Table of Contents
Administration

Agency Profile . . . 1
Agency Expenditure Overview . . . 4
Agency Financing by Fund . . . 6
Agency Change Summary . . . 14
Change Item(s) . . . 19
Maintain Current Service Levels . . . 19
Procurement Technical Assistance Center State Match . . . 21
Parking Fund Debt Service Waiver . . . 23
Space Consolidation, Relocation, and Rent Loss . . . 25
In Lieu of Rent Operating Adjustment . . . 28
Archaeological and Cemetery Site Inventory Portal . . . 31
Support the Office of State Archaeologist and Implement Private Cemeteries Act Update . . . 34
Office of Equity in Grants . . . 37
Risk Management Fund Property Self-Insurance . . . 40
Enhancing SmART Services . . . 42
Electronic Project Systems and Critical Database Integration . . . 44
Reinstate the Historic Rehabilitation Tax Credit . . . 47
Office of Enterprise Sustainability Direct Funding . . . 49
Enterprise Sustainability Staffing . . . 52
Improving Grants Administration Oversight . . . 55
Implementation Roadmap for Enterprise Grants Management System . . . 58
Office of Enterprise Translations . . . 60
Required Study of Economic Disparities in State Procurement . . . 63
Improving Information Technology Project and Program Management . . . 65
Accommodation Fund Parity . . . 67
Eliminate $200 Open Meeting Law Fee . . . 69
Small Agencies Study . . . 71
Census Income Exclusion for Benefits . . . 73
Public Television Block Grants . . . 75
Ampers Community Radio News Service . . . 78
Debt Service and Cash Impact for Capital Investments . . . 81
Program . . . 83
Government and Citizen Services . . . 83
Activity . . . 83
Governor's Council on Developmental Disabilities . . . 83
Activity Narrative . . . 83
Activity Expenditure Overview . . . 85
Activity Financing by Fund . . . 86
Fleet and Surplus Services . . . 87
Activity Narrative . . . 87
Activity Expenditure Overview . . . 89
Activity Financing by Fund . . . 90
Data Practices Office . . . 92

Activity Narrative . . . 92
Activity Expenditure Overview . . . 94
Activity Financing by Fund . . . 95
Office of State Procurement . . . 96
Activity Narrative . . . 96
Activity Expenditure Overview . . . 99
Activity Financing by Fund . . . 100
Procurement Technical Assistance Center . . . 102
Activity Narrative . . . 102
Activity Expenditure Overview . . . 104
Activity Financing by Fund . . . 105
Continuous Improvement . . . 106
Activity Narrative . . . 106
Activity Expenditure Overview . . . 108
Activity Financing by Fund . . . 109
Office of Grants Management . . . 110
Activity Narrative . . . 110
Activity Expenditure Overview . . . 112
Activity Financing by Fund . . . 113
State Archaeologist . . . 114
Activity Narrative . . . 114
Activity Expenditure Overview . . . 116
Activity Financing by Fund . . . 117
Facilities Management . . . 119
Activity Narrative . . . 119
Activity Expenditure Overview . . . 121
Activity Financing by Fund . . . 122
Real Estate and Construction Services . . . 125
Activity Narrative . . . 125
Activity Expenditure Overview . . . 127
Activity Financing by Fund . . . 128
Enterprise Real Property Program . . . 130
Activity Narrative . . . 130
Activity Expenditure Overview . . . 132
Activity Financing by Fund . . . 133
Risk Management . . . 134
Activity Narrative . . . 134
Activity Expenditure Overview . . . 137
Activity Financing by Fund . . . 138
Small Agency Resource Team . . . 141
Activity Narrative . . . 141
Activity Expenditure Overview . . . 143
Activity Financing by Fund . . . 144
State Assistive Technology & Accommodation Reimbmt . . . 145
Activity Narrative . . . 145
Activity Expenditure Overview . . . 147
Activity Financing by Fund . . . 148
State Demographer . . . 150

Activity Narrative 150
Activity Expenditure Overview 152
Activity Financing by Fund 153
State Historic Preservation Office 154
Activity Narrative 154
Activity Expenditure Overview 157
Activity Financing by Fund 158
Office of Collaboration and Dispute Resolution 160
Activity Narrative 160
Activity Expenditure Overview 162
Activity Financing by Fund 163
Office of Enterprise Sustainability 164
Activity Narrative 164
Activity Expenditure Overview 166
Activity Financing by Fund 167
State Register and Mailing List Services 168
Activity Narrative 168
Activity Expenditure Overview 170
Activity Financing by Fund 171
Office of Enterprise Translations 172
Activity Expenditure Overview 172
Activity Financing by Fund 173
Program 174
Strategic Management Services 174
Activity 174
Executive Leadership and Partnerships 174
Activity Narrative 174
Activity Expenditure Overview 175
Activity Financing by Fund 176
Financial Management and Reporting 178
Activity Narrative 178
Activity Expenditure Overview 180
Activity Financing by Fund 181
Human Resources-Administration 182
Activity Narrative 182
Activity Expenditure Overview 184
Activity Financing by Fund 185
Program 186
Fiscal Agent 186
Activity 186
Public Broadcasting 186
Activity Narrative 186
Activity Expenditure Overview 188
Activity Financing by Fund 189
In Lieu of Rent 190
Activity Narrative 190
Activity Expenditure Overview 192
Activity Financing by Fund 193

