restrict Misc Special Revenue	32,615							
2001 - Other Misc Special Revenue		36,162	39,511	40,284	41,830	43,081	41,830	43,081
3015 - ARP-State Fiscal Recovery	3,589	2,289						
5300 - Risk Management	16,407	20,817	19,820	21,922	22,005	22,035	22,005	22,035
Total	53,375	60,038	60,118	63,018	64,671	65,977	64,671	65,977
Biennial Change				9,724		7,512		7,512
Biennial % Change				9		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	4,024	3,881	4,243	4,820	5,031	5,132	5,031	5,132
Operating Expenses	49,342	55,825	55,506	57,796	59,238	60,443	59,238	60,443
Capital Outlay-Real Property	0	0						
Other Financial Transaction	10	331	369	402	402	402	402	402
Total	53,375	60,038	60,118	63,018	64,671	65,977	64,671	65,977

Total Agency Expenditures	53,375	60,038	60,118	63,018	64,671	65,977	64,671	65,977
Internal Billing Expenditures		357	338	347	347	347	347	347
Expenditures Less Internal Billing	53,375	59,680	59,781	62,671	64,324	65,630	64,324	65,630

<u>Full-Time Equivalents</u>	35.37	35.44	35.73	35.72	35.72	35.72	35.72	35.72
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Risk Management

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Direct Appropriation			12,500					
Open Appropriation	764	769	788	812	836	861	836	861
Transfers Out			12,500					
Expenditures	764	769	788	812	836	861	836	861
Biennial Change in Expenditures				67		97		97
Biennial % Change in Expenditures				4		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

2000 - Restrict Misc Special Revenue

Balance Forward In	11,022	827						
Receipts	30,385							
Transfers In	7,927							
Transfers Out	16,260	827						
Balance Forward Out	459							
Expenditures	32,615							
Biennial Change in Expenditures				(32,615)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	23.92	1.68						

2001 - Other Misc Special Revenue

Balance Forward In	2,114	10,846	12,846	13,144	14,294	14,385	14,294	14,385
Receipts		35,198	39,808	41,434	41,921	44,171	41,921	44,171
Transfers In	10,302	4,935	4,280	4,680	4,900	5,200	4,900	5,200
Transfers Out	1,969	4,108	4,280	4,680	4,900	5,200	4,900	5,200
Balance Forward Out	10,446	10,709	13,144	14,294	14,385	15,475	14,385	15,475
Expenditures		36,162	39,511	40,284	41,830	43,081	41,830	43,081
Biennial Change in Expenditures				43,632		5,116		5,116
Biennial % Change in Expenditures						6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Risk Management

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Full-Time Equivalents	1.52	24.27	26.22	24.82	24.82	24.82	24.82	24.82

3015 - ARP-State Fiscal Recovery

Balance Forward In		2,289						
Direct Appropriation	5,878							
Balance Forward Out	2,289							
Expenditures	3,589	2,289						
Biennial Change in Expenditures				(5,878)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

5300 - Risk Management

Balance Forward In	22,930	23,846	21,984	36,777	38,119	39,378	38,119	39,378
Receipts	16,814	18,885	22,113	23,264	23,264	23,264	23,264	23,264
Transfers In			12,500					
Balance Forward Out	23,337	21,913	36,777	38,119	39,378	40,607	39,378	40,607
Expenditures	16,407	20,817	19,820	21,922	22,005	22,035	22,005	22,035
Biennial Change in Expenditures				4,517		2,298		2,298
Biennial % Change in Expenditures				12		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.93	9.49	9.51	10.90	10.90	10.90	10.90	10.90

Program: Government and Citizen Services**Activity: Small Agency Resource Team**

<https://mn.gov/admin/government/small-agency/>

AT A GLANCE

- Serves 44 diverse executive branch agencies, boards, and councils
- Provides financial guidance for budgets totaling \$174 million in FY 2024
- Delivers human resource services for approximately 498 employees in FY 2024

PURPOSE AND CONTEXT

The Small Agency Resource Team (SmART) provides accounting, budgeting, and human resources (HR) services to executive branch small agencies, boards, and councils. SmART agencies retain ultimate authority for human resources, finance, and budget decisions.

SmART learns the needs of state agency partners and provides expert technical knowledge of policies, procedures, and best practices. This eliminates the need for these agencies, boards, and councils to hire dedicated administrative staff to handle infrequent transactional functions so that they can focus on delivering their core missions. Through SmART's work, partners more accurately and easily navigate the complexities of performing state government financial and human resource functions.

SmART is required by statute to serve the state's three ethnic councils, Minnesota Indian Affairs Council, Minnesota Council on Disability, LGBTQIA2S+ Council, and The Office of the Foster Youth Ombudsperson. By directing resources to these entities, they can dedicate their resources to supporting the state's goals surrounding diversity and inclusion in public programs and services. Currently, SmART serves 38 additional agency partners including the Health Licensing Boards, the Minnesota Racing Commission, the Peace Officers Standards Training (POST) Board, and the Minnesota Department of Human Rights. This work is supported by a combination of general fund resources and inter-agency 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 partners with the financial and human resources information and services they need to operate effectively and efficiently:

Financial Management	Human Resources
Budget support	Affirmative action planning
Biennial budget guidance and entry	Payroll services
Fiscal note assistance and processing	Personnel transactions entries
Budget entries	Benefits administration
Processing of purchase orders, professional/technical contracts, grant contracts, inter-agency agreements, annual plans, and employee business and travel reimbursements	Performance management and labor relations
Payment processing	Classification and compensation analysis
Deposits	Vacancy filling
Reporting	Reporting
Training	Training

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
General Fund savings. SmART's appropriation is less – by the listed percentage – than the estimated cost for each agency, board, or council to perform the same duties independently. *SmART's appropriation was increased in FY24 to help cover costs for all agencies served by SmART.	Result	Internal tracking	48% (FY 2022)	40%* (FY 2024)
Number of partners served. SmART partner base has doubled since 2019. This allows more agencies to get expert business services and enables partners to focus their most vital resources on their core missions. *SmART off-boarded two agencies who were receiving HR services only and on-boarded two full-service agencies.	Quantity	Internal tracking	44 (FY 2022)	44* (FY2024)

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	392	417	636	1,197	885	885	906	927
2001 - Other Misc Special Revenue	1,188	1,326	1,493	1,623	1,882	1,879	1,882	1,879
Total	1,580	1,743	2,130	2,820	2,767	2,764	2,788	2,806
Biennial Change				1,626		581		644
Biennial % Change				49		12		13
Governor's Change from Base								63
Governor's % Change from Base								1

Expenditures by Category

Compensation	1,472	1,622	1,947	2,177	2,472	2,497	2,493	2,539
Operating Expenses	108	122	182	643	295	267	295	267
Other Financial Transaction			0					
Total	1,580	1,743	2,130	2,820	2,767	2,764	2,788	2,806

Total Agency Expenditures	1,580	1,743	2,130	2,820	2,767	2,764	2,788	2,806
Internal Billing Expenditures		7	8	7	7	7	7	7
Expenditures Less Internal Billing	1,580	1,736	2,122	2,813	2,760	2,757	2,781	2,799

<u>Full-Time Equivalents</u>	14.92	16.95	18.72	20.10	22.22	22.22	22.22	22.22
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		92		313				
Direct Appropriation	483	493	949	884	885	885	906	927
Transfers Out		167						
Cancellations		0						
Balance Forward Out	91		313					
Expenditures	392	417	636	1,197	885	885	906	927
Biennial Change in Expenditures				1,025		(63)		0
Biennial % Change in Expenditures				127		(3)		(0)
Governor's Change from Base								63
Governor's % Change from Base								4
Full-Time Equivalents	3.76	4.21	5.26	6.71	6.72	6.72	6.72	6.72

2001 - Other Misc Special Revenue

Balance Forward In	177	388	427	650	718	638	718	638
Receipts	1,399	1,340	1,716	1,691	1,802	1,802	1,802	1,802
Balance Forward Out	388	402	650	718	638	561	638	561
Expenditures	1,188	1,326	1,493	1,623	1,882	1,879	1,882	1,879
Biennial Change in Expenditures				602		645		645
Biennial % Change in Expenditures				24		21		21
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.16	12.74	13.46	13.39	15.50	15.50	15.50	15.50

Program: Government and Citizen Services**Activity: State Assistive Technology & State Accommodation Reimbursements**

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

<https://mn.at4all.com/>

<https://mn.gov/admin/government/disability-services/accommodation-fund/>

AT A GLANCE**During FY 2023 and FY 2024, System of Technology to Achieve Results provided:**

- 542 long-term loans of assistive technology that saved Minnesotans with disabilities \$801,931
- 964 short-term loans of 1288 assistive technology devices for trial or temporary use
- 657 demonstrations of assistive technology
- Technical assistance to various state agency committees

During FY 2023 and FY 2024, the State Accommodation Reimbursement Fund:

- Received 338 accommodation reimbursement requests, with applications from 18 state agencies
- Provided reimbursement of \$404,487.63 to state agencies

PURPOSE AND CONTEXT

A System of Technology to Achieve Results (STAR) is Minnesota's Assistive Technology Act program and is 100% federally funded. STAR helps Minnesotans of all ages who have disabilities and aging adults find and get the assistive technology they need to function more independently at home, school, work, and in their communities. Assistive technology 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
- Grab bars

The State Accommodation Fund provides reimbursement (up to 50%) to agencies for eligible costs made for state employee accommodations.

SERVICES PROVIDED

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

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

STAR has developed assistive technology training in collaboration with a variety of partners, including Microsoft Word document accessibility training. STAR trains executive branch agency supervisors monthly on assistive technology, the Accommodation Fund, and digital accessibility. Additionally, STAR provides technical assistance to help programs and agencies improve their assistive technology services, management, and policies. Technical assistance may include information and training on integrating assistive technology into the development and implementation of service plans, including education, health, or employment plans required by law.

Demonstrations and short-term loans (45 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. Professionals working with people with disabilities can also borrow devices to gain experience with them before they work with and make recommendations for their clients. Minnesotans may also borrow assistive technology 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 that are still in good working condition for as long as needed to use in school, at work, or for essential daily living needs.

RESULTS

STAR provided 964 short-term loans of 1288 devices during FY 2023 and FY 2024. 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.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their educational needs	Result	Internal tracking	96% (84 Loans) (FY 2021-2022)	87 % (192 Loans) (FY 2023-2024)
Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their employment needs	Result	Internal tracking	97% (34 Loans) (FY 2023-2024)	78% (68 Loans) (FY 2023-2024)
Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their community living needs	Result	Internal tracking	99% (181 Loans) (FY 2023-2024)	90% (446 Loans) (FY 2023-2024)

The following relates to the State's Accommodation Fund.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of one-time expenses (e.g., assistive technology) for a state employee that totals more than \$500.	Quantity	Internal tracking	8 (FY 2021-2022)	24 (FY 2023-2024) (200% increase)
Number of expenses for current state employees for services provided on a periodic or ongoing basis (e.g., American Sign Language interpreter)	Quantity	Internal tracking	133 (FY 2021-2022)	344 (FY 2023-2024) (159% increase)
Number of individual job applicants for whom agencies submitted expenses for reimbursement from the Accommodation Fund	Quantity	Internal tracking	1 (FY 2021-2022)	9 (FY 2023-2024) (800% increase)

The legal authority for STAR is provided in: P.L. 117-263 (<https://www.congress.gov/117/plaws/publ263/PLAW-117publ263.pdf>) and M.S. 16B.055 (<https://www.revisor.mn.gov/statutes/cite/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 Technology & Accommodation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

2000 - Restrict Misc Special Revenue	164							
2001 - Other Misc Special Revenue		193	287	200	200	200	200	200
2403 - Gift			0	6				
3000 - Federal	425	698	650	804	668	636	668	636
Total	589	891	936	1,010	868	836	868	836
Biennial Change				467		(242)		(242)
Biennial % Change				32		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	304	323	349	389	392	414	392	414
Operating Expenses	279	527	586	621	464	422	464	422
Capital Outlay-Real Property		17			10		10	
Other Financial Transaction	6	23	2		2		2	
Total	589	891	936	1,010	868	836	868	836

Total Agency Expenditures	589	891	936	1,010	868	836	868	836
Internal Billing Expenditures		17	24	29	29	29	29	29
Expenditures Less Internal Billing	589	874	912	981	839	807	839	807

Full-Time Equivalents

2.78	3.38	3.72	3.71	3.66	3.66	3.66	3.66
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State Assistive Technology & Accommodation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
1000 - General								
Direct Appropriation	200	200	200	200	200	200	200	200
Transfers Out	200	200	200	200	200	200	200	200

2000 - Restrict Misc Special Revenue

Balance Forward In	38	2						
Transfers In	200							
Transfers Out	74	2						
Expenditures	164							
Biennial Change in Expenditures				(164)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.23	0.02						

2001 - Other Misc Special Revenue

Balance Forward In	1	75	87					
Transfers In	74	202	200	200	200	200	200	200
Balance Forward Out	75	84						
Expenditures	193		287	200	200	200	200	200
Biennial Change in Expenditures				294		(87)		(87)
Biennial % Change in Expenditures						(18)		(18)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.01	0.21	0.16	0.14	0.14	0.14	0.14	0.14

2403 - Gift

Balance Forward In	6	6	6	6				
Receipts	0	0	0					
Balance Forward Out	6	6	6					
Expenditures			0	6				
Biennial Change in Expenditures				6		(6)		(6)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0

State Assistive Technology & Accommodation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								

3000 - Federal

Balance Forward In	0							
Receipts	425	698	650	804	668	636	668	636
Expenditures	425	698	650	804	668	636	668	636
Biennial Change in Expenditures				330		(150)		(150)
Biennial % Change in Expenditures				29		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.54	3.15	3.56	3.57	3.52	3.52	3.52	3.52

Program: Government and Citizen Services**Activity: State Demographer**

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

AT A GLANCE

- Prepare estimates of people and households for all Greater Minnesota counties, cities, and townships
- 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 143 occasions in FY 2024
- Delivered 93 presentations about critical issues and demographic trends, reaching 5,829 listeners in FY 2024
- Act as a liaison to the U.S. Census Bureau to ensure a complete and accurate census count

PURPOSE AND CONTEXT

The Minnesota State Demographic Center (SDC) 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. It helps 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.

SDC assistance provides state leaders with the social, economic, and demographic information they need to support thriving communities and to address racial, geographic, and socioeconomic inequities. SDC analysis is used by federal, state, and local governments; the legislature; educators; the news media; nonprofits; grant-makers; businesses; and community advocates.

SERVICES PROVIDED

The work of the SDC can be divided into two broad categories:

- Data production and 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 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
 - Plan and implement promotional and engagement strategies for Minnesota around the census
 - Support cities and counties to do their own promotion and engagement for the census
 - Work with the U.S. Census Bureau and local grant-making and non-profit leaders to create and implement a Minnesota-specific census plan

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Website pageviews each year	Quantity	Siteimprove analytics	166,699 (FY 2022)	122,955 (FY 2024)
Self-response rate to the Census	Quantity	U.S. Census Bureau	74.1% (CY 2010)	75.1% (CY 2020)
Number of stakeholders served by individual data requests and presentations each year	Quantity	Internal tracking	3,700 (FY 2022)	5,829 (FY 2024) (58% increase over FY 2023)

M.S. 4A.02-4A.03 (<https://www.revisor.mn.gov/statutes/cite/4A/full>) provides the legal authority for the State Demographer's services.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	678	711	828	1,168	1,075	1,075	1,096	1,118
Total	678	711	828	1,168	1,075	1,075	1,096	1,118
Biennial Change				607		154		218
Biennial % Change				44		8		11
Governor's Change from Base								64
Governor's % Change from Base								3

Expenditures by Category

Compensation	545	508	646	729	747	761	768	804
Operating Expenses	132	203	181	437	326	312	326	312
Other Financial Transaction	0	0	2	2	2	2	2	2
Total	678	711	828	1,168	1,075	1,075	1,096	1,118

Total Agency Expenditures	678	711	828	1,168	1,075	1,075	1,096	1,118
Internal Billing Expenditures		51	47	46	46	46	46	46
Expenditures Less Internal Billing	678	660	781	1,122	1,029	1,029	1,050	1,072

Full-Time Equivalents

	4.65	4.43	4.75	5.30	5.30	5.30	5.30	5.30
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		74		94				
Direct Appropriation	747	761	922	1,074	1,075	1,075	1,096	1,118
Transfers Out	2	117						
Cancellations		6						
Balance Forward Out	68		94					
Expenditures	678	711	828	1,168	1,075	1,075	1,096	1,118
Biennial Change in Expenditures				607		154		218
Biennial % Change in Expenditures				44		8		11
Governor's Change from Base								64
Governor's % Change from Base								3
Full-Time Equivalents	4.65	4.43	4.75	5.30	5.30	5.30	5.30	5.30

Program: Government and Citizen Services

Activity: State Historic Preservation Office

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

AT A GLANCE

- Launched the Minnesota Statewide Historic Inventory Portal (MnSHIP) in January 2024 offering the public and researchers' online access of maps and information on over 120,000 above-ground resources. Part of an ongoing effort to scan and digitize Minnesota's historic resource information.
- Minnesota has 1,781 nationally recognized places, including National Historic Landmarks and Traditional Cultural Places, encompassing over 7,500 historic and cultural resources.
- In state FY 2023, seven school buildings were analyzed for their economic impact after receiving the Minnesota Historic Rehabilitation Tax Credit; total estimated economic impact to rehabilitate and reuse seven historic schools was \$180 million, supporting an estimated 798 full-time jobs; for every \$1 of state credit, \$11.70 in economic activity is created.
- Awarded more than \$125,000 in grants and scholarships in federal FY 2022 to several Certified Local Governments who leveraged local match to support local preservation projects.

PURPOSE AND CONTEXT

The Minnesota State Historic Preservation Office (SHPO) administers federal and state programs aimed at preserving historic and cultural resources important to all Minnesotans. SHPO's mission is to encourage best practices for preservation, so that all people can share in the enduring environmental, social, and economic benefits of Minnesota's cultural heritage. The office draws on both cooperative approaches and expertise to help individuals and the community at all levels of planning, development, and government to achieve their preservation goals and responsibilities under the law.

The SHPO leads the state's historic preservation efforts by articulating a statewide preservation vision and supporting all Minnesotans to identify, protect, rehabilitate, and celebrate historic properties. The statewide vision is set with public and partner participation that help SHPO create and implement a comprehensive statewide preservation plan that is updated every five to ten years.

The SHPO partners with local governments, state and federal agencies, Tribes, the public, developers and investors, and other stakeholders, as outlined in the National Historic Preservation Act of 1966 and Minnesota Statutes. SHPO activities are funded by the Historic Preservation Fund, through the U.S. Department of the Interior, matching state general fund appropriation, and state Historic Structure Rehabilitation Tax Credit fees.

SERVICES PROVIDED

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

- **National Register of Historic Places:** The National Register is the official list of the nation's historic places worthy of preservation.
- **Historic Resource Inventory:** SHPO began a systematic survey in 1977, and today maintains the inventory records of over 120,000 properties, both historical and archaeological, that continues to grow with stakeholder support.
- **Historic Preservation Tax Incentives:** Property owners rehabilitating historic buildings are eligible to receive federal and state income tax credits on qualifying rehabilitations.

- **Federal Section 106 and Environmental Reviews:** SHPO reviews state and federal projects for their potential to affect historic resources; and it ensures the state’s historic resources are part of project planning and development.
- **Certified Local Governments (CLGs):** CLGs directly benefit with SHPO partnership because 10% of SHPO’s federal funding passes to local communities.
- **Statewide Historic Preservation Planning and Disaster Planning for Historic and Cultural Resources:** Responsible for creating and implementing a comprehensive statewide plan, SHPO participates in the State’s Interagency Climate Adaptation Team to encourage building reuse and resiliency for Minnesota’s historic and cultural resources to address effects of climate change.

RESULTS

SHPO submits an annual economic analysis of state historic tax credits to the state legislature and an annual report to the National Park Service reporting on all SHPO services that support a comprehensive statewide preservation program and Minnesotans.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of responses provided on federal, state, and local projects commenting and consulting on impacts to historic resources	Quantity	Internal tracking	2,821 (FFY 2020) 3,380 (FFY 2021) 2,528 (FFY 2022)	2,719 (FFY 2023)
Percentage of Statewide Historic Inventory records that have been scanned <i>and</i> made accessible online, reducing time and costs for agencies and consultants reliant on data	Quality	Internal tracking	N/A*	60% (FY 2024)
Number of “Memorandum of Agreements” and “Project Agreements” negotiated to reduce federal and state projects’ impacts on historic and cultural resources	Results	Internal tracking	12 (FFY 2021) 5 (FFY 2022)	5 (FFY 2023)

FFY – Federal fiscal year

* This is a new measure

The following federal and state laws provide the statutory authority for the State Historic Preservation Office:

54 U.S. Code 300101 (<https://www.govinfo.gov/content/pkg/USCODE-2018-title54/html/USCODE-2018-title54-subtitleIII-divsnA-app.htm>)

54 U.S. Code 302102-302108 (<https://www.govinfo.gov/content/pkg/USCODE-2018-title54/html/USCODE-2018-title54-subtitleIII-divsnA-app-dup1.htm>)

54 U.S. Code 302501-302503 (<https://www.govinfo.gov/content/pkg/USCODE-2018-title54/html/USCODE-2018-title54-subtitleIII-divsnA-app-dup1-chap3025.htm>)

36 Code of Federal Regulations 60 (https://www.ecfr.gov/cgi-bin/text-idx?SID=b36f494ab8c19284178b4c593eda2a8f&tpl=/ecfrbrowse/Title36/36cfr60_main_02.tpl)

36 Code of Federal Regulations 61 (https://www.ecfr.gov/cgi-bin/text-idx?SID=e31d3d9a0c0a4a86790f77b0d997161d&mc=true&tpl=/ecfrbrowse/Title36/36cfr61_main_02.tpl)

36 Code of Federal Regulations 800 (https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=2e3f521c1d07518a220bf5e543296b64&tpl=/ecfrbrowse/Title36/36cfr800_main_02.tpl)
M.S. 138.31-138.42 (<https://www.revisor.mn.gov/statutes/cite/138/full#stat.138.31.1>)
M.S. 138.661-138.666 (<https://www.revisor.mn.gov/statutes/cite/138/full#stat.138.661>)
M.S. 138.71-138.75 (<https://www.revisor.mn.gov/statutes/cite/138/full#stat.138.71>)
M.S. 290.0681 (<https://www.revisor.mn.gov/statutes/cite/290.0681>)
M.S. 471.193 (<https://www.revisor.mn.gov/statutes/cite/471.193>)
Minnesota Constitution Article XI, Sec. 15 (https://www.revisor.mn.gov/constitution/#article_11)

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	539	550	621	2,081	1,380	1,380	1,395	1,410
2000 - Restrict Misc Special Revenue	233	256	300	622	559	373	559	373
2001 - Other Misc Special Revenue	13	59	68	125	125	125	125	125
3000 - Federal	1,005	1,051	1,122	1,238	1,268	1,298	1,268	1,298
Total	1,791	1,915	2,111	4,066	3,332	3,176	3,347	3,206
Biennial Change				2,471		331		376
Biennial % Change				67		5		6
Governor's Change from Base								45
Governor's % Change from Base								1

Expenditures by Category

Compensation	1,450	1,495	1,627	1,758	1,900	1,925	1,915	1,955
Operating Expenses	227	362	417	2,090	936	744	936	744
Grants, Aids and Subsidies	113	56	67	213	494	505	494	505
Other Financial Transaction	1	2	1	5	2	2	2	2
Total	1,791	1,915	2,111	4,066	3,332	3,176	3,347	3,206

Total Agency Expenditures	1,791	1,915	2,111	4,066	3,332	3,176	3,347	3,206
Internal Billing Expenditures		69	131	134	134	134	134	134
Expenditures Less Internal Billing	1,791	1,846	1,980	3,932	3,198	3,042	3,213	3,072

<u>Full-Time Equivalents</u>	13.59	14.03	13.82	16.43	16.43	16.43	16.43	16.43
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		4		653				
Direct Appropriation	541	551	1,274	1,352	1,013	1,013	1,028	1,043
Open Appropriation				76	367	367	367	367
Transfers Out		5						
Cancellations		0						
Balance Forward Out	2		653					
Expenditures	539	550	621	2,081	1,380	1,380	1,395	1,410
Biennial Change in Expenditures				1,613		58		103
Biennial % Change in Expenditures				148		2		4
Governor's Change from Base								45
Governor's % Change from Base								2
Full-Time Equivalents	3.79	3.80	3.76	4.30	4.30	4.30	4.30	4.30

2000 - Restrict Misc Special Revenue

Balance Forward In	672	764	732	796	450	132	450	132
Receipts	325	224	364	276	241	241	241	241
Balance Forward Out	764	732	796	450	132		132	
Expenditures	233	256	300	622	559	373	559	373
Biennial Change in Expenditures				434		10		10
Biennial % Change in Expenditures				89		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.85	1.84	1.88	2.07	2.07	2.07	2.07	2.07

2001 - Other Misc Special Revenue

Receipts	13	59	68	125	125	125	125	125
Expenditures	13	59	68	125	125	125	125	125
Biennial Change in Expenditures				120		57		57
Biennial % Change in Expenditures				167		30		30
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.10	0.56	0.53	0.50	0.50	0.50	0.50	0.50

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27

3000 - Federal

Receipts	1,005	1,051	1,122	1,238	1,268	1,298	1,268	1,298
Expenditures	1,005	1,051	1,122	1,238	1,268	1,298	1,268	1,298
Biennial Change in Expenditures				304		206		206
Biennial % Change in Expenditures				15		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.85	7.83	7.65	9.56	9.56	9.56	9.56	9.56

Program: Government and Citizen Services

Activity: Office of Collaboration and Dispute Resolution

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

AT A GLANCE

- Provides state-wide dispute-resolution services on difficult, intractable issues
- Builds the capacity of state and local government to resolve disputes and collaborate more effectively
- Serves state, local, and Tribal government and all three branches of government
- Administers grants to support access to community mediation services across the state

PURPOSE AND CONTEXT

The Office of Collaboration and Dispute Resolution (OCDR) designs and facilitates collaborative processes to help government and communities improve relationships, build trust, and develop wise and durable solutions to seemingly intractable issues. The office works across all branches of government and on issues ranging from transportation and the environment to social service, education, and organizational development. With innovative facilitation and consensus-building services, OCDR helps state, local, and Tribal governments and communities around Minnesota resolve contentious public issues in an effective and efficient manner, while creating greater inclusion and mutual understanding.

OCDR serves as a statewide catalyst to advance the sustainable resolution of matters of public interest. They also work towards effective collaboration and dispute resolution in state and local government, as well as the broad use of community mediation throughout Minnesota.

SERVICES PROVIDED

OCDR builds the state's capacity to work together effectively across differences. Through collaborative problem solving and training, OCDR assists both state agencies and local government in accomplishing their missions and goals in an inclusive way which integrates the perspectives and needs of all parties. OCDR provides services in four key areas:

1. **Collaborative Problem-Solving:** Facilitate public sector dispute resolution processes that bring parties together to define a problem, identify the core interests and concerns of all involved, engage in dialogue and deliberation, and generate integrative solutions that address underlying interests. Help parties build shared understanding and trusting relationships that support long-term collaboration on complex issues.
2. **Training and Capacity-Building:** Provide training and technical expertise. Serve as a learning hub for organizations on conflict resolution and public engagement approaches. Give presentations, workshops, and provide technical assistance on conflict resolution. Coordinate the development of conflict resolution best practices across state agencies. Distribute a quarterly newsletter and maintain a website with resources on effective collaboration and conflict resolution.
3. **Community Mediation Support:** Support community mediation through a grant program to qualified nonprofit Community Dispute Resolution Programs that provide free and low-cost mediation and other dispute resolution services in their communities and around Minnesota. Serve as a strategic partner in increasing access to mediation services in the state.
4. **Build conflict resolution and bridge building fields:** Promote innovation and best practices in dispute resolution and create new connections across practitioners and organizations to grow conflict resolution and bridge building in Minnesota.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of OCDR survey respondents that agree or strongly agree with the statement, "I would recommend OCDR's services to others."	Quality	OCDR customer survey data	N/A*	100% (FY 2024)
Percent of OCDR training participants that agree or strongly agree with the statement "Overall, I am satisfied with the training."	Quality	OCDR customer survey data	97% (FY 2023)	93% (FY2024)
Count of newsletter recipients	Quantity	GovDelivery Bulletin Report	1578 (FY 2023)	2140 (FY 2024)

* This is a new measure

The legal authority for OCDR falls under M.S. 16B.361 (<https://www.revisor.mn.gov/statutes/cite/16b.361>), M.S. 494.01-05 (<https://www.revisor.mn.gov/statutes/cite/494/full>), and M.S. 13.88 (<https://www.revisor.mn.gov/statutes/cite/13.88>).

Office of Collaboration and Dispute Resolution

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	383	484	492	510	510	510	510	510
Total	383	484	492	510	510	510	510	510
Biennial Change				135		18		18
Biennial % Change				16		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	213	257	294	314	307	308	307	308
Operating Expenses	10	67	38	36	43	42	43	42
Grants, Aids and Subsidies	160	160	160	160	160	160	160	160
Other Financial Transaction	0	0						
Total	383	484	492	510	510	510	510	510

Total Agency Expenditures	383	484	492	510	510	510	510	510
Internal Billing Expenditures		23	21	23	23	23	23	23
Expenditures Less Internal Billing	383	461	471	487	487	487	487	487

Full-Time Equivalents

1.62	1.83	2.00	2.00	1.87	1.85	1.87	1.85
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Office of Collaboration and Dispute Resolution

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		59		1				
Direct Appropriation	439	439	493	509	510	510	510	510
Transfers Out		11						
Cancellations		3						
Balance Forward Out	56		1					
Expenditures	383	484	492	510	510	510	510	510
Biennial Change in Expenditures				135		18		18
Biennial % Change in Expenditures				16		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.62	1.83	2.00	2.00	1.87	1.85	1.87	1.85

Program: Government and Citizen Services**Activity: Office of Enterprise Sustainability**<https://mn.gov/admin/government/sustainability>**AT A GLANCE**

- Avoided \$70 million in operating costs and reduced GHG emissions annually by over 200,000 metric tons of CO₂e.
- Develop process for state agencies to leverage the Federal Inflation Reduction Act Elective Pay cash rebates.
- Facilitate and manage annual reporting towards enterprise-wide sustainability goals, while avoiding agency operating costs, available at <https://sustainability.mn.gov/>.
- Develop and maintain enterprise-wide planning to achieve sustainability goals.
- Provide technical assistance to agencies for agency-level planning and project implementation.
- Advocate and provide resources for project implementation, including \$2 million for electric vehicle charging installations, a \$5 million revolving loan fund for energy efficiency improvements, and on-the ground consultations for energy and solid waste.

PURPOSE AND CONTEXT

The Office of Enterprise Sustainability (OES) assists all cabinet level agencies to make measurable progress toward improving the sustainability of government operations. Executive Order 19-27 affirms the State of Minnesota's goals to reduce greenhouse gas emissions, waste, energy and fossil fuel consumption, and water usage; as well as improve the sustainable procurement of goods and services in government operations. The Executive Order also confirms the Sustainability Enterprise Governance System, the Office of Enterprise Sustainability, and the Sustainability Workgroups, and outlines cabinet-level agency responsibilities. The Office is funded through a combination of inter-agency agreements and a small general fund appropriation.

SERVICES PROVIDED**OES provides services to agencies in the following areas:**

- Reporting on progress toward sustainability goals as required in M.S. 16B.372 and EO 19-27.
- Developing enterprise-wide plans and providing technical assistance to agencies to develop agency-level plans.
- Providing technical assistance to agencies to implement projects in focus areas, specifically in energy use reduction and renewable energy implementation, fleet fossil fuel reduction, solid waste diversion, water consumption reduction, and increasing the sustainability of products on state contracts.
 - Researching and developing estimates for the implementation of measures and the potential costs avoided.
 - Managing the state building energy conservation improvement revolving loan account in M.S. 16B.86 and 16B.87, to implement energy efficiency projects at state facilities.
 - Providing on-site energy and solid-waste technical assistance.
- Facilitate working groups to share best practices, identify barriers and opportunities to progress.
- Coordinate application for federal cash rebates for eligible renewable energy projects.

RESULTS

Strengthening sustainability in state government operations leads to better government and smart stewardship of taxpayer dollars. Minnesotans expect continual improvements to government operations, including sustainability improvements that will help avoid costs, increase efficiencies, and result in more resilient facilities and operations, along with enhanced environmental and health protection.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Water consumption reduction goal of 15%	Result	Utility billing and well meter data.	57% progress toward goal	9% reduction (CY 2023)
Solid waste diversion goal of 75%	Result	Solid waste billing and visual observations.	37% progress toward goal	28% diversion of solid waste to recycling and organics (CY 2023)
Greenhouse gas emissions reduction goal of 50%	Result	Scope 1 and 2 emissions reporting protocols.	76% progress toward goal.	38% GHG emissions reduction. (CY 2023)
Fleet fossil fuel reduction goal of 30%	Result	Fleet fuel data from Admin Combined Fleet, and DNR, DOT, DPS, Met Council and Transit	52% progress toward goal.	16% fossil fuel use reduction. (CY 2023)
Energy intensity (energy per sq ft) reduction goal of 30%	Result	Utility billing data.	43% progress toward goal.	13% reduction in energy intensity. (CY 2023)
Sustainable elements in 50% of contract solicitations	Result	Office of State Procurement contract documents	N/A*	100% of contract solicitations. (FY 2024)

* This is a new measure.

M.S. 16B.372 (<https://www.revisor.mn.gov/statutes/cite/16b.372>), 16B.86-.87 (<https://www.revisor.mn.gov/statutes/cite/16B/full#stat.16B.86.1>), and Executive Order 19-27 (https://mn.gov/governor/assets/2019_04_04_EO_19-27_tcm1055-378973.pdf) provide the legal authority the Office of Enterprise Sustainability.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General			215	425	360	360	360	360
2001 - Other Misc Special Revenue	619	590	602	797	695	659	695	659
2002 - Climate and Economic Dev				2,500				
2340 - Renewable Development	33	128	27	155	92	92	92	92
Total	651	718	844	3,877	1,147	1,111	1,147	1,111
Biennial Change				3,352		(2,463)		(2,463)
Biennial % Change				245		(52)		(52)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	357	288	438	647	738	781	738	781
Operating Expenses	294	311	405	3,230	409	330	409	330
Grants, Aids and Subsidies		118						
Capital Outlay-Real Property			1					
Other Financial Transaction	0		0					
Total	651	718	844	3,877	1,147	1,111	1,147	1,111

Total Agency Expenditures	651	718	844	3,877	1,147	1,111	1,147	1,111
Internal Billing Expenditures		26	33	59	59	59	59	59
Expenditures Less Internal Billing	651	692	811	3,818	1,088	1,052	1,088	1,052

Full-Time Equivalents

2.85	2.52	3.58	5.42	5.83	5.82	5.83	5.82
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				65				
Direct Appropriation			280	360	360	360	360	360
Balance Forward Out			65					
Expenditures			215	425	360	360	360	360
Biennial Change in Expenditures				640		80		80
Biennial % Change in Expenditures						12		12
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.46	2.17	2.47	2.37	2.47	2.37

2001 - Other Misc Special Revenue

Balance Forward In	43	225	211	303	202	83	202	83
Receipts	232	232	174	295	175	175	175	175
Transfers In	569	343	520	401	401	401	401	401
Balance Forward Out	225	210	303	202	83		83	
Expenditures	619	590	602	797	695	659	695	659
Biennial Change in Expenditures				190		(45)		(45)
Biennial % Change in Expenditures				16		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.79	2.48	1.96	3.00	3.11	3.20	3.11	3.20

2002 - Climate and Economic Dev

Transfers In				2,500				
Expenditures				2,500				
Biennial Change in Expenditures				2,500		(2,500)		(2,500)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2340 - Renewable Development

Balance Forward In		5,208	4,997	5,309	5,246	5,246	5,246	5,246
Direct Appropriation	5,219	88	90	92	92	92	92	92

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Receipts	19	154	250	250	250	250	250	250
Transfers In	5,000							
Transfers Out	5,000							
Net Loan Activity		(165)		(250)	(250)	(250)	(250)	(250)
Cancellations		264						
Balance Forward Out	5,205	4,893	5,309	5,246	5,246	5,246	5,246	5,246
Expenditures	33	128	27	155	92	92	92	92
Biennial Change in Expenditures				21		2		2
Biennial % Change in Expenditures				13		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.06	0.04	0.16	0.25	0.25	0.25	0.25	0.25

Program: Government and Citizen Services

Activity: State Register and Mailing List Services

<https://mn.gov/admin/bookstore/register.jsp>

<https://mn.gov/admin/government/data-info/mls.jsp>

AT A GLANCE

- The *State Register* is published weekly and accessed exclusively online.
- Statutory changes in 1998 required the *State Register* to post a free online edition.
- Mailing List Services handled \$325,000 in list sales on behalf of Executive Branch boards and commissions in FY 2023.

PURPOSE AND CONTEXT

The *State Register* and Mailing List Services (MLS) provide statutorily mandated notifications and information related to state government services to the public.

The *State Register* is the official publication of the State of Minnesota's Executive Branch of government, published weekly to fulfill the legislative mandate for notice of State activities such as rulemaking, official notices, contracts, and other agency announcements. The *State Register* contains:

- Proposed Rules
- Executive Orders of the Governor
- Commissioners' Orders
- Contracts for Professional, Technical and Consulting Services
- Adopted Rules
- Exempt Rules
- Appointments
- Revenue Notices
- State Grants and Loans
- Expedited Rules
- Proclamations
- Official Notices
- Non-State Public Bids, Contracts and Grants
- Withdrawn Rules
- Vetoed Rules

MLS manages and sells lists of individuals or organizations licensed by the State of Minnesota. Minnesota law requires that the names and addresses of these individuals or organizations be made available to the public. Since 1982, various mailing lists have been sold by MLS. Lists are purchased by individuals and companies from across the country. Lists are typically purchased by vendors to market new services, continuing education, recruiting, charities, and to conduct research.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>State Register</i> customer satisfaction rate of 90 percent or higher	Quality	Internal customer feedback surveys	N/A*	N/A*
Website visits to the State Register	Quantity	Website analytics	22,382 (FY 2023)	29,192 (FY 2024) (30% increase over FY 2023)
Mailing List Services customer satisfaction rate of 90 percent or higher	Quality	Internal customer feedback surveys	N/A*	N/A*

*These are new measures.

M.S. 14.46 (<https://www.revisor.mn.gov/statutes/cite/14.46>) and
M.R. 1400.2080 (<https://www.revisor.mn.gov/rules/1400.2080>) provide the legal authority for the State Register.
M.S. 16B.04, Subd. 2, Para. (8) (<https://www.revisor.mn.gov/statutes/cite/16B.04#stat.16B.04.2>);
M.S. 13.03 (<https://www.revisor.mn.gov/statutes/cite/13.03>); and
M.S. 13.41 (<https://www.revisor.mn.gov/statutes/cite/13.41>) provide the legal authority for the Mailing List
Services.

State Register and Mailing List Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

4500 - MN Bookstore	338	296	283	244	302	302	302	302
Total	338	296	283	244	302	302	302	302
Biennial Change				(107)		77		77
Biennial % Change				(17)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	228	163	163	151	203	209	203	209
Operating Expenses	110	133	119	93	99	93	99	93
Other Financial Transaction			1					
Total	338	296	283	244	302	302	302	302

Total Agency Expenditures	338	296	283	244	302	302	302	302
Internal Billing Expenditures		39	19	15	15	15	15	15
Expenditures Less Internal Billing	338	257	264	229	287	287	287	287

Full-Time Equivalents

	2.96	2.15	1.92	1.50	2.10	2.10	2.10	2.10
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State Register and Mailing List Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
4500 - MN Bookstore								
Balance Forward In	216	410	566	589	643	639	643	639
Receipts	496	442	307	298	298	298	298	298
Balance Forward Out	374	557	589	643	639	635	639	635
Expenditures	338	296	283	244	302	302	302	302
Biennial Change in Expenditures				(107)		77		77
Biennial % Change in Expenditures				(17)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.96	2.15	1.92	1.50	2.10	2.10	2.10	2.10

Program: Government and Citizen Services**Activity: Enterprise Translations Office (ETO)**<https://translate.mn.gov/>**AT A GLANCE**

- Office established in July 2023; new director began in November 2023; Policies, Language Access Fund, and translation software implemented, and office fully staffed in July 2024
- Full translation services with quality assurance for Hmong, Somali, Spanish, Arabic, and French supported by ETO staff
- Additional artificial intelligence (AI) assisted translation provided for over 100 other languages with quality assurance supported by the Language Access Service Fund
- Over 530 translation requests completed, totaling over 1,000+ pages or approximately 500,000+ words between March 2024 and July 2024

PURPOSE AND CONTEXT

The Enterprise Translations Office (ETO) supports executive branch agencies in their mission by producing fast, reliable, and cost-effective multilingual communications for the communities they serve. The ETO contributes to the Department of Administration's mission of delivering excellent government services by providing language support, leadership, innovation, solutions, and guidance on translation best practices. The ETO ensures that state government communications are accessible to Minnesota's diverse population, fostering inclusivity and equity. In its first year of existence, ETO was nominated by Minnesota Information Technology Services (MNIT) for technology awards related to its use of AI, including with the National Association of State Chief Information Officers (CIOs) and for a TEKNE award (from the state's largest technology association), in addition to its award for the One Minnesota Budget Implementation Innovation Champion for utilizing AI to provide translation services across the enterprise.

SERVICES PROVIDED

The ETO offers a wide range of translation and language support services, including:

- **Translation and Quality Assurance Services:** Providing high-quality, accurate translation for Hmong, Somali, Spanish, Arabic, and French languages
- **Support for Other Languages:** Supporting artificial intelligence (AI) assisted translations for over 100 additional languages with reimbursement available for quality assurance costs through the Language Access Service Fund
- **Development and Maintenance of a Localized State Landing Page:** Developing and maintaining localized landing pages in Hmong, Somali, and Spanish, linking to translated materials available at state agency websites
- **Provide Standardization and Best Practices:** Collaboratively creating enterprise guidelines and supporting agencies to ensure consistency and high-quality translations across the board
- **Cultural Communication Advisory:** Assisting agencies in developing culturally relevant communication strategies
- **Specialized Translations:** Including Plain Language conversion, Braille translations, and handwritten document translations
- **Training and Support:** Offering training sessions and support to state agencies to optimize their translation processes
- **Datasets Development:** Creating specific language datasets for the Hmong and Somali communities in Minnesota to enhance translation accuracy and relevance

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Total translation requests received, processed, and delivered	Quantity	ETO intake form system and email requests	*N/A	546 FY 2024
Total translated pages received, processed, and delivered	Quantity	ETO intake form system and email requests	*N/A	1,105 FY 2024
Translation Accuracy Rate	Quality	Based on calculations using a word error rate formula on a random sample and manual evaluation	*N/A	98% FY 2024

* This is a new measure. FY 2024 data are partial, given the timing of the office's creation.

The legal authority for the ETO is provided in M.S. 16B.373 (<https://www.revisor.mn.gov/statutes/cite/16B.373>).

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General			166	1,769	910	910	931	952
2001 - Other Misc Special Revenue				250	250	250	250	250
Total			166	2,019	1,160	1,160	1,181	1,202
Biennial Change				2,185		135		198
Biennial % Change						6		9
Governor's Change from Base								63
Governor's % Change from Base								3

Expenditures by Category

Compensation			108	691	732	771	753	813
Operating Expenses			49	1,328	428	389	428	389
Other Financial Transaction			9					
Total			166	2,019	1,160	1,160	1,181	1,202

Full-Time Equivalents

			0.88	7.00	7.00	7.00	7.00	7.00
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				860				
Direct Appropriation			1,276	1,159	1,160	1,160	1,181	1,202
Transfers Out			250	250	250	250	250	250
Balance Forward Out			860					
Expenditures			166	1,769	910	910	931	952
Biennial Change in Expenditures				1,935		(115)		(52)
Biennial % Change in Expenditures						(6)		(3)
Governor's Change from Base								63
Governor's % Change from Base								3
Full-Time Equivalents			0.88	7.00	7.00	7.00	7.00	7.00

2001 - Other Misc Special Revenue

Balance Forward In				250	250	250	250	250
Transfers In			250	250	250	250	250	250
Balance Forward Out			250	250	250	250	250	250
Expenditures				250	250	250	250	250
Biennial Change in Expenditures				250		250		250
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Strategic Management Services**Activity: Executive Leadership and 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
- Serve as State Historic Preservation Officer
- Provide agency-wide executive, legislative, and public communications and transparency
- Provide the policy and infrastructure to integrate hybrid and onsite services to ensure the expectations and needs of our partners are met.

PURPOSE AND CONTEXT

Executive Leadership and Partnerships drives the agency mission, vision, and values. Providing leadership and strategic direction across the agency, Executive Leadership and Partnerships sets aggressive goals, expects a high level of partner service, and holds the agency accountable for its work. Executive Leadership and Partnerships oversees and manages the administrative functions that support executive branch state agencies, including their purchasing and contracting, facilities management and more. Executive Leadership and Partnerships also is authorized to 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 and records management compliance
- Website management

Partnerships

- Intra-agency and inter-agency coordination
- Legislative coordination
- Media relations
- Continuity of operations and emergency preparedness
- Internal controls

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Department space consolidation	Quantity	Physical seat count	341 workstations (FY2020) 33% reduction from pre-pandemic baseline	229 workstations (FY 2024)

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of team members utilizing new tools to enhance professional skills	Quality	Online learning tools consistent with individual development plans	27.7% (FY 2023)	38.7% (FY 2024)
Service delivery risk mitigation. Number of succession and knowledge transfer processes completed	Quantity	Internal tracking	N/A*	6 (FY 2024)
Number of Admin employees that participated in Continuity of Operations trainings	Quantity	Internal tracking	39 (FY 2021)	103 (FY 2024)

*This is a new measure.

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

Executive Leadership and Partnerships

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	695	788	948	1,103	1,035	1,035	1,053	1,072
Total	695	788	948	1,103	1,035	1,035	1,053	1,072
Biennial Change				568		19		74
Biennial % Change				38		1		4
Governor's Change from Base								55
Governor's % Change from Base								3

Expenditures by Category

Compensation	456	538	570	624	641	666	659	703
Operating Expenses	238	230	367	469	384	359	384	359
Grants, Aids and Subsidies			1					
Other Financial Transaction	1	20	10	10	10	10	10	10
Total	695	788	948	1,103	1,035	1,035	1,053	1,072

Full-Time Equivalents

3.60	3.88	4.26	4.26	4.26	4.26	4.26	4.26
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Executive Leadership and Partnerships

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		43		69				
Direct Appropriation	732	750	1,017	1,034	1,035	1,035	1,053	1,072
Transfers In		5						
Transfers Out	7	7						
Cancellations		3						
Balance Forward Out	30		69					
Expenditures	695	788	948	1,103	1,035	1,035	1,053	1,072
Biennial Change in Expenditures				568		19		74
Biennial % Change in Expenditures				38		1		4
Governor's Change from Base								55
Governor's % Change from Base								3
Full-Time Equivalents	3.41	3.88	4.26	4.26	4.26	4.26	4.26	4.26

2000 - Restrict Misc Special Revenue

Balance Forward In	160	190	214	50	50	50	50	50
Receipts	30	25	25					
Transfers In		214						
Transfers Out		214	189					
Balance Forward Out	190	214	50	50	50	50	50	50

2001 - Other Misc Special Revenue

Balance Forward In	226							
Transfers Out	226							
Full-Time Equivalents	0.19							

Program: Strategic Management Services**Activity: Financial Management and Reporting**<https://mn.gov/admin/employees/financial-management-reporting/>**AT A GLANCE**

- Provide financial management, accounting, and purchasing support of the agency's \$261 million expenditures in FY 2023
- Produce more than 50 financial statements each year for monthly, quarterly, and annual reporting
- Serve each of the agency's 26 divisions
- Deliver financial management and accounting support for 44 agencies served by the Small Agency Resource Team

PURPOSE AND CONTEXT

Financial Management and Reporting (FMR) provides administrative services within the agency, overseeing financial management, financial reporting, internal controls, and budget planning. In addition, FMR completes financial transactions, including purchasing, payments, billing, and cash receipts for partners served by the Small Agency Resource Team (SmART). The number of SmART partners supported has increased significantly since 2019.

SERVICES PROVIDED

FMR serves as the agency's financial liaisons and consultants. Through effective financial management, FMR achieves fiscally responsible utilization of available resources, as governed by applicable laws, policies, and procedures. FMR provides the following agency services:

- Annual, biennial, capital, and supplemental budget preparation
- Purchasing
- Transaction review and approval
- Financial reporting in accordance with Generally Accepted Accounting Principles (GAAP)
- Internal control coordination
- Financial statement preparation and Annual Comprehensive Financial Report information compilation
- Billing and accounts receivable management
- Cash management and electronic payments
- Asset management
- Business plan and rate review oversight
- Fiscal note management
- Policy and procedure development and process training
- Financial analysis
- Accounts payable processing
- SWIFT security management
- Financial verification
- State accounting system coordination, implementation, and maintenance
- Federal funds budgeting and financial management
- Indirect cost analysis

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Prompt Payment	Quality	Count of uncontested payments made in 30 days following invoice receipt or delivery, whichever is later vs total payments made	97% (FY 2022) 98% (FY 2023)	96% (FY 2024)
SmART partners served	Quantity	Inventory of SmART partners served with financial management services	19 (FY 2019)	44 (FY 2024) 132% increase between FY 2019-FY 2024
Account Receivable Billing prompt processing	Quality	Count of accounts receivable billing invoices processed within two days of the request or by the request date vs total billing invoices processed	87% (FY 2022)	90% (FY 2024)

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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	893	819	875	1,268	1,087	1,087	1,106	1,127
2001 - Other Misc Special Revenue		3,333	3,587	4,734	4,741	4,841	4,741	4,841
Total	893	4,152	4,461	6,002	5,828	5,928	5,847	5,968
Biennial Change				5,418		1,293		1,352
Biennial % Change				107		12		13
Governor's Change from Base								59
Governor's % Change from Base								1

Expenditures by Category

Compensation	622	3,382	3,570	4,097	4,122	4,203	4,141	4,243
Operating Expenses	270	770	890	1,900	1,701	1,720	1,701	1,720
Other Financial Transaction	1	0	1	5	5	5	5	5
Total	893	4,152	4,461	6,002	5,828	5,928	5,847	5,968

Full-Time Equivalents

6.83	25.36	26.42	26.44	26.46	26.46	26.46	26.46
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		84		182				
Direct Appropriation	972	989	1,057	1,086	1,087	1,087	1,106	1,127
Transfers Out		244						
Cancellations		9						
Balance Forward Out	79		182					
Expenditures	893	819	875	1,268	1,087	1,087	1,106	1,127
Biennial Change in Expenditures				431		31		90
Biennial % Change in Expenditures				25		1		4
Governor's Change from Base								59
Governor's % Change from Base								3
Full-Time Equivalents	6.83	4.96	5.13	5.15	5.17	5.17	5.17	5.17

2001 - Other Misc Special Revenue

Balance Forward In			237	449	74	49	74	49
Receipts	3,581		3,808	4,369	4,726	4,802	4,726	4,802
Internal Billing Receipts	3,581		3,808	4,369	4,726	4,802	4,726	4,802
Transfers Out	10		10	10	10	10	10	10
Balance Forward Out		237	449	74	49		49	
Expenditures	3,333	3,333	3,587	4,734	4,741	4,841	4,741	4,841
Biennial Change in Expenditures				4,987		1,261		1,261
Biennial % Change in Expenditures						15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		20.40	21.29	21.29	21.29	21.29	21.29	21.29

Program: Strategic Management Services**Activity: Human Resources – Administration**

<https://mn.gov/admin/employees/hr/>

AT A GLANCE

- Provides human resource consultation and services to 1417 employees across two cabinet-level agencies and 44 smaller state agencies
- Supported the implementation of multiple new and expanded offices and agencies enacted during the 2022 and 2023 legislative sessions including: Department of Children Youth and Families, Enterprise Translation Office, Division of Planning and Policy, Ombudsperson for Foster Youth, Ombudsperson for Corrections, Council of LGBTQIA2S+ Minnesotans, Health Subcabinet, and Rare Disease Advisory Council, among others
- Hired 606 new employees across all partner agencies in FY 2024
- Processed over 6,000 transactions in FY 2024 with a less than 1% error rate
- Consulted or investigated formal incidents of employee conduct or performance
- Processed 284 leave requests in FY 2024
- Launched 12 weeks of training resources, tools, and materials to bolster leadership competencies

PURPOSE AND CONTEXT

The Human Resources Division provides comprehensive human resources services and talent solutions to team members, prospective employees, and management of the Department of Administration (Admin), Minnesota Management and Budget, and multiple agencies, boards, and commissions through Admin's Small Agency Resource Team. Core functions include guiding managers through the hiring process, finding ways to source, attract, and hire top talent; developing and retaining a productive, diverse, and highly competent workforce; and payroll administration. In addition, the division provides strategic direction to managers and supervisors on workforce planning, coaching and mentoring, employee engagement, performance management, and diversity, equity, and inclusivity opportunities to increase the overall organizational health of the agencies it serves. 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:**

- Americans with Disabilities Act compliance and coordination
- Affirmative Action planning, review, and monitoring
- Benefits enrollment and administration including Family Medical Leave, Military Leave, and Paid Parental Leave
- Bi-weekly payroll processing
- Classification and compensation/wage administration
- Consultation on human resources management issues
- Employee training and development
- Labor contract administration and employee relations
- New employee orientation
- Performance management
- Recruitment and selection
- Safety Administration and Occupational Safety and Health Administration compliance and general safety and wellness program administration

- Workers' compensation administration
- Workforce planning

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Two-year retention rate for newly hired employees. (Goal of 75% or more)	Result	Internal tracking	72% (FY 2019) 75% (FY 2022)	74% (FY 2024)
Percent of Admin staff who self-report as minority race or ethnicity	Quality	Internal tracking	20.3% (FY 2018) 20.2% (FY 2022)	20.1% (FY 2024)
Percent of Admin staff who self-report as having a disability	Quality	Internal tracking	6.5% (FY 2018) 10.5% (FY 2022)	15.1% (FY 2024)
Safety Perceptions Survey (1-5 ranking with 5 reflecting a favorable safety culture).	Quality	Employee survey	3.88 (FY 2017) 3.98 (FY 2019)	3.85 (FY 2024)
Percent of employees who receive performance reviews annually	Quantity	Internal tracking	94% (FY 2020) 91.5% (FY 2022)	96% (FY 2023)
Percent of employees that have engaged with supervisors on an Individual Development Plan (Goal of 100%)	Quantity	Internal tracking	N/A*	97% (FY 2023)

* This is a new measure.

M.S. 16A.14-26 (<https://www.revisor.mn.gov/statutes/cite/16A/full#stat.16A.14>) and M.S. 16B.04, Subd. 4 (2) (<https://www.revisor.mn.gov/statutes/cite/16B.04>) provide the legal authority for the Human Resources Division.

Human Resources-Administration

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	441	454	470	546	517	517	517	517
2001 - Other Misc Special Revenue			458	509				
Total	441	454	928	1,055	517	517	517	517
Biennial Change				1,088		(949)		(949)
Biennial % Change				122		(48)		(48)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	359	392	815	883	355	354	355	354
Operating Expenses	82	62	107	172	162	163	162	163
Other Financial Transaction	1		6					
Total	441	454	928	1,055	517	517	517	517

Full-Time Equivalents

3.45	3.92	6.99	7.16	3.06	2.99	3.06	2.99
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Human Resources-Administration

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		36		30				
Direct Appropriation	470	479	500	516	517	517	517	517
Transfers Out		53						
Cancellations		9						
Balance Forward Out	29		30					
Expenditures	441	454	470	546	517	517	517	517
Biennial Change in Expenditures				121		18		18
Biennial % Change in Expenditures				14		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.45	3.92	3.31	3.31	3.06	2.99	3.06	2.99

2001 - Other Misc Special Revenue

Balance Forward In				9				
Receipts			467	500				
Balance Forward Out			9					
Expenditures			458	509				
Biennial Change in Expenditures				967		(967)		(967)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			3.68	3.85				

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

<https://mn.gov/admin/government/grants/arts-cultural-heritage-fund/>

AT A GLANCE

- Provide grant administration for 25 public broadcasting grantees that provide essential community resources and education for Minnesota citizens.
- Provide grant monitoring and financial reconciliation as required per Office of Grants Management policies.
- Support public broadcasting grantees through training and technical assistance.

PURPOSE AND CONTEXT

The Department of Administration's grants fiscal agent function – conducted by the Office of Grants Management (OGM) – 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 the Department 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 funds appropriated by the legislature. Public broadcasting stations are essential community resources for Minnesota citizens. These grantees produce content for all Minnesotans that aligns with important state priorities. Examples of their work include:

- Disseminating emergency information in foreign languages.
- Housing equipment for Minnesota's Emergency Alert and AMBER Alert systems.
- Providing local resources and local historical content to all regions of the state.
- Providing educational resources to K-12 schools across Minnesota.
- Highlighting local, and Minnesota-focused content and increases listeners and viewers knowledge of and access to Minnesota history and culture. For example, the program Black Histories of the Northern Plains produced by Prairie Public Television "tells the story of Black settlers, slaves, and entrepreneurs who endured struggles and successes as some of the first inhabitants of the Upper Midwest." (MPTA 2023 Annual Impact Report, <https://www.legacy.mn.gov/sites/default/files/resources/MPTA-Arts-Cultural-Heritage-Fund-SFY23-Report.pdf>)
- Providing newscasts that intentionally share the voices and experiences of Minnesota's BIPOC, rural, disability, and other communities underrepresented in traditional media.

SERVICES PROVIDED**As the fiscal agent, OGM oversees funding for:**

- Administration and management of 25 public broadcasting general fund grant contracts to 25 grantees in FY 2024
- Administration and management of 18 Arts and Cultural Heritage Fund grant contracts to 18 public broadcasting entities
- Administration and management of six, five-year appropriation bond grant contracts with Minnesota Public Television Association, totaling \$15 million. The grants are for statutorily defined equipment

Specific services provided include:

- Administering grants and ensuring state grant policies and procedures are followed, including pre-award risk assessment, monitoring, and financial reconciliation
- Providing consultation and technical assistance to grantees
- Conducting trainings to increase grantees' understanding of grant requirements and policies
- Maintaining information on the state's Legacy website <https://www.legacy.mn.gov/>
- As the fiscal agent, OGM has established and maintained processes for handling financial transactions, tracking information, and reporting the information as required by the legislature. Grant contract agreements are an integral function of this activity.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of trainings provided to public broadcasting grantees	Quantity	Internal tracking	1 (FY 2023)	2 (FY 2024)
Percent of required general fund reports from grantees received public broadcasting grantees in a timely manner	Quality	OGM's online grants management system	94% (FY 2020) 92% (FY 2022) 92% (FY 2023)	92% (FY 2024)
Percent of public broadcasting Legacy grantees stating in their Report to the Legislature that they achieved or mostly achieved grant outcomes for their Legacy grant projects	Result	2023 Reports to the Legislature	93% (FY 2020) 100% (FY 2021) 100% (FY2022)	100% (FY 2023)

The legal authority for this program is provided by appropriations bills, M.S. 16B (<https://www.revisor.mn.gov/statutes/cite/16B>) and M.S. 129D.14-19 (<https://www.revisor.mn.gov/statutes/cite/129D/full#stat.129D.14>)

Public Broadcasting

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	2,940	2,944	7,964	4,733	4,204	4,204	4,204	4,204
2301 - Arts & Cultural Heritage	8,188	8,258	8,736	8,385				
Total	11,128	11,202	16,700	13,118	4,204	4,204	4,204	4,204
Biennial Change				7,488		(21,410)		(21,410)
Biennial % Change				34		(72)		(72)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation			7	10				
Grants, Aids and Subsidies	11,132	11,202	16,692	13,108	4,204	4,204	4,204	4,204
Other Financial Transaction	(4)							
Total	11,128	11,202	16,700	13,118	4,204	4,204	4,204	4,204

Full-Time Equivalents

			0.11	0.20	0.06	0.06	0.06	0.06
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Public Broadcasting

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		0		29				
Direct Appropriation	2,944	2,944	7,992	4,704	4,204	4,204	4,204	4,204
Cancellations		0						
Balance Forward Out	4		28					
Expenditures	2,940	2,944	7,964	4,733	4,204	4,204	4,204	4,204
Biennial Change in Expenditures				6,812		(4,289)		(4,289)
Biennial % Change in Expenditures				116		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.11	0.20	0.06	0.06	0.06	0.06

2301 - Arts & Cultural Heritage

Balance Forward In	233	148	0					
Direct Appropriation	8,360	8,360	9,100	8,600	0	0	0	0
Transfers Out	251	251	364	215				
Cancellations	5	0	0					
Balance Forward Out	148							
Expenditures	8,188	8,258	8,736	8,385				
Biennial Change in Expenditures				675		(17,121)		(17,121)
Biennial % Change in Expenditures				4		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Fiscal Agent**Activity: In Lieu of Rent**<https://mn.gov/admin/government/buildings-grounds/>**AT A GLANCE**

- In Lieu of Rent appropriation funds the space costs of the legislature, veterans' organizations, and ceremonial space on the Capitol Complex.
- Space funded by In Lieu of Rent is billed in the same manner, and at the same rate per square foot, as other tenant-occupied space in the same buildings.

PURPOSE AND CONTEXT

The In Lieu of Rent (ILR) appropriation is essential for 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 and 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 ten sites.
- **Rent Waived** – space in the State Capitol Building, State Office Building, Transportation Building, and Veterans Service Building that is occupied by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and Congressionally-chartered veterans' organizations. The public areas that were recently created during the Capitol restoration are also included in this area.

The core of state government is in buildings on or near the State Capitol Complex, including the legislative branch, the judicial branch, constitutional offices, and many executive branch functions. 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. The Commissioner of Administration determines lease rates with approval from 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 as the fiscal agent. 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

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

During the upcoming biennium, the Facilities Management Division (FMD) will continue to help facilitate the evolving space needs of state agencies and other entities that occupy FMD managed buildings through timely programming, execution of maintenance and repairs, and minor alteration work necessary to meet their future building needs.

RESULTS

The Department of Administration's Facilities Management Division (FMD), which is responsible for maintaining spaces funded by ILR, measures performance in multiple ways including partner satisfaction, service disruptions, work completion rates, and carbon reduction. FMD also continually monitors the condition of the buildings it manages by conducting annual Facility Condition Assessments. Greenhouse gas emissions have been reduced by energy efficiency measures, renewable energy installations on the Capitol Complex, and the increase in the amount of renewable energy in the regional electrical grid.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of partners who are satisfied with FMD's service	Quality	Collected through customer surveys	92% (FY 2019)	92% (FY 2024)
Number of Service Disruptions	Result	Internal tracking	3 (FY 2021)	1 (FY 2024)
Percent of Work Orders Completed	Quality	Internal tracking	86% (FY 2021)	91% (FY 2024)
Percent of Greenhouse Gas Emissions reduced	Quantity	Collected from all utility invoices and converted into carbon dioxide equivalent (CO2e)	93,678 tons CO2e (CY 2008) 40,113 tons CO2e (CY 2020) 43,370 tons CO2e (CY 2021) 32,609 tons CO2e (CY 2022)	30,414 CO2e (CY 2023) (CO2e have been reduced by 68% from CY 2008 to CY 2023.)

CY – Calendar Year

FY- Fiscal year

M.S. 197.55 (<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#stat.248.07.7>) provide the legal authority for In Lieu of Rent.

In Lieu of Rent

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	10,515	10,515	11,090	11,168	11,129	11,129	12,139	12,994
Total	10,515	10,515	11,090	11,168	11,129	11,129	12,139	12,994
Biennial Change				1,228		0		2,875
Biennial % Change				6		0		13
Governor's Change from Base								2,875
Governor's % Change from Base								13

Expenditures by Category

Operating Expenses	10,515	10,515	11,090	11,168	11,129	11,129	12,139	12,994
Total	10,515	10,515	11,090	11,168	11,129	11,129	12,139	12,994

In Lieu of Rent

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				39				
Direct Appropriation	10,515	10,515	11,129	11,129	11,129	11,129	12,139	12,994
Balance Forward Out			39					
Expenditures	10,515	10,515	11,090	11,168	11,129	11,129	12,139	12,994
Biennial Change in Expenditures				1,228		0		2,875
Biennial % Change in Expenditures				6		0		13
Governor's Change from Base								2,875
Governor's % Change from Base								13

Program: Fiscal Agent**Activity: Miscellaneous Grants, Studies, and Others**<https://mn.gov/admin/government/grants/arts-cultural-heritage-fund/>**AT A GLANCE**

- Administered and managed 29 Arts and Cultural Heritage grant fund contracts to zoos, museums, gardens, memorials, and non-profit organizations totaling \$7.1 million in FY 2024
- Other funds cover rent loss and relocation for tenants in Capitol Area for space consolidation, implementation of a Capitol Area building restoration project, and Capitol Area Community Vitality grants.

PURPOSE AND CONTEXT

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

Funds in this activity cover Admin's restoration of a state building on the Capitol Mall, as well as support of agencies as they consolidate their office space. Funds also cover grants from the Capitol Area Community Vitality account awaiting disbursement, pending legislative approval of recommendations from the Community Vitality Task Force.

Arts and Cultural Heritage Fund (ACHF) grants managed by this activity are listed at <https://mn.gov/admin/government/grants/arts-cultural-heritage-fund/>. Arts and Cultural Heritage Fund grantees produce programs, improvements, exhibits and memorials with a statewide reach and align with important state priorities. Examples are as follows:

- ACHF funded museum exhibits include engaging with animals and waters of our region's ancient seas and exploring the connection between geologic history and human cultural history and educational outreach programming including group tours, walk-in visits, and resources related to the historical, cultural, and folk arts heritage of Hmong Minnesotans
- Programming includes delivering live concerts performed in Minnesota schools free of charge and providing a standards-based digital lesson library for teachers, access to live music and special exhibits such as "Pollinators" and autism/sensory sensitivity experiences.
- Grant outcomes include increased engagement in Latinx arts and celebrations of Latinx culture; increased awareness and appreciation of traditional Chinese arts throughout the community and increased self-esteem and positivity for youth participants; and increased exposure to culturally responsive, engaging assembly programs and classroom workshops that supplement curriculum standards.

SERVICES PROVIDED

As the fiscal agent, the Office of Grants Management (OGM) has established and maintained processes for handling financial transactions, tracking information, and reporting the information as required by the legislature. Grant contract agreements are an integral function of this activity.

Specific services provided include:

- Administering grants and ensuring state grant policies and procedures are followed, including pre-award risk assessment, monitoring, and financial reconciliation

- Providing consultation and technical assistance to grantees
- Conducting trainings to increase grantees' understanding of grant requirements and policies
- Maintaining information on the state's Legacy website <https://www.legacy.mn.gov/>

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of trainings provided to grantees	Quantity	Internal tracking	3 (FY 2023)	8 (FY 2024)
Percent of grantees stating in their Report to the Legislature that they achieved or mostly achieved grant outcomes for their Legacy grant projects	Result	2023 Reports to the Legislature	100% (FY 2021) 100% (FY2022)	100% (FY 2023)
Percent of grantees that stated they were confident or very confident that their knowledge of grants requirements increased during the fiscal year	Quality	Grantee Survey	N/A*	100% (FY 2023)

*This is a new measure

The legal authority for this activity is provided by appropriations bills, M.S. 16A.016, Subd. 2 (<https://www.revisor.mn.gov/statutes/cite/16A.016>), and M.S. 15B.32 (<https://www.revisor.mn.gov/statutes/cite/15B.32>).

Miscellaneous Grants/Studies/Others

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	133	12,447	40,889	18,122	6,100	6,700	5,600	6,200
2050 - Environment & Natural Resources		200						
2301 - Arts & Cultural Heritage	3,532	2,818	4,849	9,273				
2403 - Gift	10							
3015 - ARP-State Fiscal Recovery		650						
Total	3,675	16,115	45,738	27,395	6,100	6,700	5,600	6,200
Biennial Change				53,344		(60,333)		(61,333)
Biennial % Change				270		(83)		(84)
Governor's Change from Base								(1,000)
Governor's % Change from Base								(8)

Expenditures by Category

Compensation		1	49	50	50	50	50	50
Operating Expenses	143	12,710	32,863	18,094	6,050	6,650	5,550	6,150
Grants, Aids and Subsidies	3,282	3,018	4,814	9,251				
Capital Outlay-Real Property	250	387	8,011					
Other Financial Transaction			1					
Total	3,675	16,115	45,738	27,395	6,100	6,700	5,600	6,200

Full-Time Equivalents

	0.02	0.30	0.30	0.30	0.30	0.30	0.30	0.30
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Miscellaneous Grants/Studies/Others

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				4,479				
Direct Appropriation			17,000	8,043	500	500	0	0
Open Appropriation	133	12,447	44,280	26,521	41,521	42,121	41,521	42,121
Transfers Out			15,913	20,921	35,921	35,921	35,921	35,921
Balance Forward Out			4,479					
Expenditures	133	12,447	40,889	18,122	6,100	6,700	5,600	6,200
Biennial Change in Expenditures				46,431		(46,211)		(47,211)
Biennial % Change in Expenditures				369		(78)		(80)
Governor's Change from Base								(1,000)
Governor's % Change from Base								(8)
Full-Time Equivalents		0.02	0.30	0.30	0.30	0.30	0.30	0.30

2001 - Other Misc Special Revenue

Balance Forward In				5,000	5,022	5,022	5,022	5,022
Transfers In			5,000	22				
Balance Forward Out			5,000	5,022	5,022	5,022	5,022	5,022

2050 - Environment & Natural Resources

Direct Appropriation	200							
Expenditures	200							
Biennial Change in Expenditures				(200)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2301 - Arts & Cultural Heritage

Balance Forward In	646	46	7	2,350				
Direct Appropriation	3,023	2,865	7,940	7,225	0	0	0	0
Transfers Out	91	86	673	302				
Cancellations	0	0	75					
Balance Forward Out	46	7	2,350					
Expenditures	3,532	2,818	4,849	9,273				
Biennial Change in Expenditures				7,773		(14,122)		(14,122)

Miscellaneous Grants/Studies/Others

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial % Change in Expenditures				122		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	21	11	11	11	138	138	138	138
Receipts	0	0	1					
Transfers In				127				
Transfers Out		0						
Balance Forward Out	11	11	11	138	138	138	138	138
Expenditures	10							
Biennial Change in Expenditures				(10)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3002 - Oil Overcharge

Balance Forward In	3	3						
Cancellations		3						
Balance Forward Out	3							

3015 - ARP-State Fiscal Recovery

Balance Forward In		650						
Direct Appropriation	1,000							
Cancellations	350	0						
Balance Forward Out	650							
Expenditures	650							
Biennial Change in Expenditures				(650)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Administration

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Health and Human Services 93.630	Federal Assistance to State Developmental Disabilities Councils - DD Act Subtitle B - To provide information, education and training to people with developmental disabilities and their families.	\$ 1,199	\$ 1,056	\$ 1,153	\$ 1,153	Yes	2.4
Health and Human Services 93.464	State Grants for Assistive Technology - Assistive Technology Act Section 4 - 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.	\$ 650	\$ 804	\$ 668	\$ 636	Yes	3.52
Defense Contract Management Agency 12.002	Cooperative Agreement for the establishment of an APEX Accelerator - To assist Minnesota businesses in selling their products/services to federal, state and local entities.	\$ 723	\$ 802	\$ 831	\$ 873	Yes	5.3
Department of Interior 15.904	Historic Preservation Fund - To administer federal and state programs to preserve historic and cultural resources.	\$ 1,122	\$ 1,238	\$ 1,268	\$ 1,298	Yes	9.56
	Federal Fund – Agency Total	\$ 3,694	\$ 3,900	\$ 3,920	\$ 3,960		20.78

Narrative

Developmental Disabilities 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. DDC currently receives a \$222,000 general fund appropriation each fiscal year. Federal funding allocated to this program is typically based on population share and is expected to remain steady or slightly increase over the budget period.

Assistive Technology

A System of Technology to Achieve Results (STAR) is Minnesota's Section 4 Assistive Technology (AT) Act Program and is 100% federally funded under a discretionary formula grant award from the U.S. Department of Health and Human Services (21st Century Assistive Technology Act (Division E of Public Law 117-263). STAR works collaboratively with community partners to increase statewide access to assistive technology through demonstrations, loans, and reuse services to Minnesotans of all ages who have a disability or functional need. STAR promotes the use of assistive technology at home, school, work and in the community. Recent updates to federal assistive technology (AT) legislations now include a Maintenance of Effort (MOE) requirement which mandates that states must keep their level of financial support for AT consistent with previous levels, as a condition of continued federal funding. The state of Minnesota has not provided financial support for AT in prior years; the program has historically been fully federally funded. Federal funding allocated to this program is formula based and due to recent history is anticipated to remain at current levels over the budget period.

APEX Accelerator

APEX Accelerator was established to expand the number of businesses capable of participating in government contracts. The APEX receives federal funding from the Department of Defense, Office of Small Business Programs, through an annual cost sharing cooperative agreement to help businesses pursue and perform under contracts with federal agencies, state and local governments, and with government prime contractors. Federal funds cover 65% of the cost of the work benefitting non-distressed areas of the state, and 85% of costs for distressed areas. Federal funding estimates are based on the expected eligible counseling and technical assistance work, the increasing visibility of the state-wide program, and the ongoing need for assistance to a wide range of Minnesota businesses looking to enter the supply chain. State matching funds are required. Since FY 2023, state matching funds have been provided by a general fund appropriation.

Historic Preservation Fund

The State Historic Preservation Office (SHPO) receives an annual formula appropriation from the U.S. Department of the Interior, National Park Service. Since 1976, the Historic Preservation Fund (HPF) has supported SHPOs and then Tribal Historic Preservation Offices (THPOs) throughout the United States to perform several federally delegated functions including: identifying and recording historic resources, nominating significant resources to the National Register of Historic Places, cultivating preservation programs at the local government level, commenting on federal rehabilitation tax credit projects, reviewing federal projects for their impact on historic properties, and providing technical assistance.

The HPF is funded by revenue from federal offshore drilling leases (non-tax dollars). Each year the HPF must be allocated and approved. For Federal Fiscal Year (FFY) 2024 Congress passed a "Minibus" spending package which temporarily authorized the HPF through September 2024.

SHPO has 14 full-time employees supported by the HPF and state matching share. SHPOs are required to maintain certain positions meeting the Secretary of the Interior's Professional Qualifications Standards with minimum vacancy requirements, and a qualified State Historic Preservation Review Board. 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. The SHPOs are also required to pass through at least 10% of the HPF to local governments (sub-grantees) that have preservation

programs certified by the SHPO. The 40% matching share is provided by a state general fund appropriation, state historic tax credit revenues, MnDOT state funds, and sub-grantees. The state historic tax credit program sunset in June 2022 but was reinstated in 2023.

Beginning FFY 2024, the National Park Service implemented an updated HPF appropriation formula using recent census data. Each annual SHPO award is available for three years and only 25% can be carried over to the third year with no waiver process. During FFY 2023, the SHPO was allocated \$1,238,175 HPF with a minimum matching share of \$825,450. For FFY 2024, HPF funding remained the same as FFY 2023, and SHPO is planning for the same funding level for 2025. The HPF spending is restricted to administering programs in the National Historic Preservation Act, as amended, and applicable Minnesota Statutes.

Department of Administration

Central Motor Pool - Fleet Services

Fund 5100

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

	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Operating Revenues:				
Net Sales	12,521	20,215	17,385	17,385
Rental and Service Fees	-			
Insurance Premiums	-			
Other Income	277	301	306	306
Total Operating Revenues	12,798	20,516	17,691	17,691
Gross Margin	12,798	20,516	17,691	17,691
Operating Expenses:				
Purchased Services	3,085	3,506	2,558	2,616
Salaries and Fringe Benefits	685	880	930	950
Claims	-			
Depreciation	7,424	14,073	14,073	14,073
Amortization	-			
Supplies and Materials	3,528	3,714	3,826	3,941
Indirect Costs	166	173	190	168
Other Expenses	426	1,517	1,679	1,738
Total Operating Expenses	15,314	23,864	23,256	23,486
Operating Income (Loss)	(2,516)	(3,348)	(5,565)	(5,795)
Nonoperating Revenues (Expenses):				
Investment Income	1,154	2,042	2,042	2,042
Interest and Financing Costs	(956)	(2,031)	(2,031)	(2,031)
Other Nonoperating Expenses	71	-	-	-
Gain (Loss) on Disposal of Capital Assets	2,599	2,749	7,000	7,000
Total Nonoperating Revenues (Expenses)	2,868	2,760	7,011	7,011
Income (Loss) Before Transfers and Contributions	352	(588)	1,446	1,216
Capital Contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Assets	352	(588)	1,446	1,216
Net Assets, Beginning as Reported	17,567	17,919	17,331	18,778
Net Assets, Ending	17,919	17,331	18,778	19,994
Rate increase/(decrease)	-	-	-	-
Full Time Equivalents (FTE)	9.50	6.81	6.81	6.81

Department of Administration

Central Motor Pool - Fleet Services

Fund 5100

Net Assets

(Dollars in Thousands)

	Actual FY 2024	Projected FY 2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents	4,696	7,906
Investments		
Accounts Receivable	4,459	5,782
Accrued Investment/Interest Income		
Inventories		
Deferred Costs		
Total Current Assets	9,155	13,688
Noncurrent Assets:		
Deferred Costs	187	187
Depreciable Capital Assets (Net)	50,043	81,719
Total Noncurrent Assets	50,230	81,906
Total Assets	59,385	95,594
LIABILITIES		
Current Liabilities:		
Accounts Payable	6,450	6,429
Interfund Payables	-	-
Unearned Revenue	19	19
Loans Payable	10,212	10,212
Compensated Absences Payable	15	15
Total Current Liabilities	16,696	16,675
Noncurrent Liabilities:		
Loans Payable	21,275	58,093
Unearned Revenue	75	75
Compensated Absences Payable	97	97
Other Liabilities	3,323	3,323
Total Noncurrent Liabilities	24,770	61,588
Total Liabilities	41,466	78,262
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	18,556	13,414
Unrestricted	(637)	3,918
Total Net Assets	17,919	17,331

Department of Administration

Central Motor Pool - Fleet Services

Fund 5100

Brief Narrative

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 and GASB 75, Accounting and Financial Reporting for Pensions and Postemployment Benefits other than Pensions (OPEB), require reporting the pension and OPEB related liabilities and expenses and deferred inflows and outflows of resources. 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 and OPEB related liabilities and expenses and deferred inflow and outflows of resources in the rate-setting process. The retained earnings, net of pension and OPEB related adjustments, are projected to continue to increase.

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 FY24 due to a 6% growth in the fleet size and costs shared by a greater number of leases. The FY24 Admin rate is required to accurately reflect operational costs and manage retained earnings while operating within state financial policies and federal guidelines.

Impact of rate changes on affected agencies:

Fleet's rates impact customers based on the respective vehicle they select; in turn, 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 FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Operating Revenues:				
Net Sales	14,345	11,587	11,812	11,812
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	14,345	11,587	11,812	11,812
Gross Margin	14,345	11,587	11,812	11,812
Operating Expenses:				
Purchased Services	12,585	10,526	10,573	10,578
Salaries and Fringe Benefits	604	699	739	755
Claims				
Depreciation	59	59	54	-
Amortization				
Supplies and Materials	170	384	392	399
Indirect Costs	110	112	122	115
Other Expenses	129	134	137	142
Total Operating Expenses	13,657	11,913	12,017	11,989
Operating Income (Loss)	688	(326)	(205)	(177)
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses	(349)	-		
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	(349)	-	-	-
Income (Loss) Before Transfers and Contributions	339	(326)	(205)	(177)
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	339	(326)	(205)	(177)
Net Assets, Beginning as Reported	2,482	2,821	2,495	2,290
Net Assets, Ending	2,821	2,495	2,290	2,113
Rate increase/(decrease)	0%	0%	0%	0%
Full Time Equivalents (FTE)	7.64	7.64	7.64	7.64

Department of Administration

Central Mail

Fund 5203

Net Assets

(Dollars in Thousands)

	Actual FY 2024	Projected FY 2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Investments		
Accounts Receivable	2,907	2,907
Accrued Investment/Interest Income		
Inventories	14	14
Deferred Costs	338	338
Total Current Assets	3,259	3,259
Noncurrent Assets:		
Deferred Costs	129	129
Depreciable Capital Assets (Net)	113	54
Total Noncurrent Assets	242	183
Total Assets	3,501	3,442
LIABILITIES		
Current Liabilities:		
Accounts Payable	44	44
Interfund Payables	334	601
Unearned Revenue		
Loans Payable		
Compensated Absences Payable	8	8
Total Current Liabilities	386	653
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable	37	37
Other Liabilities	252	252
Total Noncurrent Liabilities	289	289
Total Liabilities	675	942
NET ASSETS		
Invested in Capital Assets,		
Net of Related Debt	113	54
Unrestricted	2,712	2,446
Total Net Assets	2,825	2,500

Department of Administration

Central Mail

Fund 5203

Brief Narrative

Background:

Central Mail provides mail services to state agencies located in St. Paul - inserting, addressing, folding, postage automation services, postage metering and processing and delivering interoffice and outgoing USPS mail.

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

An amount of \$334,335.27 is due to other funds due to the cash overdraft position of the fund on June 30, 2024.

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

Central Mail has no plans to invest over \$100,000 in technology or equipment in the near future.

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

The implementation of GASB 68 and GASB 75, Accounting and Financial Reporting for Pensions and Postemployment Benefits other than Pensions (OPEB), require reporting the pension and OPEB related liabilities and expenses and deferred inflows and outflows of resources. 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 and OPEB related liabilities and expenses and deferred inflow and outflows of resources in the rate-setting process. The FY 2025 retained earnings, net of pension and OPEB related adjustments, are projected to decrease \$(326)k, with FY 2025 ending retained earnings projected to be \$2.548 million. This is approximately 77 days working capital.

Explain any reasons for rate changes:

Central Mail changed its long-standing rate structure in FY25 to simplify the billing process and make the rates easier for our partners to understand. In addition, the overall rates were reduced by 2% to return excess retained earnings to customers.

Impact of rate changes on affected agencies:

Impact on individual customers depends upon the products and services they use. The impact to our five largest customers ranges from a reduction of 3% to no change. The average impact to customers will be about a 2% reduction in rates.

Department of Administration
Risk Management - Property & Casualty
Fund 5300
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Operating Revenues:				
Net Sales				
Rental and Service Fees				
Insurance Premiums	20,532	21,563	21,563	21,563
Other Income				
Total Operating Revenues	20,532	21,563	21,563	21,563
Gross Margin	20,532	21,563	21,563	21,563
Operating Expenses:				
Purchased Services	12,077	12,766	12,780	12,790
Salaries and Fringe Benefits	1,109	1,417	1,576	1,611
Claims	6,248	7,035	7,035	7,035
Depreciation				
Amortization	37			
Supplies and Materials	4	6	6	6
Indirect Costs	215	183	198	183
Other Expenses	8	8	8	8
Total Operating Expenses	19,698	21,415	21,603	21,633
Operating Income (Loss)	834	148	(40)	(70)
Nonoperating Revenues (Expenses):				
Investment Income	1,660	1,700	1,700	1,700
Interest and Financing Costs				
Other Nonoperating Expenses	(367)	(402)	(402)	(402)
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	1,293	1,298	1,298	1,298
Income (Loss) Before Transfers and Contributions	2,127	1,446	1,258	1,228
Capital Contributions				
Transfers in	12,500			
Transfers out				
Change in Net Assets	14,627	1,446	1,258	1,228
Net Assets, Beginning as Reported	11,443	26,070	27,516	28,774
Net Assets, Ending	26,070	27,516	28,774	30,002
Rate increase/(decrease)	18%	6%	0%	0%
Full Time Equivalents (FTE)	10.5	13.0	10.9	10.9

Department of Administration
Risk Management - Property & Casualty
Fund 5300
Net Assets
(Dollars in Thousands)

	Actual FY 2024	Projected FY 2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents	37,850	39,291
Investments		
Accounts Receivable	4,235	4,235
Accrued Investment/Interest Income		
Inventories		
Deferred Costs	430	430
Total Current Assets	42,515	43,956
Noncurrent Assets:		
Deferred Costs	259	259
Depreciable Capital Assets (Net)		
Total Noncurrent Assets	259	259
Total Assets	42,774	44,215
LIABILITIES		
Current Liabilities:		
Accounts Payable	15,607	15,607
Interfund Payables	5	
Unearned Revenue	469	469
Loans Payable		
Compensated Absences Payable	18	18
Total Current Liabilities	16,099	16,094
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable	129	129
Other Liabilities	476	476
Total Noncurrent Liabilities	605	605
Total Liabilities	16,704	16,699
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	0	0
Unrestricted	26,070	27,516
Total Net Assets	26,070	27,516

Department of Administration
Risk Management - Property & Casualty
Fund 5300
Brief Narrative

Background:

The Risk Management Division's (RMD) program serves as the state's insurance company, providing auto liability coverage for state agency vehicles and offering its partners auto physical damage, property, and general liability coverages through the self-insured Risk Management Fund (RMF), and other insurance products purchased from the conventional insurance market. The program also deliver various insurance and risk management related services..

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 and GASB 75, Accounting and Financial Reporting for Pensions and Postemployment Benefits other than Pensions (OPEB), require reporting the pension and OPEB related liabilities and expenses and deferred inflows and outflows of resources. 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 and OPEB related liabilities and expenses and deferred inflow and outflows of resources in the rate-setting process. In FY 2024, Risk Management fund property self-insurance received a \$12.5M one-time legislative funding to help position the fund to accept more risk with future property reinsurance renewals. The retained earnings, net of pension and OPEB related adjustments, are projected to increase by \$1.466M in FY25, Increase by \$1.258M in FY26, and increase by \$1.228 in FY27. The ending retained earnings, net of pension and OPEB related adjustments, is projected to be \$17.707 million in FY 2027. The RMF needs to grow retained earnings in order to allow for greater primary property reinsurance layer participation in the future and protect the RMF from catastrophic losses.

Explain any reasons for rate changes:

RMD is holding property rates the same in FY 2025 with a 5% inflationary factor to property values not appraised in FY 2024. Auto physical damage rates were increased for FY 2025. A tier rating model, in use since 2008, rewards policyholders for good results in the form of lower rates. Higher rates apply to policyholders with less favorable results. This approach will continue in FY 2025. The rates increase for automobile physical damage with \$500 deductible was 20%; 23.1% for \$1,000 deductible; 33.3% for \$500 deductible (Admin/Fleet); and 32.8% for \$1,000 deductible (Natural Resources). The rate increase is necessary because of worsening auto physical damage loss experience. The projected overall increase in revenues are 5.6%. The rates change will enable RMD to better manage their retained earnings level while still permitting them to provide necessary funds to manage report claims and provide most risk management consulting services free of charge to state government.

Impact of rate changes on affected agencies:

Partners with property and/or contents coverage can expect an increase in property coverage premium payments assuming similar deductible levels in FY 2025. Additionally, partners may be impacted by the following changes that may have occurred over the past year:

- Poor loss experience (auto liability or auto physical damage)
- Automatic inflationary increase in real and personal property values
- Changes in property value, square footage, or other rating basis that they report to RMD or identified through the property appraisal project
- Enrollment/participation changes (deductible or coverage changes)

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 FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Operating Revenues:				
Net Sales	76,047	78,171	76,091	77,374
Rental and Service Fees				
Insurance Premiums				
Other Income	1,003	1,003	1,002	997
Total Operating Revenues	77,050	79,174	77,093	78,371
Gross Margin	77,050	79,174	77,093	78,371
Operating Expenses:				
Purchased Services	16,331	17,252	16,321	18,338
Salaries and Fringe Benefits	18,062	20,740	23,135	23,861
Claims				
Depreciation	628	522	664	592
Amortization				
Supplies and Materials	8,613	2,582	2,715	2,696
Indirect Costs	2,384	945	3,010	2,777
Other Expenses	12,081	12,402	14,501	15,039
Total Operating Expenses	58,099	54,443	60,346	63,303
Operating Income (Loss)	18,951	24,731	16,747	15,068
Nonoperating Revenues (Expenses):				
Investment Income	2			
Interest and Financing Costs	(96)	(92)	(87)	(83)
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets	4			
Total Nonoperating Revenues (Expenses)	(90)	(92)	(87)	(83)
Income (Loss) Before Transfers and Contributions	18,861	24,639	16,660	14,985
Capital Contributions				
Transfers in				
Transfers out	(31,028)	(23,666)	(17,844)	(17,239)
Change in Net Assets	(12,167)	973	(1,184)	(2,254)
Net Assets, Beginning as Reported	20,819	8,652	9,625	8,441
Net Assets, Ending	8,652	9,625	8,441	6,187
Rate increase/(decrease)	-1%	0%	1%	1%
Full Time Equivalents (FTE)	265.1	265.1	262.7	262.7

Department of Administration

Facilities Management - Leases, Repair and Other Jobs

Plant Management Fund 5400

Net Assets

(Dollars in Thousands)

	Actual FY 2024	Projected FY 2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents	12,662	13,735
Investments		
Accounts Receivable	7,056	7,083
Accrued Investment/Interest Income		
Inventories	440	440
Deferred Costs		
Total Current Assets	20,158	21,258
Noncurrent Assets:		
Deferred Costs	4,048	4,048
Depreciable Capital Assets (Net)	6,599	6,178
Total Noncurrent Assets	10,647	10,226
Total Assets	30,805	31,484
LIABILITIES		
Current Liabilities:		
Accounts Payable	10,267	10,096
Interfund Payables		
Unearned Revenue		
Loans Payable	123	117
Compensated Absences Payable	243	243
Total Current Liabilities	10,633	10,456
Noncurrent Liabilities:		
Loans Payable	2,507	2,390
Compensated Absences Payable	1,222	1,222
Other Liabilities	7,791	7,791
Total Noncurrent Liabilities	11,520	11,403
Total Liabilities	22,153	21,859
NET ASSETS		
Invested in Capital Assets,		
Net of Related Debt	3,969	6,178
Unrestricted	4,683	3,447
Total Net Assets	8,652	9,625

Department of Administration

Facilities Management - Leases, Repair and Other Jobs

Plant Management Fund 5400

Brief Narrative

Background:

The FMD 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:

None

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

The implementation of GASB 68 and GASB 75, Accounting and Financial Reporting for Pensions and Postemployment Benefits other than Pensions (OPEB), require reporting the pension and OPEB related liabilities and expenses and deferred inflows and outflows of resources. 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 and OPEB related liabilities and expenses and deferred inflow and outflows of resources in the rate-setting process. The FY 2027 retained earnings, net of pension and OPEB related adjustments, are projected to result in a balance of less than 60 days' working capital but will still provide the fund with sufficient cash flow necessary to operate the business. It is estimated the retained earnings will decrease by \$1.184 million in FY 2026 and decrease by \$2.254 million in FY 2027. The ending retained earnings, net of pension and OPEB related adjustments, is projected to be \$9.694 million in FY 2027.

Explain any reasons for rate changes:

Overall leases rates will increase 1% each year in FY 2026 and FY 2027. The rates reflect increases in building population over the previous biennium though population is not at pre-2020 levels. These rate increases are needed to continue providing the same level of service. 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.

Impact of rate changes on affected agencies:

All tenants will be impacted by the lease rates, some with decreased rates but most with rate increases. Notable changes include:

- Andersen. Decreases of 30% for FY 2026 and 8% in FY 2027. Rates decreased because the debt service obligation will be met in December 2025.
- Agriculture/Health Lab. Increases of 20% each year. It is important to note that Agriculture/Health Lab was reduced 7% last biennium. These increases are needed to cover building depreciation for previous construction projects. These increases will be largely offset for the tenants by the large decrease in rates at Freeman.
- BCA Bemidji. Increases of 8% each year. These increases are needed to recover costs such as repairing condenser fans and the study of the building's exterior.
- BCA Maryland. Increases of 8% each year. These increases are needed to accommodate the increase in building occupancy compared to the previous biennium and recover costs such as the replacement of the security gate.
- Fleet and Surplus. Increases of 10% in each year. These increases are needed to recover previous expenses for building maintenance and repairs.
- Freeman. Decreases of 9% in FY 2026 and 22% in FY 2027. Rates decreased because the debt service obligation will be met in December 2025.
- MN History Center. Increases of 10% each year. These increases are needed to recover expenses for projects that were previously, partially amortized.
- Retirement Systems. Increases of 10% each year. These increases will help to recover the cost of past chiller repairs and provide the funds necessary to maintain building functionality and ensure occupant safety and comfort.
- State Capitol. Increases of 10% in FY 2026 and 4% in FY 2027. These increases will help pay for programmed maintenance