

## Office Memorandum

DEPARTMENT Waste and Mismanagement

TO : Governor Rudy Perpich

DATE: March 9, 1978

FROM : Robert Goff, Director  
Governor's Task Force on  
Waste and MismanagementPHONE: 0646

SUBJECT: Governor's Cost Savings Program - Status Report

Attached are tables which summarize the information supplied by executive branch agencies in their February 1, 1978, cost savings reports. Departments were asked to report their progress in implementing your cost savings programs based on accounting records for the first half of the fiscal year (through December 31, 1977).

The Statewide Accounting System indicates that overall operating expenditures are running well below budget. Operating expenditures (including salaries) are \$98.3 million below the All Funds budget as of the end of January. According to a Department of Finance expenditure analysis, this is also true of expenditures for consumables, fixed assets, and out-of-state travel for the first six months. Expenditures for consumables have been running 18.5 percent below the 1978 budget and 4.4 percent below actual fiscal year 1977 expenditures. Fixed asset expenditures are 16.6 percent below budget and 18 percent above 1977 actual; however, these expenditures include \$368,972 for the airplane purchased by the Department of Transportation during the first half year. Out-of-state travel expenditures through December 31 are 21.3 percent below the 1978 budget and 10.1 percent below 1977 actual expenditures for that time period. (See Tables 5, 7, and 9.)

Despite the fact that these overall expenditures are running significantly below budget, many February 1 department reports do not reflect that level of effort. Some reports predict dramatic and unrealistic increases in expenditures during the remaining months of the fiscal year. We knew that departments would be a little conservative in estimating total annual savings at this time and that we should expect them to reserve some portion of their budgets to cover potential unforeseen needs occurring before the fiscal year end. However, some departments reported anticipated expenditures far in excess of their ongoing needs plus some amount for unexpected needs.

Inventory Management

For example, many February 1 reports reflect only minimal results from compliance with the intent of Executive Order #149, which required a statewide effort to vastly improve the management of the state's inventory. These reports specify only a small portion of what could and should have been declared as savings. The summary of inventory budget and savings information illustrates a major contrast between first half actual and second half planned spending. Even when the reported actual and projected expenditures are adjusted for an estimated payment lag of one month for consumables and two months for fixed assets, the reports predict a 56.9 percent increase in consumables expenditures and a 533.5 percent increase in fixed assets expenditures during the second half of the fiscal year. Total savings reported amount to only 3.8 percent of the budget for consumables and 2.3 percent of the budget for fixed assets.

It seems logical to conclude that either the process necessary to realistically determine savings was not applied in these cases and/or there was no intent to report other than token amounts of remaining fiscal year budget balances. The type of management called for in Executive Order #149 requires more than just a surface clean up of obvious surplus and obsolete material. It requires all agencies to improve the planning mechanism--to ensure the optimum consumable inventory levels and prevent unnecessary purchases of fixed assets. Consistent with existing Inventory Management directives, a system of quarterly inventory feedback reporting has been established. Early reports indicate that consumable inventory levels are generally as large as ever. In the context of those large inventories, the past and future level of expenditures reported by many agencies make very little sense. (See Tables 4 and 6.)

For example, one major department spent one half million dollars less on consumables during the first half-year period than it did during the same period last year. In spite of the fact that the department maintains more than a generous inventory and spent only 25 percent of its 1978 budget, the department said it anticipated spending 200 percent more during the second half of the year and reported savings of only .2 percent of its budget for consumables.

On the other hand, Iron Range Resources and Rehabilitation, reported outstanding results from the inventory control program, amounting to savings of 44.7 percent in fixed assets and 13.7 percent in consumables. According to the Materials Management Division of Administration, the Welfare Department has also made considerable progress in controlling its use of consumable inventory in view of the difficulty in handling its many inventory control centers. Brainerd State Hospital has done an especially noteworthy job. They also reported that the Community Colleges have shown marked progress in controlling both their fixed assets and consumables inventories.