Miscellaneous Grants, Studies, and Others 194
Activity Narrative 194
Activity Expenditure Overview 196
Activity Financing by Fund 197
Additional Documents 200
Federal Funds Summary 200
Internal Services Funds Statements 204

https://mn.gov/admin/

AT A GLANCE

- 507 employees in FY 2022
- Oversee over $3 billion in state procurement annually, including negotiating more than $14 million in contract savings and increasing purchasing from diverse businesses in FY 2022
- Reduction in Capitol Complex energy consumption by 15.9% and greenhouse gas emissions by 53.7% since 2008 and increased reliance on renewable energy sources to nearly one-third of annual usage
- Manage more than 290 construction projects and 800 property leases in FY 2022
- Monitor facility conditions and asset preservation needs of over 6,000 state-owned buildings
- Oversee a fleet of more than 2,000 vehicles, increasing use of electric and fuel-efficient vehicles
- Provide data practices and open meeting law technical assistance and in-person or webinar training to over 3,500 partners each year
- Provide direct training and informational resources to over 12,000 individuals with developmental disabilities, family members, students, and professionals in FY 2022

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.

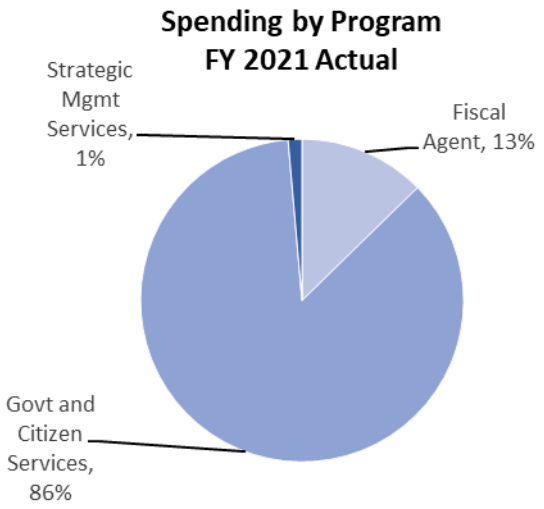
The purpose and benefit of effective centralized core administrative services is to achieve better value for state agencies by leveraging economies of scale, ensuring open and fair competition, reducing risk, and promoting success through standardized processes. Centralizing and standardizing core services, such as procurement, contract terms, leasing, risk management, and many other centralized administrative functions, facilitates greater understanding and transparency for policymakers and the public to understand what is expected to occur and what does occur in government and to evaluate both.

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

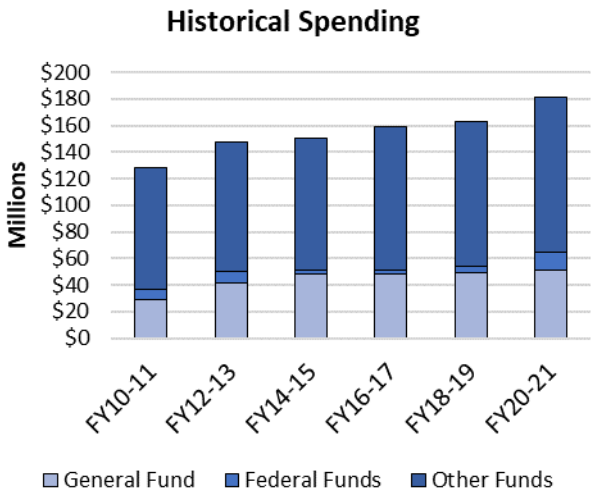
- Overseeing real property and sustainable state operations
- Helping agencies comply with state procurement and contracting laws while also achieving the best value in purchasing goods, services, and vehicle fleets
- Overseeing state facilities' construction and leasing
- Providing property, liability, 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 and keeping the Capitol grounds beautiful
- Providing technical assistance to small businesses seeking federal or state contracts
- Overseeing state and federal historic preservation laws and administering historic preservation tax credits

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 88% 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 and 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, and 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 and 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 and 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, continuous improvement resources, 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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	26,155	24,981	26,094	32,464	28,155	28,180	51,560	46,725
1251 - COVID-19 Minnesota	5,683	427						
2000 - Restrict Misc Special Revenue	4,369	4,214	37,659	2,155	3,943	3,789	4,983	4,835
2001 - Other Misc Special Revenue	42,051	37,423	2,460	54,587	49,422	49,638	49,422	49,638
2301 - Arts & Cultural Heritage	11,230	9,933	11,995	11,398	261		261	
2340 - Renewable Development			158	274	90	92	90	92
2403 - Gift	90	104	601	9,398	1,792		1,792	
3000 - Federal	3,246	8,830	3,325	3,868	3,671	3,576	3,671	3,576
3010 - Coronavirus Relief	436	1,501						
3015 - ARP-State Fiscal Recovery			6,069	9,776				
3800 - Permanent School	78	484						
4500 - MN Bookstore	933	564	338	258	260	266	260	266
4501 - Coop Purchasing	25,408	27,472	38,850	34,386	32,770	33,571	32,770	33,571
4502 - Surplus Property	1,278	1,264	1,810	1,877	1,609	1,617	1,609	1,617
5000 - Master Lease	12,456	9,866	4,004	19,497	21,000	21,000	21,000	21,000
5100 - Fleet Services	7,796	7,275	7,639	7,538	7,588	7,603	7,588	7,603
5203 - Central Mail	9,082	10,337	11,013	11,429	11,467	11,504	11,467	11,504
5300 - Risk Management	14,304	14,819	16,407	18,214	18,301	18,344	18,301	18,344
5400 - Plant Management	58,988	60,926	57,677	58,564	63,800	59,836	63,800	59,836
Total	**223,582**	**220,419**	**226,101**	**275,683**	**244,129**	**239,016**	**268,574**	**258,607**
Biennial Change				57,782		(18,639)		25,397
Biennial % Change				13		(4)		5
Governor's Change from Base								44,036
Governor's % Change from Base								9
Expenditures by Program								
Government and Citizen Services	191,679	189,044	198,754	241,123	224,847	219,686	234,601	229,516
Strategic Management Services	3,045	3,068	2,029	5,849	5,823	5,871	6,414	6,768
Fiscal Agent	28,858	28,308	25,318	28,711	13,459	13,459	27,559	22,323
Total	**223,582**	**220,419**	**226,101**	**275,683**	**244,129**	**239,016**	**268,574**	**258,607**

Expenditures by Category

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Compensation	46,224	45,278	45,959	53,357	55,385	56,338	60,417	61,791
Operating Expenses	111,445	117,790	118,698	141,947	129,738	132,885	139,673	140,781
Grants, Aids and Subsidies	15,690	13,517	15,041	15,558	4,484	4,464	5,962	4,706
Capital Outlay-Real Property	20,618	15,207	6,791	28,932	25,340	23,851	33,340	29,851
Other Financial Transaction	29,605	28,627	39,611	35,889	29,182	21,478	29,182	21,478
Total	**223,582**	**220,419**	**226,101**	**275,683**	**244,129**	**239,016**	**268,574**	**258,607**
Total Agency Expenditures	223,582	220,419	226,101	275,683	244,129	239,016	268,574	258,607
Internal Billing Expenditures				3,744	3,875	3,909	3,933	3,967
Expenditures Less Internal Billing	**223,582**	**220,419**	**226,101**	**271,939**	**240,254**	**235,107**	**264,641**	**254,640**
Full-Time Equivalents	**525.00**	**499.27**	**487.31**	**501.84**	**499.93**	**500.21**	**550.38**	**554.30**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In	0	884		854				
Direct Appropriation	26,085	24,965	26,285	26,511	26,511	26,511	62,416	45,056
Open Appropriation	661	710	896	5,336	1,881	1,906	1,881	1,906
Transfers In	925	1,225						
Transfers Out	911	2,493	234	237	237	237	12,737	237
Cancellations	0	309						
Balance Forward Out	604		853					
Expenditures	**26,155**	**24,981**	**26,094**	**32,464**	**28,155**	**28,180**	**51,560**	**46,725**
Biennial Change in Expenditures				7,423		(2,223)		39,727
Biennial % Change in Expenditures				15		(4)		68
Governor's Change from Base								41,950
Governor's % Change from Base								74
Full-Time Equivalents	93.97	87.83	86.23	81.90	78.70	77.41	129.15	131.50
1251 - COVID-19 Minnesota								
Balance Forward In		1,236						
Direct Appropriation	6,900							
Cancellations		809						
Balance Forward Out	1,217							
Expenditures	**5,683**	**427**						
Biennial Change in Expenditures				(6,111)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
2000 - Restrict Misc Special Revenue								
Balance Forward In	3,315	3,651	39,596	3,279	2,374	2,276	2,374	3,361
Receipts	6,852	5,502	35,217	3,886	6,016	5,656	6,066	5,709
Transfers In		37,037	18,290					
Transfers Out	2,795	2,787	52,164	2,636	2,171	2,181	96	103
Balance Forward Out	3,003	39,187	3,279	2,374	2,276	1,962	3,361	4,132
Expenditures	**4,369**	**4,214**	**37,659**	**2,155**	**3,943**	**3,789**	**4,983**	**4,835**
Biennial Change in Expenditures				31,231		(32,082)		(29,996)

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Biennial % Change in Expenditures				364		(81)		(75)
Governor's Change from Base								2,086
Governor's % Change from Base								27
Full-Time Equivalents	10.85	11.09	32.72	6.78	9.62	9.56	9.62	9.56

2001 - Other Misc Special Revenue

Balance Forward In	34,934	34,293	3,789	41,165	33,861	32,834	33,861	32,834
Receipts	33,875	34,508	2,284	41,051	42,989	44,663	42,989	44,663
Internal Billing Receipts				3,514	3,628	3,678	3,628	3,678
Transfers In	15,054	15,015	39,747	14,915	13,809	13,576	13,809	13,576
Transfers Out	8,562	45,688	2,195	8,683	8,403	8,345	8,403	8,345
Balance Forward Out	33,250	706	41,165	33,861	32,834	33,090	32,834	33,090
Expenditures	**42,051**	**37,423**	**2,460**	**54,587**	**49,422**	**49,638**	**49,422**	**49,638**
Biennial Change in Expenditures				(22,427)		42,013		42,013
Biennial % Change in Expenditures				(28)		74		74
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	36.68	39.76	17.14	66.75	66.59	65.78	66.59	65.78

2301 - Arts & Cultural Heritage

Balance Forward In	210	886	1,057	441	268	7	268	7
Direct Appropriation	11,811	10,050	11,383	11,225	0	0	0	0
Transfers In	347	302	341	337				
Transfers Out	347	302	341	337				
Cancellations	0		5					
Balance Forward Out	792	1,003	440	268	7	7	7	7
Expenditures	**11,230**	**9,933**	**11,995**	**11,398**	**261**		**261**	
Biennial Change in Expenditures				2,230		(23,132)		(23,132)
Biennial % Change in Expenditures				11		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.60	2.63	2.62	2.69	2.42		2.42	

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
2340 - Renewable Development								
Balance Forward In				5,205	4,529	3,639	4,529	3,639
Direct Appropriation			5,344	88	90	92	90	92
Receipts			19	10	10	10	10	10
Transfers In			5,000					
Transfers Out			5,000					
Net Loan Activity				(500)	(900)	(1,200)	(900)	(1,200)
Balance Forward Out			5,206	4,529	3,639	2,449	3,639	2,449
Expenditures			**158**	**274**	**90**	**92**	**90**	**92**
Biennial Change in Expenditures				432		(250)		(250)
Biennial % Change in Expenditures						(58)		(58)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.06	0.06	0.06	0.06	0.06	0.06
2403 - Gift								
Balance Forward In	900	1,115	1,234	11,735	2,389	600	2,389	600
Receipts	33	196	11,102	52	3	1	3	1
Transfers In	219							
Transfers Out	7	0						
Balance Forward Out	1,055	1,206	11,735	2,389	600	601	600	601
Expenditures	**90**	**104**	**601**	**9,398**	**1,792**		**1,792**	
Biennial Change in Expenditures				9,805		(8,207)		(8,207)
Biennial % Change in Expenditures				5,053		(82)		(82)
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Balance Forward In	6	8	2	22	33	8	33	8
Receipts	3,248	8,827	3,345	3,879	3,646	3,568	3,646	3,568
Balance Forward Out	7	5	22	33	8		8	
Expenditures	**3,246**	**8,830**	**3,325**	**3,868**	**3,671**	**3,576**	**3,671**	**3,576**
Biennial Change in Expenditures				(4,883)		54		54
Biennial % Change in Expenditures				(40)		1		1

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	18.60	18.26	18.52	19.83	18.50	17.89	18.50	17.89

3002 - Oil Overcharge

Balance Forward In	3	3	3	3	3	3	3	3
Balance Forward Out	3	3	3	3	3	3	3	3

3010 - Coronavirus Relief

Balance Forward In		0						
Direct Appropriation	436	2,876						
Cancellations	0	1,376						
Balance Forward Out	0							
Expenditures	**436**	**1,501**						
Biennial Change in Expenditures				(1,937)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	3.73	0.02						

3015 - ARP-State Fiscal Recovery

Balance Forward In				8,418				
Direct Appropriation			14,838	1,358	0	0	0	0
Cancellations			350					
Balance Forward Out			8,419					
Expenditures			**6,069**	**9,776**				
Biennial Change in Expenditures				15,845		(15,845)		(15,845)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			3.58	8.00				

3800 - Permanent School

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward In	535	519						
Cancellations		35						
Balance Forward Out	457							
Expenditures	**78**	**484**						
Biennial Change in Expenditures				(562)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.55	0.03						

4500 - MN Bookstore

Balance Forward In	285	176	216	374	626	876	626	876
Receipts	764	583	496	510	510	510	510	510
Balance Forward Out	116	195	374	626	876	1,120	876	1,120
Expenditures	**933**	**564**	**338**	**258**	**260**	**266**	**260**	**266**
Biennial Change in Expenditures				(901)		(70)		(70)
Biennial % Change in Expenditures				(60)		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.82	4.38	2.96	2.00	2.00	2.00	2.00	2.00

4501 - Coop Purchasing

Balance Forward In	48,061	51,044	56,548	47,495	44,509	43,674	44,509	43,674
Receipts	26,551	30,938	29,800	31,400	31,935	32,608	31,935	32,608
Transfers Out	2	2	2					
Balance Forward Out	49,202	54,508	47,495	44,509	43,674	42,711	43,674	42,711
Expenditures	**25,408**	**27,472**	**38,850**	**34,386**	**32,770**	**33,571**	**32,770**	**33,571**
Biennial Change in Expenditures				20,357		(6,895)		(6,895)
Biennial % Change in Expenditures				39		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	82.33	81.14	77.44	101.27	104.07	104.19	104.07	104.19

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
4502 - Surplus Property								
Balance Forward In	1,451	1,434	375	273	1,300	1,300	1,300	1,300
Receipts	1,255	1,555	1,509	1,604	1,609	1,617	1,609	1,617
Transfers In			200	1,300				
Transfers Out	1	1,501	1					
Balance Forward Out	1,428	225	273	1,300	1,300	1,300	1,300	1,300
Expenditures	**1,278**	**1,264**	**1,810**	**1,877**	**1,609**	**1,617**	**1,609**	**1,617**
Biennial Change in Expenditures				1,145		(461)		(461)
Biennial % Change in Expenditures				45		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.36	9.75	10.36	9.75	9.75	9.75	9.75	9.75
5000 - Master Lease								
Balance Forward In	127		1	13				
Receipts	12,329	9,875	4,017	19,484	21,000	21,000	21,000	21,000
Transfers Out	0	8						
Balance Forward Out		1	13					
Expenditures	**12,456**	**9,866**	**4,004**	**19,497**	**21,000**	**21,000**	**21,000**	**21,000**
Biennial Change in Expenditures				1,180		18,499		18,499
Biennial % Change in Expenditures				5		79		79
Governor's Change from Base								0
Governor's % Change from Base								0
5100 - Fleet Services								
Balance Forward In	2,456	1,887	3,728	3,054	2,873	3,228	2,873	3,228
Receipts	17,586	18,923	18,882	20,424	20,040	19,795	20,040	19,795
Transfers In		1,500	0					
Transfers Out	11,143	12,561	11,916	13,067	12,097	12,297	12,097	12,297
Balance Forward Out	1,102	2,475	3,054	2,873	3,228	3,123	3,228	3,123
Expenditures	**7,796**	**7,275**	**7,639**	**7,538**	**7,588**	**7,603**	**7,588**	**7,603**
Biennial Change in Expenditures				106		14		14
Biennial % Change in Expenditures				1		0		0
Governor's Change from Base								0

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Governor's % Change from Base								0
Full-Time Equivalents	8.30	8.82	8.64	8.25	8.25	8.25	8.25	8.25

5203 - Central Mail

Balance Forward In	2	1,084	1,771	1,780	2,082	2,346	2,082	2,346
Receipts	9,828	10,973	11,347	11,731	11,731	11,731	11,731	11,731
Transfers Out			325					
Balance Forward Out	747	1,720	1,780	2,082	2,346	2,573	2,346	2,573
Expenditures	**9,082**	**10,337**	**11,013**	**11,429**	**11,467**	**11,504**	**11,467**	**11,504**
Biennial Change in Expenditures				3,022		529		529
Biennial % Change in Expenditures				16		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.70	6.35	7.13	6.45	6.37	6.40	6.37	6.40

5300 - Risk Management

Balance Forward In	23,999	22,923	22,930	23,336	23,008	22,593	23,008	35,093
Receipts	13,121	14,652	16,814	17,886	17,886	17,886	17,886	17,886
Transfers In							12,500	
Balance Forward Out	22,816	22,756	23,337	23,008	22,593	22,135	35,093	34,635
Expenditures	**14,304**	**14,819**	**16,407**	**18,214**	**18,301**	**18,344**	**18,301**	**18,344**
Biennial Change in Expenditures				5,499		2,024		2,024
Biennial % Change in Expenditures				19		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.35	10.10	9.93	13.15	12.15	12.15	12.15	12.15

5400 - Plant Management

Balance Forward In	15,546	17,883	18,958	18,612	21,135	16,610	21,135	16,610
Receipts	77,003	78,857	77,047	80,968	78,022	78,479	78,022	78,479
Transfers In	0		325					
Transfers Out	19,987	19,978	20,040	19,881	18,747	18,056	18,747	18,056
Balance Forward Out	13,574	15,835	18,612	21,135	16,610	17,197	16,610	17,197

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures	**58,988**	**60,926**	**57,677**	**58,564**	**63,800**	**59,836**	**63,800**	**59,836**
Biennial Change in Expenditures				(3,673)		7,395		7,395
Biennial % Change in Expenditures				(3)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	235.16	219.11	209.98	174.96	181.45	186.77	181.45	186.77

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	**26,511**	**26,511**	**26,511**	**53,022**
Forecast Base	**26,511**	**26,511**	**26,511**	**53,022**
Change Items				
Maintain Current Service Levels		1,399	1,902	3,301
Procurement Technical Assistance Center State Match		350	350	700
Space Consolidation, Relocation, and Rent Loss		12,000	8,000	20,000
In Lieu of Rent Operating Adjustment		614	614	1,228
Archaeological and Cemetery Site Inventory Portal		236	242	478
Support the Office of State Archaeologist and Implement Private Cemeteries Act Update		200	200	400
Office of Equity in Grants		497	397	894
Risk Management Fund Property Self-Insurance		12,500		12,500
Enhancing SmART Services		325	325	650
Electronic Project Systems and Critical Database Integration		485	500	985
Office of Enterprise Sustainability Direct Funding		575	575	1,150
Enterprise Sustainability Staffing		1,200	1,200	2,400
Improving Grants Administration Oversight		1,000	1,000	2,000
Implementation Roadmap for Enterprise Grants Management System		735	201	936
Office of Enterprise Translations		1,306	1,159	2,465
Required Study of Economic Disparities in State Procurement		500	1,000	1,500
Improving Information Technology Project and Program Management		395	630	1,025
Small Agencies Study		102		102
Public Television Block Grants		250	250	500
Ampers Community Radio News Service		1,236		1,236
Total Governor's Recommendations	**26,511**	**62,416**	**45,056**	**107,472**
Fund: 2301 - Arts & Cultural Heritage				
FY2023 Appropriations	**11,225**	**11,225**	**11,225**	**22,450**
Base Adjustments				
One-Time Legacy Fund Appropriations		(11,225)	(11,225)	(22,450)
Forecast Base	**11,225**	**0**	**0**	**0**
Total Governor's Recommendations	**11,225**	**0**	**0**	**0**
Fund: 2340 - Renewable Development				
FY2023 Appropriations	**88**	**88**	**88**	**176**
Base Adjustments				
Current Law Base Change		2	4	6
Forecast Base	**88**	**90**	**92**	**182**
Total Governor's Recommendations	**88**	**90**	**92**	**182**

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Fund: 3015 - ARP-State Fiscal Recovery				
FY2023 Appropriations	**1,358**	**1,358**	**1,358**	**2,716**
Base Adjustments				
All Other One-Time Appropriations		(1,358)	(1,358)	(2,716)
Forecast Base	**1,358**	**0**	**0**	**0**
Total Governor's Recommendations	**1,358**	**0**	**0**	**0**
Open				
Fund: 1000 - General				
FY2023 Appropriations	**4,539**	**4,539**	**4,539**	**9,078**
Base Adjustments				
Forecast Open Appropriation Adjustment	(842)	(2,692)	(2,496)	(5,188)
November Forecast Adjustment	1,639	34	(137)	(103)
Forecast Base	**5,336**	**1,881**	**1,906**	**3,787**
Total Governor's Recommendations	**5,336**	**1,881**	**1,906**	**3,787**
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	**2,155**	**3,943**	**3,789**	**7,732**
Forecast Base	**2,155**	**3,943**	**3,789**	**7,732**
Change Items				
Parking Fund Debt Service Waiver		990	993	1,983
Archaeological and Cemetery Site Inventory Portal		50	53	103
Total Governor's Recommendations	**2,155**	**4,983**	**4,835**	**9,818**
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	**54,587**	**49,422**	**49,638**	**99,060**
Forecast Base	**54,587**	**49,422**	**49,638**	**99,060**
Total Governor's Recommendations	**54,587**	**49,422**	**49,638**	**99,060**
Fund: 2403 - Gift				
Planned Spending	**9,398**	**1,792**		**1,792**
Forecast Base	**9,398**	**1,792**		**1,792**
Total Governor's Recommendations	**9,398**	**1,792**		**1,792**
Fund: 3000 - Federal				
Planned Spending	**3,868**	**3,671**	**3,576**	**7,247**
Forecast Base	**3,868**	**3,671**	**3,576**	**7,247**

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Total Governor's Recommendations	**3,868**	**3,671**	**3,576**	**7,247**
Fund: 4500 - MN Bookstore				
Planned Spending	**258**	**260**	**266**	**526**
Forecast Base	**258**	**260**	**266**	**526**
Total Governor's Recommendations	**258**	**260**	**266**	**526**
Fund: 4501 - Coop Purchasing				
Planned Spending	**34,386**	**32,770**	**33,571**	**66,341**
Forecast Base	**34,386**	**32,770**	**33,571**	**66,341**
Total Governor's Recommendations	**34,386**	**32,770**	**33,571**	**66,341**
Fund: 4502 - Surplus Property				
Planned Spending	**1,877**	**1,609**	**1,617**	**3,226**
Forecast Base	**1,877**	**1,609**	**1,617**	**3,226**
Total Governor's Recommendations	**1,877**	**1,609**	**1,617**	**3,226**
Fund: 5000 - Master Lease				
Planned Spending	**19,497**	**21,000**	**21,000**	**42,000**
Forecast Base	**19,497**	**21,000**	**21,000**	**42,000**
Total Governor's Recommendations	**19,497**	**21,000**	**21,000**	**42,000**
Fund: 5100 - Fleet Services				
Planned Spending	**7,538**	**7,588**	**7,603**	**15,191**
Forecast Base	**7,538**	**7,588**	**7,603**	**15,191**
Total Governor's Recommendations	**7,538**	**7,588**	**7,603**	**15,191**
Fund: 5203 - Central Mail				
Planned Spending	**11,429**	**11,467**	**11,504**	**22,971**
Forecast Base	**11,429**	**11,467**	**11,504**	**22,971**
Total Governor's Recommendations	**11,429**	**11,467**	**11,504**	**22,971**
Fund: 5300 - Risk Management				
Planned Spending	**18,214**	**18,301**	**18,344**	**36,645**
Forecast Base	**18,214**	**18,301**	**18,344**	**36,645**
Total Governor's Recommendations	**18,214**	**18,301**	**18,344**	**36,645**
Fund: 5400 - Plant Management				
Planned Spending	**58,564**	**63,800**	**59,836**	**123,636**
Forecast Base	**58,564**	**63,800**	**59,836**	**123,636**

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Total Governor's Recommendations	**58,564**	**63,800**	**59,836**	**123,636**
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	**3,886**	**6,016**	**5,656**	**11,672**
Change Items				
Archaeological and Cemetery Site Inventory Portal		50	53	103
Total Governor's Recommendations	**3,886**	**6,066**	**5,709**	**11,775**
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	**41,051**	**42,989**	**44,663**	**87,652**
Total Governor's Recommendations	**41,051**	**42,989**	**44,663**	**87,652**
Fund: 2340 - Renewable Development				
Forecast Revenues	**10**	**10**	**10**	**20**
Total Governor's Recommendations	**10**	**10**	**10**	**20**
Fund: 2403 - Gift				
Forecast Revenues	**52**	**3**	**1**	**4**
Total Governor's Recommendations	**52**	**3**	**1**	**4**
Fund: 3000 - Federal				
Forecast Revenues	**3,879**	**3,646**	**3,568**	**7,214**
Total Governor's Recommendations	**3,879**	**3,646**	**3,568**	**7,214**
Fund: 4500 - MN Bookstore				
Forecast Revenues	**510**	**510**	**510**	**1,020**
Total Governor's Recommendations	**510**	**510**	**510**	**1,020**
Fund: 4501 - Coop Purchasing				
Forecast Revenues	**31,400**	**31,935**	**32,608**	**64,543**
Total Governor's Recommendations	**31,400**	**31,935**	**32,608**	**64,543**
Fund: 4502 - Surplus Property				
Forecast Revenues	**1,604**	**1,609**	**1,617**	**3,226**
Total Governor's Recommendations	**1,604**	**1,609**	**1,617**	**3,226**
Fund: 5000 - Master Lease				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Forecast Revenues	**19,484**	**21,000**	**21,000**	**42,000**
Total Governor's Recommendations	**19,484**	**21,000**	**21,000**	**42,000**
Fund: 5100 - Fleet Services				
Forecast Revenues	**20,424**	**20,040**	**19,795**	**39,835**
Total Governor's Recommendations	**20,424**	**20,040**	**19,795**	**39,835**
Fund: 5203 - Central Mail				
Forecast Revenues	**11,731**	**11,731**	**11,731**	**23,462**
Total Governor's Recommendations	**11,731**	**11,731**	**11,731**	**23,462**
Fund: 5300 - Risk Management				
Forecast Revenues	**17,886**	**17,886**	**17,886**	**35,772**
Total Governor's Recommendations	**17,886**	**17,886**	**17,886**	**35,772**
Fund: 5400 - Plant Management				
Forecast Revenues	**80,968**	**78,022**	**78,479**	**156,501**
Total Governor's Recommendations	**80,968**	**78,022**	**78,479**	**156,501**

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,399	1,902	1,902	1,902
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,399	1,902	1,902	1,902
FTEs	**12**	**16**	**16**	**16**

Recommendation:

The Governor recommends additional funding of $1.399 million in FY 2024 and $1.902 million in each subsequent year from the general fund to maintain the current level of service delivery at the Department of Administration (Admin).

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. 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 from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. Admin is a central service agency and often the efficiencies it generates are experienced by other agencies. For Admin, the following efficiencies have been implemented to help offset rising operating costs:

- In FY 2022, the Office of State Procurement tracked savings and cost avoidance of $14,448,259 which is nearly six times greater than its general fund appropriation of $2.4 million for the same period.
- In FY 2023 Admin implemented an indirect cost plan which streamlines processes and better allocates overhead costs to divisions within the agency. This change is expected to result in lower costs to some divisions which charge user fees to state agencies and thereby reduce pressure on rates charged to partners.

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For Admin, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services Admin delivers to Minnesotans and our partners will be impacted. Some examples of potential impacts include:

- A reduction in the amount of assistance Admin can offer to small businesses as they seek state contracts.
- Fewer construction project managers to oversee complex building and remodeling projects for state agencies, like construction of new veterans' homes and reconfiguring state space for hybrid work.
- Increased response time for small agency partners as they seek assistance from Admin's SmART, Human Resources, and Financial Management teams.

- Potential delays in processing archaeological license applications by the Office of the State Archaeologist due to a substantial increase in federally funded projects.
- Fewer lease specialists to facilitate space consolidation to reflect hybrid work environment.

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For Admin, this funding will cover IT expenses, overhead cost changes due to the implementation of the agency indirect cost plan, compensation for the existing workforce, and a funding gap at the State Historic Preservation Office due to a reduction in federal support.

Results:

This proposal is intended to allow Admin to continue to provide current levels of service and information to the public.

Change Item Title: Procurement Technical Assistance Center State Match

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	350	350	350	350
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	350	350	350	350
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends $350,000 in FY 2024 and each subsequent year to provide the cost sharing funds for the Procurement Technical Assistance Center (PTAC), which provides assistance to all Minnesota businesses interested in selling their products and services to local, state, and federal governments.

Rationale/Background:

Since 1991, PTAC has served Minnesota businesses wishing to sell their products and services to local, state, and federal governments. Initially hosted by a nonprofit and then by the state, PTAC offers free counseling, education, training, certification, and guidance for Minnesota businesses including small, women, minority, and veteran-owned businesses.

This existing PTAC program has historically received funding support from the Office of Equity in Procurement. However, federal terms and conditions that govern the program have not allowed for this to be a sustainable model for the future. PTAC staff are geographically located throughout the state. Greater Minnesota personnel provide training and counseling services in a variety of communities allowing government services to extend to all Minnesotans, rather than primarily to those in the Twin Cities metro area. The ability to connect with a local PTAC counselor makes contracting less intimidating and more accessible for all business owners.

The federal government has changed the name of this program to be APEX Accelerators. Admin will be transitioning to the new name at the beginning of the federal fiscal year.

Proposal:

The Governor's recommendation for the PTAC program represents the 35 percent state funding match required by the federal Department of Defense, Office of Small Business Programs, which funds 65 percent of the program through a cooperative agreement. The State portion will cover 35 percent of 9.5 FTEs, which will include 4.5 FTEs in the Twin Cities Metro Area, and 5 FTEs located in Greater Minnesota. This expands the current workforce by 3 FTEs allowing for greater statewide coverage. This additional statewide coverage and more consistent funding for PTAC is expected to result in additional capacity to serve businesses with trainings and contracting assistance and result in an increase in businesses that are qualified as government contractors.

Impact on Children and Families:

- Expanding access and opportunities to state procurement is a critical way in which the state can address economic disparities.

- These proposals are a tool that will contribute to the broader goal of helping communities that have been historically underrepresented in state contracting to build sustainable economic development.

Equity and Inclusion:

- This proposal contributes to the broader goal of helping communities that have historically been underrepresented in state contracting to build sustainable economic development.
- Greater opportunities for targeted group small businesses to obtain state contracts will contribute to a more robust business community for these historically underutilized businesses.
- Businesses owned by minorities statistically hire more minorities. Investing in minority-owned business promotes growth and development in entire communities.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	***Name of Measure***	***Current Value***	***Date***	***Projected Value (without)***	***Projected Value (with)***	***Date***
Quantity	Number of new clients	710	FY 2022	542	793	FY 24
Quality	Number of counseling hours	4621	FY 2022	3536	5164	FY 24
Results	Number of events that PTAC hosted or partnered with another organization	143 (virtual only)	FY 2022	100 (virtual and in-person)	100 (virtual and in-person)	FY 24

FY 2024-25 Biennial Budget Change Item

Change Item Title: Parking Fund Debt Service Waiver

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
MMB Non-Operating				
General Fund				
Expenditures	0	0	0	0
Transfer In	(990)	(993)	(994)	(988)
Net Fiscal Impact = (Expenditures – Revenues)	990	993	994	988
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends eliminating the requirement that the state parking account pay the debt service associated with the Minnesota Senate Garage. This debt service payment represents a significant portion of the cost to operate the parking and transit program on the Capitol Complex. This change would reduce transfers from the Department of Administration's special revenue fund state parking account to Minnesota Management and Budget (MMB) Non-operating's general fund account. This change will result in the debt service amount associated with the Senate Garage shifting to the general fund's debt service obligations.

Rationale/Background:

State parking facilities and state employee transit pass programs are user-financed, and parking rates are set to cover expenses such as operations, maintenance, and debt payments. The number of parking contracts has decreased by 40 percent since the beginning of the COVID-19 pandemic and the move to hybrid work arrangements for employees on the Capitol Complex. Additionally, a reduction in the use of state parking meters has resulted in a steep decline in parking revenue and a shortfall in the parking account. Revenue is expected to remain at this lower level as state employees continue to work in hybrid schedules. The parking account has received federal ARPA funds due to revenue loss for FY 2022 and FY 2023. Those funds will be exhausted by the end of FY 2023. Without relief, parking rates on the Capitol Complex can be expected to increase significantly to cover the shortfall with state employees and visitors bearing the burden of parking rates well beyond market rates in the area. Parking rates would need to increase substantially to cover the shortfall. If parking rates are not sustainable for current parkers, the long-term stability of the parking options on the Capitol Complex is at risk.

Proposal:

The Governor recommends eliminating the transfer of debt service amounts for the Minnesota Senate Garage from the state parking account to the general fund in the amount of $990,000 in FY 2024, $993,000 in FY 2025, $994,000 in FY 2026 and $988,000 in FY 2027. This change would significantly reduce expenses in the state parking account and help to balance expenses with current revenues. The debt for the Minnesota Senate Garage will be retired in 2039.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Percentage that parking rates will increase	0%	FY 2022	At least 60%	At least 33% *	FY 2024

**Admin has also requested a waiver for the debt service on Ramp F. If both are funded, parking rates are not expected to increase.*

Statutory Change(s):

Laws of 2015, Chapter 77, Section 78

Administration

FY 2024-25 Biennial Budget Change Item

Change Item Title: Space Consolidation, Relocation, and Rent Loss

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	12,000	8,000	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12,000	8,000	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding on behalf of the entire enterprise of $12 million in FY 2024 and $8 million in FY 2025 from the general fund for space consolidation and relocation of state agencies. Funds will cover costs for planning, space reconfiguration, relocation, and rent loss. The appropriation is available to be spent through June 30, 2027.

Rationale/Background:

In March 2020, the state workforce began teleworking en masse to reduce the spread of COVID-19. As a result, agencies are determining what their physical workspaces will look like in the future with many team members continuing to work in hybrid work arrangements. