

Date: December 9, 2014

To: Governor Mark Dayton
Legislative Reference Library

From: James Schowalter, Commissioner 

cc: Cindy Farrell, Assistant Commissioner Accounting Services
Ron Mavetz, Director of SWIFT System Support

Subject: Prompt Payment Report - FY 2014

Per Minnesota Statute Section 16A.124 Minnesota Management & Budget (MMB) is responsible for monitoring state agencies to ensure prompt payment of vendor obligations. In addition, MMB issues an annual report to the legislature detailing the state's payment record for the previous year.

The attached report shows the interest paid to state vendors for late payments and the individual agency comparisons for fiscal years 2013 – 2014. In fiscal year 2014, **97.29 percent** of payments were made within 30 days, after adjustment for payments subject to audit or contested items. This compares with 96.62 percent reported for fiscal year 2013.

MMB remains committed to working with state agencies to maintain and improve individual agency compliance with a 98% statewide goal. To aid in achieving this goal, the department monitors and provides monthly reports on payment performance to all state agencies. In addition, the MMB staff also provides guidance and assistance to state agencies to ensure timely payment of obligations.

Questions about this report may be directed to Ron Mavetz, Director of SWIFT System Support via phone by calling (651) 201-8204 or via email at ron.mavetz@state.mn.us.



Prompt Payment Report

December 1, 2014

**To: Governor Mark Dayton
Legislative Reference Library**

Minnesota Statute Section 16A.124 requires state agencies to pay valid obligations to vendors within the vendor's early payment discount period, or in the absence of a stated period, within 30 days following receipt of the invoice for the completed delivery of the product or service. The Commissioner of Minnesota Management & Budget is responsible for monitoring state agencies to ensure the prompt payment of vendor obligations. Annually, the Commissioner is required to report to the legislature the state's payment record for the previous year. The statewide goal for agency compliance is 98 percent.

In fiscal year 2014, 97.29 percent of payments were made within 30 days, after adjustment for payments subject to audit or contested items. This compares with 96.62 percent reported for fiscal year 2013.

The attached reports show individual agency comparisons for fiscal years 2013 - 2014 and the interest paid to state vendors for late payments.

Minnesota Management & Budget remains committed to working with state agencies to maintain and improve individual agency compliance with the 98% statewide goal. The department monitors payment performance monthly and provides monthly performance reporting to all state agencies. Department staff also provides guidance and assistance to state agencies to ensure timely payment of obligations.

Questions about this report may be directed to Ron Mavetz, Director of Agency Support, (651) 201-8204.

James Schowalter Commissioner
Minnesota Management & Budget

Prompt Payment Report



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State Of Minnesota
Interest On Late Payments, Paid to Vendors by State
Fiscal Year 2014: July 01, 2013 through June 30, 2014
As of: June 30, 2014

State Agency	Fiscal Year 2013	Fiscal Year 2014
Department of Administration	1,628.63	19.74
Department of Natural Resource	569.87	236.94
Human Services Department	169.49	2,296.46
MN State Colleges/Universities	4,270.08	2,170.76
Military Affairs Department	0.00	1.91
Public Safety Department	30.00	12.75
Transportation Department	645.55	25.53
Veterans Affairs Department	<u>0.00</u>	<u>7.60</u>
Totals For The State:	<u><u>8,698.23</u></u>	4,771.69



State Of Minnesota
Payment Record By State Agency
Fiscal Year 2014: July 01, 2013 through June 30, 2014
As of: June 30, 2014

State Agency	Fiscal Year 2013			Fiscal Year 2014			Variance
	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	
Accountancy Board	151	147	97.35%	151	150	99.34%	1.99%
Administrative Hearings	1,241	1,215	97.90%	1,179	1,138	96.52%	-1.38%
Agriculture Department	8,150	7,282	89.35%	7,186	7,140	99.36%	10.01%
Amateur Sports Commission	23	21	91.30%	51	50	98.04%	6.73%
Animal Health Board	537	487	90.69%	544	525	96.51%	5.82%
Architecture, Engineering Bd	327	323	98.78%	326	323	99.08%	0.30%
Arts Board	785	694	88.41%	620	597	96.29%	7.88%
Asian Pacific Council	227	213	93.83%	186	173	93.01%	-0.82%
Attorney General	5,068	5,052	99.68%	2,474	2,450	99.03%	-0.65%
Barber Examiners Board	124	117	94.35%	117	115	98.29%	3.94%
Behavioral Health & Therapy Bd	252	240	95.24%	266	260	97.74%	2.51%
Black Minnesotans Council	249	224	89.96%	267	246	92.13%	2.17%
Campaign Finance Board	240	230	95.83%	230	225	97.83%	1.99%
Capitol Area Architect	120	114	95.00%	125	117	93.60%	-1.40%
Center for Arts Education	2,084	2,000	95.97%	2,287	2,215	96.85%	0.88%
Chicano Latino Affairs Council	227	211	92.95%	204	199	97.55%	4.60%
Chiropractic Examiners Board	226	207	91.59%	239	228	95.40%	3.80%
Combative Sports Commission	13	12	92.31%	0	0	0.00%	-92.31%
Corrections Department	47,034	46,019	97.84%	45,896	45,147	98.37%	0.53%
Cosmetologist Examiners Board	232	220	94.83%	237	230	97.05%	2.22%
Court of Appeals	321	248	77.26%	320	308	96.25%	18.99%
Dentistry Board	633	591	93.36%	631	577	91.44%	-1.92%
Department of Administration	28,754	26,159	90.98%	27,434	26,706	97.35%	6.37%
Department of Commerce	4,964	4,607	92.81%	4,094	3,984	97.31%	4.50%
Department of Education	4,429	3,837	86.63%	3,935	3,327	84.55%	-2.08%
Department of Health	13,155	7,892	59.99%	12,394	11,386	91.87%	31.87%
Department of Labor and Indust	6,878	6,779	98.56%	6,176	6,119	99.08%	0.52%
Department of Natural Resource	64,859	60,184	92.79%	65,476	60,572	92.51%	-0.28%
Dietetics & Nutrition Practice	76	73	96.05%	107	100	93.46%	-2.59%
Emergency Medical Services Off	383	335	87.47%	386	360	93.26%	5.80%
Employment & Economic Develop	14,432	14,044	97.31%	13,327	13,190	98.97%	1.66%
Explore Minnesota Tourism	1,218	1,188	97.54%	1,268	1,255	98.97%	1.44%
Gambling Control Board	407	359	88.21%	405	394	97.28%	9.08%
Governors Office	474	465	98.10%	482	481	99.79%	1.69%
Housing Finance Agency	3,236	3,232	99.88%	2,663	2,662	99.96%	0.09%
Human Rights Department	406	365	89.90%	433	303	69.98%	-19.92%
Human Services Department	60,453	55,866	92.41%	63,420	58,281	91.90%	-0.52%
Indian Affairs Council	266	242	90.98%	363	350	96.42%	5.44%
Investment Board	376	322	85.64%	409	346	84.60%	-1.04%
Iron Range Resources	2,702	2,630	97.34%	2,289	2,233	97.55%	0.22%
Judicial Standards Board	183	159	86.89%	237	231	97.47%	10.58%
Legislative Auditor	427	415	97.19%	486	465	95.68%	-1.51%
Legislature Coordinating Comm	1,165	1,144	98.20%	1,576	1,563	99.18%	0.98%



State Of Minnesota
Payment Record By State Agency
Fiscal Year 2014: July 01, 2013 through June 30, 2014
As of: June 30, 2014

State Agency	Fiscal Year 2013			Fiscal Year 2014			Variance
	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	
Lottery	190	180	94.74%	178	169	94.94%	0.21%
Marriage and Family Therapy Bd	222	208	93.69%	200	187	93.50%	-0.19%
Mediation Services Department	192	180	93.75%	238	230	96.64%	2.89%
Medical Practice Board	1,306	1,294	99.08%	1,308	1,304	99.69%	0.61%
Military Affairs Department	11,330	11,198	98.83%	11,804	11,636	98.58%	-0.26%
Minn State Retirement System	23,058	22,959	99.57%	22,066	22,010	99.75%	0.18%
Minnesota Management & Budget	3,205	3,055	95.32%	3,227	3,132	97.06%	1.74%
Minnesota State Academies	2,790	2,774	99.43%	2,394	2,387	99.71%	0.28%
MMB Debt Service	89	89	100.00%	98	98	100.00%	0.00%
MMB Non-Operating	898	893	99.44%	634	631	99.53%	0.08%
MN Insurance Marketplace	0	0	0.00%	1,780	1,575	88.48%	88.48%
MN State Colleges/Universities	433,845	433,489	99.92%	384,376	384,167	99.95%	0.03%
MN State Council on Disability	360	348	96.67%	367	338	92.10%	-4.57%
Nursing Board	825	783	94.91%	832	811	97.48%	2.57%
Nursing Home Admin Board	292	266	91.10%	358	330	92.18%	1.08%
Office of Enterprise Tech	11,402	9,813	86.06%	11,623	9,798	84.30%	-1.77%
Office of Higher Education	1,880	1,861	98.99%	1,816	1,787	98.40%	-0.59%
Office of State Auditor	654	630	96.33%	617	542	87.84%	-8.49%
Ombudsman MH/DD	261	239	91.57%	215	207	96.28%	4.71%
Ombudsperson for Families	103	92	89.32%	148	145	97.97%	8.65%
Optometry Board	107	103	96.26%	101	98	97.03%	0.77%
Peace Officers Board (POST)	211	210	99.53%	188	187	99.47%	-0.06%
Pharmacy Board	389	355	91.26%	451	421	93.35%	2.09%
Physical Therapy Board	249	241	96.79%	223	217	97.31%	0.52%
Podiatric Medicine	100	95	95.00%	96	93	96.88%	1.88%
Pollution Control Agency	9,685	9,419	97.25%	9,841	9,474	96.27%	-0.98%
Private Detectives Board	22	22	100.00%	39	39	100.00%	0.00%
Psychology Board	402	379	94.28%	372	351	94.35%	0.08%
Public Defense Board	5,704	5,655	99.14%	5,822	5,780	99.28%	0.14%
Public Employees Retire Assoc	34,592	34,486	99.69%	32,596	32,553	99.87%	0.17%
Public Facilities Authority	570	556	97.54%	470	464	98.72%	1.18%
Public Safety Department	32,817	30,657	93.42%	30,702	29,972	97.62%	4.20%
Public Utilities Commission	560	498	88.93%	667	588	88.16%	-0.77%
Racing Commission	931	834	89.58%	917	788	85.93%	-3.65%
Revenue Department	8,985	8,725	97.11%	7,522	7,279	96.77%	-0.34%
Revenue Intergovt Payments	56,517	56,462	99.90%	44,980	42,755	95.05%	-4.85%
Secretary of State	1,012	996	98.42%	1,069	1,058	98.97%	0.55%
Sentencing Guidelines Comm	151	143	94.70%	139	138	99.28%	4.58%
Social Work Board	282	261	92.55%	285	275	96.49%	3.94%
State Guardian Ad Litem	2,591	2,464	95.10%	2,524	2,348	93.03%	-2.07%
Supreme Court	5,065	4,635	91.51%	5,571	5,231	93.90%	2.39%
Tax Court	71	69	97.18%	164	149	90.85%	-6.33%
Teachers Retirement Assoc	31,217	31,127	99.71%	29,606	29,561	99.85%	0.14%
Transportation Department	131,132	124,742	95.13%	126,141	121,960	96.69%	1.56%



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Trial Courts	90,146	84,888	94.17%	93,006	88,993	95.69%	1.52%
Uniform Laws Commission	1	0	0.00%	9	9	100.00%	100.00%
University of Minnesota	1	1	100.00%	10	9	90.00%	-10.00%
Veterans Affairs Department	17,157	15,810	92.15%	15,688	14,918	95.09%	2.94%
Veterinary Medicine Board	146	143	97.95%	162	155	95.68%	-2.27%
Water and Soil Resources Board	1,495	1,429	95.59%	1,759	1,674	95.17%	-0.42%
Workers' Comp Court of Appeals	172	162	94.19%	183	176	96.17%	1.99%
Zoological Board	5,220	5,172	99.08%	5,000	4,884	97.68%	-1.40%
Totals For The State:	1,208,109	1,167,254	96.62%	1,131,478	1,100,802	97.29%	0.67%