#### Out-of-State Travel

Some departments reported impressive savings in out-of-state travel expenditures; however, others reported only nominal or no savings. Although the accounting system reports first half-year expenditures that are 21.3 percent below budget, the savings reported amount to only 14 percent of the 1978 budget. After we adjust the expenditures for the approximate one-month payment lag, the departmental reports suggest they intend to spend almost 50 percent more during the second half of the year than during the first. In the past, out-of-state travel expenditures during each half of the fiscal year have been approximately the same. As illustrated by the attached table, ten departments anticipate spending during the second half year more than 250 percent of what they spent during the first half year. The reports also reveal that six departments and several small agencies and boards are not in compliance with the \$100 per employee guideline for professional development and communication travel.

The departments which appear to have done an exceptionally good job of curbing out-of-state travel costs include Public Safety, Housing Finance, Education, Administration, and the Pollution Control Agency. In fact, Public Safety and Pollution Control spent respectively 62.5 percent and 41 percent less than they did last year during the same time period.

#### State-Sponsored Meetings

As a result of holding meetings in state facilities rather than private facilities, the departments reported present and anticipated savings totaling \$103,010. Again, however, only a few departments reported as much in savings as we believe possible. Some departments reported spending

Governor Rudy Perpich  
March 9, 1978  
Page 4

substantial amounts on meetings prior to the November 1, 1977, effective date of the policy but said they would comply with the policy in the future. The Department of Education, which spent large amounts on meetings in the past, has done an excellent job of implementing this program. The State University System, Corrections, and Natural Resources also have taken corrective action and showed some results. Some departments reported that they still have occasional problems in accommodating handicapped people in some state facilities.

#### Memberships and Subscriptions

Although some departments have undertaken the kind of critical review of these expenditures that you requested, the results may not be fully realized this year because of the annual and biennial nature of the disbursements. The State Universities, Public Safety, and State Planning have reported impressive results in curbing membership costs. The State Universities, Finance, and State Planning have reported substantial cuts in subscription costs. The Task Force has learned that a few departments have continued paying for inappropriate memberships and subscriptions. We will continue working with the departments and expect better results in the future.

#### Department Programs

The February 1 report format offered departments an opportunity to report savings resulting from their own internal savings programs. The savings efforts included avoidance of consultant contracts, better controls on computer, printing, and in-state travel costs, and more efficient energy use.

#### Summary

The Task Force believes that with a dedicated effort on the part of all department heads, we can collectively show a savings of substantially more than was reported February 1. It is imperative that some department heads take immediate action to curb the unrealistic expenditures anticipated for the remainder of the year. In particular, many departments which maintain field offices have done less than an adequate job of helping all employees understand the purposes and procedures required by your programs. The commitment, hard work and ingenuity of all state employees at all levels are necessary if we are to succeed in replacing outmoded methods with ones that are more efficient and cost-effective.

Governor Rudy Perpich  
March 9, 1978  
Page 5

Departments now have many of the necessary tools to make this program succeed and the expenditures during the first six months show that some departments have applied them. Unless we see an immediate change in the level of commitment to the program in some departments, however, we must recommend that you make use of the additional authorities you have for curbing expenditures.

## TABLES

The attached tables provide information on the executive branch agencies participating in your cost savings program. Excluded from the program are the Legislature, the Courts, the Historical Society, University of Minnesota, and the Constitutional Officers. For purposes of brevity, most small boards are summarized in the item "Miscellaneous Boards." A separate, detailed analysis of these boards will be provided separately.

Table 1	Savings Summary by Expenditure Area (All Funds)
Table 2	Savings Summary by Fund
Table 3	Savings Summary by Department (All Funds)
Table 4	Reported Consumable Inventory Savings by Department (All Funds)
Table 5	Consumable Inventory Expenditure Analysis (Prepared by Department of Finance)
Table 6	Reported Fixed Asset Inventory Savings by Department (All Funds)
Table 7	Fixed Asset Expenditure Analysis (Prepared by Department of Finance)
Table 8	Reported Out-of-State Travel Savings (All Funds)
Table 9	Out-of-State Travel Expenditure Analysis (Prepared by Department of Finance)
Table 10	Operating Expenditures (All Funds)

TABLE 1  
SAVINGS SUMMARY BY EXPENDITURES  
(All Funds)

	<u>CONSUMABLE</u>	<u>FIXED ASSET</u>	<u>OUT-OF-STATE TRAVEL</u>	<u>TOTAL MEMBERSHIPS</u>	<u>SUBSCRIPTIONS</u>	<u>STATE MEETINGS</u>	<u>OTHER DEPARTMENTAL PROGRAMS</u>
Budget FY 1978	\$60,343,385	\$21,126,624	\$2,384,531	\$348,418 <sup>1</sup>	N/A	N/A	N/A
Expenditures 7/1/77-12/31/77	18,832,203	1,918,573	691,472	227,913	\$284,910	\$243,766	N/A
Projected Expenditures 1/1/78-6/30/78	39,234,301	19,190,599	1,363,098	106,361	N/A	N/A	N/A
Savings Reported <sup>2</sup> 2/1/78	2,281,185	490,897	331,044	17,327	5,303	21,804	\$452,315
Percent Increase <sup>3</sup> Second Half over First Half	108.3%	900.3%	97%	-	(Plus projected savings of \$6,650)	(Plus projected savings of \$81,206)	
Percent Savings Is of Budget	3.8%	2.3%	14%	4.9%	N/A	N/A	N/A

<sup>1</sup> Since agencies do not budget on this level, this represents actual 1977 expenditures.

<sup>2</sup> Savings totals do not include any reported deficits.

<sup>3</sup> These percentages are based on reported figures and are not adjusted for the payment lag.

TABLE 2

## TOTAL SAVINGS REPORTED TO DATE BY FUND

<u>FUND</u>	<u>SAVINGS</u>
10 General	\$2,764,880
20 Special Revenue	213,470
22 State Airports	1,200
23 Game and Fish	325
27 Trunk Highway	1,064,065
28 Highway User Tax Distribution	107,701
30 Federal	368,735
31 Manpower Services Administration	498,970
50 Building	14,196
63 Housing Finance	101,538
64 Higher Education Coordinating Commission Student Loan Fund	200
69 Gifts and Deposits	560
70 Minnesota State Retirement System	2,530
75 Public Employees Retirement Association	13,672
77 Teachers Retirement	1,372
90 Revolving	23,519
91 Motor Pool	78,598
94 Service	18,100
95 Prison Revolving	26,516
97 Computer Services Revolving	195,395
98 General Services Revolving	239,514
Total	\$5,735,056



TABLE 3

SAVINGS SUMMARY BY DEPARTMENT  
(All Funds)

Department	Total Operating Budget	Savings Governor's Program	Other Departmental Savings	Total Savings
01 Military Affairs	\$ 4,608,445	\$ -0-	\$ 4,200	\$ 4,200
02 Administration	43,691,345	587,630	-0-	587,630
04 Agriculture	10,963,795	37,420	-0-	37,420
07 Public Safety	48,533,091	247,016	-0-	247,016
08 Ombudsman	220,879	490	3,762	4,252
10 Finance	4,492,394	29,200	-0-	29,200
12 Health	20,786,745	166,490	-0-	166,490
13 Commerce	4,750,217	12,834	-0-	12,834
17 Human Rights	1,019,465	-0-	-0-	-0-
21 Economic Security	55,725,305	567,922	-0-	567,922
23 Economic Development	1,863,420	31,625	-0-	31,625
24 Personnel	2,584,550	6,067	2,000	8,067
26 State University	97,570,627	750,000	-0-	750,000
27 Community College	43,027,393	403,861	-0-	403,861
29 Natural Resources	61,157,288	37,812	1,548	39,360
30 State Planning	6,932,998	10,025	550	10,575
32 Pollution Control	8,431,516	33,657	-0-	33,657
34 Housing Finance	12,926,500	16,538	85,000	101,538
37 Education	20,342,139	220,606	-0-	220,606
42 Labor and Industry	5,990,173	-0-	-0-	-0-
43 Iron Range Resources	1,805,352	164,050	3,700	167,750
45 Mediation Services	672,374	274	-0-	274
55 Public Welfare	560,493,086	415,072	21,500	436,572
67 Revenue	21,648,263	109,157	-0-	109,157
75 Veterans Affairs	4,686,713	87,771	4,247	92,018
77 Zoo Board	10,772,348	29,717	-0-	29,717
78 Corrections	46,133,930	92,397	323,210	415,607
79 Transportation	467,968,150	987,336	-0-	987,336
80 Public Service	3,913,018	1,255	-0-	1,255
88 Energy	2,451,101	1,048	-0-	1,048
Miscellaneous Boards	25,229,366	232,453	5,616	238,069
<b>Total</b>	<b>\$1,601,411,986</b>	<b>\$5,279,723</b>	<b>\$455,333</b>	<b>\$5,735,056</b>

TABLE 4  
 FY 1978  
 FEBRUARY 1, 1978 SAVINGS REPORTING - CONSUMABLE INVENTORY  
 (All Funds)

<u>DEPT/AGENCY</u>	<u>BUDGET FY 1978</u>	<u>ACTUAL EXP. 7/1-12/31/77</u>	<u>PROJ. EXP. 1/1-6/30/78</u>	<u>SAVINGS REPORTED 2/1/78</u>	<u>% INC. 2nd HALF PROJ. OVER 1st HALF EXP.</u>	<u>% SAVINGS IS OF BUDGET</u>
(01) Military Affairs	702,456	200,672	501,784	Ø	150.1	-
(02) Administration	4,194,727	1,347,116	2,477,497	370,114	83.9	8.8
(04) Agriculture	156,049	55,876	100,173	Ø	79.3	-
(07) Public Safety	4,397,560	770,505	3,498,743	128,312	354.1	2.9
(08) Ombudsman	5,590	586	4,514	490	670.3	8.8
(10) Finance	24,550	7,676	12,874	4,000	67.7	16.3
(12) Health	755,532	158,264	519,150	78,118	228.0	10.3
(13) Commerce	28,563	7,975	20,588	Ø	158.2	-
(17) Human Rights	10,080	4,931	9,330	Ø	89.2	-
(21) Economic Security	480,600	150,378	318,282	11,940	111.7	2.5
(23) Economic Develop.	14,300	8,874	5,426	Ø	-	-
(24) Personnel	30,112	11,498	16,837	1,777	46.4	5.9
(26) St. Univ. Syst.	5,128,809	1,529,264	3,316,501	283,044	116.9	5.5
(27) St. Comm. Coll. Syst.	2,167,118	660,744	1,506,374	Ø	128.0	-
(29) DNR	4,545,715	1,114,407	3,423,483	7,825	207.2	.2

Prepared by: Materials Mgmt. Div

TABLE 4  
FY 1978  
FEBRUARY 1, 1978 SAVINGS REPORTING - CONSUMABLE INVENTORY

<u>DEPT/AGENCY</u>	<u>BUDGET FY 1978</u>	<u>ACTUAL EXP. 7/1-12/31/77</u>	<u>PROJ. EXP. 1/1-6/30/78</u>	<u>SAVINGS REPORTED 2/1/78</u>	<u>% INC. 2nd HALF PROJ. OVER 1st HALF EXP.</u>	<u>% SAVINGS IS OF BUDGET</u>
(30) St. Plan. Agency	34,517	20,167	- 12,538	1,812	-	5.5
(32) Pollution Control	82,075	33,655	48,420	Ø	43.9	-
(34) Housing Finance	23,000	8,620	14,380	Ø	66.8	-
(37) Education	334,476	111,026	197,450	26,000	77.8	7.8
(42) Labor & Industry	44,657	26,333	18,324	Ø	-	-
(43) I.R.R.&R.	89,025	16,428	60,447	12,150	268.0	13.7
(45) Mediation Services	5,000	2,840	2,000	160	-	3.2
(55) D.P.W.	10,300,393	3,852,177	6,048,843	399,373	57.0	3.9
(67) Revenue	66,799	24,568	35,331	6,900	43.8	10.3
(75) Vets Affairs	694,846	248,063	379,064	67,719	52.8	9.8
(77) Zoo	604,351	88,107	508,244	8,000	476.8	1.3
(78) Corrections	6,002,553	2,421,831	3,535,055	45,667	46.0	.8
(79) D.O.T.	19,014,684	5,807,672	12,398,786	808,226	113.5	4.3
(80) Public Service	76,280	20,286	55,476	518	173.5	.7

Prepared by: Materials Mgmt. Div

TABLE 4  
FY 1978

FEBRUARY 1, 1978 SAVINGS REPORTING - CONSUMABLE INVENTORY

DEPT/AGENCY	BUDGET FY 1978	ACTUAL EXP. 7/1-12/31/77	PROJ. EXP. 1/1-6/30/78	SAVINGS REPORTED 2/1/78	% INC.	
					2nd HALF PROJ. OVER 1st HALF EXP.	% SAVINGS IS OF BUDGET
(88) Energy Agency	33,972	16,891	16,833	248	-	.7
Misc. Boards	294,996	104,773	171,554	* 18,792	63.7	6.4
TOTALS:	60,343,385	18,832,203	39,234,301	*2,281,185	108.3	3.8
Expenditures adjusted for approximate one-month payment lag		22,598,644	35,467,861		56.9%	

\* Savings totals do not include deficit savings.

Prepared by: Materials Mgmt. Div.

TABLE 5  
Supplies and Materials (Class 30)  
Expenditure Analysis  
All Funds

	Fiscal Year 1977			Fiscal Year 1978				Variance	
	Budget Estimate	Actual Expenditures	Variance Amount	Budget Estimate	Fiscal Year Actual Expenditures	Variance Amount	Variance Percent	1977/78 Actual Amount	Expenditures Percent
<u>Monthly Accumulations</u>									
July	\$ 588,225	541,644	(46,581)	634,807					
August	3,364,903	3,093,437	(266,466)	3,631,368					
September	7,347,278	6,765,449	(581,829)	7,929,106					
October	11,259,343	10,367,719	(891,624)	12,150,967					
November	16,581,044	15,267,996	(1,313,048)	17,804,091	14,490,569	(3,403,522)	(19.0)	(777,427)	(5.1)
December	21,809,553	20,092,461	(1,727,092)	23,536,644	19,190,107	(4,346,537)	(18.5)	(892,354)	(4.4)
January	26,496,081	24,397,865	(2,098,216)	28,594,298					
February	31,483,315	28,990,622	(2,493,193)	33,977,009					
March	36,353,451	33,474,633	(2,878,818)	39,232,270					
April	40,750,118	37,523,129	(3,226,989)	43,977,107					
May	45,215,260	41,634,678	(3,580,582)	48,705,843					
June	50,424,961	46,431,824	(3,993,137)	54,419,908					
After Year End	59,148,532	54,442,770 1/	(4,705,762)	63,799,793					
Percentage Variance			(7.9%)						

1/ Outstanding encumbrances of \$3,404,230 not included.

Department of Finance  
2/15/78

TABLE 6  
 FY 1978  
 FEBRUARY 1, 1978 SAVINGS REPORTING - FIXED ASSET INVENTORY  
 (All Funds)

DEPT/AGENCY	BUDGET FY 1978	ACTUAL EXP. 7/1-12/31/77	PROJ. EXP. 1/1-6/30/78	SAVINGS REPORTED 2/1/78	% INC.	
					2nd HALF PROJ. OVER 1st HALF EXP.	% SAVINGS IS OF BUDGET
(01) Military Affairs	22,187	900	21,287	Ø	2,265.2	-
(02) Administration	1,918,011	139,310	1,715,602	63,099	1,131.5	3.3
(04) Agriculture	61,628	14,427	45,401	1,800	214.7	2.9
(07) Public Safety	2,287,377	116,948	2,114,985	55,444	1,708.5	2.4
(08) Ombudsman	794	764	30	Ø	-	Ø
(10) Finance	7,500	48	6,452	1,000	13,341.6	13.3
(12) Health	245,755	52,235	224,834	Ø	330.4	-
(13) Commerce	17,822	180	17,642	Ø	9,701.1	-
(17) Human Rights	1,500	750	1,800	Ø	1.4	-
(21) Economic Security	365,960	59,855	294,721	11,384	392.4	3.1
(23) Economic Develop.	6,050	Ø	6,050	Ø	-	-
(24) Personnel	20,345	14,649	3,771	1,925	-	9.5
(26) St. Univ. Syst.	1,831,100	130,105	1,566,264	134,731	1,103.8	7.4
(27) St. Comm. Coll. Syst.	922,943	72,255	850,688	Ø	1,077.3	-
(29) DNR	2,317,155	144,823	2,168,432	3,900	1,397.3	.2

Prepared by: Materials Mgmt. Div

TABLE 6  
FY 1978  
FEBRUARY 1, 1978 SAVINGS REPORTING - FIXED ASSET INVENTORY

DEPT/AGENCY	BUDGET FY 1978	ACTUAL EXP. 7/1-12/31/77	PROJ. EXP. 1/1-6/30/78	SAVINGS REPORTED 2/1/78	% INC.	
					2nd HALF PROJ. OVER 1st HALF EXP.	% SAVINGS IS OF BUDGET
(30) St. Plan. Agency	19,730	3,316	11,772	4,800	255.0	24.3
(32) Pollution Control	172,318	4,494	159,824	8,000	3,456.4	4.6
(34) Housing Finance	20,000	Ø	20,000	Ø	-	-
(37) Education	108,289	16,165	86,611	5,513	435.8	5.1
(42) Labor & Industry	25,938	14,832	11,106	Ø	-	-
(43) I.R.R.&R.	160,792	48,800	40,092	71,900	-	44.7
(45) Mediation Service	1,000	Ø	1,000	Ø	-	-
(55) D.P.W.	745,418	77,948	666,501	Ø	755.1	-
(67) Revenue	173,359	5,280	164,700	3,379	3,019.3	2.0
(75) Vets Affairs	51,680	3,469	35,011	13,200	909.3	25.5
(77) Zoo	33,340	13,722	19,318	300	40.8	.9
(78) Corrections	1,229,082	82,230	1,128,770	18,082	1,272.7	1.5
(79) D.O.T.	7,909,618	653,108	7,550,956	50,000	1,056.2	.6
(80) Public Service	101,877	48,238	53,639	Ø	11.2	-

Prepared by: Materials Mgmt. Div

TABLE 6  
 FY 1978  
 FEBRUARY 1, 1978 SAVINGS REPORTING - FIXED ASSET INVENTORY

<u>DEPT/AGENCY</u>	<u>BUDGET FY 1978</u>	<u>ACTUAL EXP. 7/1-12/31/77</u>	<u>PROJ. EXP. 1/1-6/30/78</u>	<u>SAVINGS REPORTED 2/1/78</u>	% INC.	
					<u>PROJ. OVER 1st HALF EXP.</u>	<u>% SAVINGS IS OF BUDGET</u>
(88) Energy Agency	29,626	10,949	18,677	Ø	70.6	-
Misc. Boards	318,430	188,773	184,663	* 42,440	-	13.3
TOTALS:	21,126,624	1,918,573	19,190,599	* 490,897	900.3	2.3
Expenditures adjusted for approximate two-month time lag.		2,877,859	18,231,312		533.5%	

\*Savings totals do not include deficit savings.

Prepared by: Materials Mgmt. Div.



TABLE 7

Capital Outlays - Equipment (Class 40)  
Expenditure Analysis  
All Funds

	Fiscal Year 1977			Fiscal Year 1978				Variance	
	Budget Estimate	Actual Expenditures	Variance Amount	Budget Estimate	Fiscal Year Actual Expenditures	Variance Amount	Percent	1977 to 1978 Expenditures Amount	Percent
<u>Monthly Accumulations</u>									
July	\$ 4,490	\$ 4,200	\$ (290)	\$ 5,943					
August	104,916	98,144	(6,772)	138,874					
September	273,210	255,575	(17,635)	361,639					
October	630,630	589,925	(40,705)	834,744					
November	1,084,314	1,014,326	(69,988)	1,435,271	\$ 1,330,225	\$(105,046)	(7.3)	\$ 315,899	31.1
December	1,884,416	1,762,784	(121,632)	2,494,339	2,080,438	(413,901)	(16.6)	317,654	18.0
January	2,839,877	2,656,573	(183,304)	3,759,051					
February	3,904,021	3,652,031	(251,990)	5,167,624					
March	5,970,858	5,585,461	(385,397)	7,903,427					
April	8,026,769	7,508,671	(518,098)	10,624,769					
May	9,677,620	9,052,965	(624,655)	12,809,945					
June	11,208,393	10,484,933	(723,460)	14,836,180					
After Year End	20,792,240	19,445,414 <sup>1/</sup>	(1,346,826)	22,494,619					
Percentage Variance			(6.5%)						

<sup>1/</sup> Includes outstanding encumbrances of \$3,596,873.

Department of Finance  
2/15/78

TABLE 8

REPORTED OUT-OF-STATE TRAVEL SAVINGS  
(All Funds)

DEPARTMENT	BUDGET FY 1978	ACTUAL EXPENDITURES 7/1 - 12/31/77	PROJECTED EXPENDITURES 1/1 - 6/30/78	SAVINGS REPORTED 2/1/78	PERCENT INCREASE SECOND HALF PROJECTED OVER FIRST HALF EXPENDITURES	PERCENT SAVINGS IS OF BUDGET
01 Military Affairs	\$ 2,000	\$ 543	\$ 1,457	\$ -0-	168	-0-
02 Administration	147,458	34,241	58,620	54,597	71	37
04 Agriculture	48,157	15,802	31,855	500	102	1
07 Public Safety	55,308	10,337	22,948	22,023	122	40
08 Ombudsman	2,000	1,329	671	-0-	-0-	-0-
10 Finance	8,107	3,580	2,927	1,600	-0-	20
12 Health	87,777	28,167	54,212	5,398	92	6
13 Commerce	52,190	17,800	21,556	12,834	21	25
17 Human Rights	2,380	280	2,100	-0-	650	-0-
21 Economic Security	198,921	70,538	102,721	25,662	46	13
23 Economic Development	32,067	5,098	26,969	-0-	429	-0-
24 Personnel	12,808	2,987	7,456	2,365	150	18
26 State University	328,795	50,701	247,736	30,358	389	9
27 Community College	92,277	20,574	71,703	-0-	249	-0-
29 Natural Resources	100,724	32,167	62,538	6,019	94	6
30 State Planning	33,748	13,551	21,056	-0-	55	-0-
32 Pollution Control	89,427	19,771	51,698	17,958	161	20
34 Housing Finance	36,000	5,131	14,331	16,538	179	46
37 Education	240,084	52,555	85,012	102,517	61	43
42 Labor and Industry	35,522	7,683	27,839	-0-	262	-0-
43 Iron Range Resources	9,870	2,979	8,291	-0-	178	-0-
43 Mediation Services	3,191	1,731	1,346	114	-0-	4
55 Public Welfare	126,772	44,557	82,215	-0-	85	-0-
67 Revenue	117,494	54,304	63,190	-0-	16	-0-
75 Veterans Affairs	1,930	1,422	508	-0-	-0-	-0-
77 Zoo Board	32,500	11,748	6,400	14,352	-0-	44
78 Corrections	89,017	21,844	59,473	7,700	172	9
79 Transportation	152,726	69,386	83,340	-0-	20	-0-
80 Public Service	31,384	8,786	21,861	737	149	2
88 Energy	32,589	13,789	18,000	800	31	2
Miscellaneous Boards	181,308	68,091	103,069	8,972	51	5
Totals	\$2,384,531	\$691,472	\$1,363,098	*\$331,044	97	14
Expenditures adjusted for payment lag.		829,766	1,224,804		47.6%	

\* Savings totals do not include reported deficits.

Table 9

## Out-of-State Travel (Class 22)

## Expenditure Analysis

All Funds

	Fiscal Year 1977			Fiscal Year 1978				Variance	
	Budget Estimate	Actual Expenditures	Variance Amount	Budget Estimate	Fiscal Year Actual Expenditures	Variance Amount	Variance Percent	1977/78 Actual Amount	Expenditures Percent
<u>Monthly Accumulations</u>									
July	56,181	45,713	(10,468)	\$ 52,250					
August	197,145	160,411	(36,734)	183,350					
September	381,210	310,179	(71,031)	354,535					
October	603,519	491,065	(112,454)	561,287					
November	809,519	658,681	(150,838)	752,872	633,357	(119,515)	(15.9)	\$ (25,324)	(5.2)
December	1,043,465	849,036	(194,429)	970,448	763,658	(206,790)	(21.3)	(85,378)	(10.1)
January	1,179,713	959,897	(219,816)	1,097,162					
February	1,341,253	1,091,337	(249,916)	1,247,398					
March	1,571,316	1,278,532	(292,784)	1,461,362					
April	1,836,654	1,494,430	(342,224)	1,708,133					
May	2,134,023	1,736,390	(397,633)	1,984,694					
June	2,357,646	1,918,345	(439,301)	2,192,668					
After Year-End	2,510,020	2,041,692	(468,328)	2,334,089					
Percentage Variance			(18.6%)						

Department of Finance  
2/15/78

TABLE 10  
OPERATING EXPENDITURES  
ALL FUNDS

	Fiscal Year 1977			Fiscal Year 1978		
	Budget Estimate	Expenditures	Variance	Budget Estimate	Expenditures	Variance
<u>Monthly Accumulation</u>						
July	\$ 104,480,340	\$ 98,665,955	\$ (5,814,385)	\$ 114,670,560		
August	217,658,159	205,545,370	(12,112,789)	238,886,884		
September	342,900,008	323,817,446	(19,082,562)	376,343,874		
October	437,831,591	413,466,037	(24,365,554)	480,534,363		
November	543,700,442	513,443,232	(30,257,210)	596,728,859		
December	666,486,470	629,396,155	(37,090,315)	731,490,505		
January	768,899,853	726,110,180	(42,789,673)	843,892,512	\$745,556,659	\$(98,335,853)
February	884,750,297	835,513,487	(49,236,810)	971,042,130		
March	988,338,513	933,336,966	(55,001,547)	1,084,733,555		
April	1,094,533,292	1,033,621,950	(60,911,342)	1,201,285,767		
May	1,207,706,268	1,140,496,792	(67,209,476)	1,325,496,777		
June	1,330,942,091	1,256,874,478	(74,067,613)	1,460,752,087		
After Year-End	1,548,638,849	1,462,444,702	(86,194,147)	1,699,673,091		
Percentage Variance			(5.6%)			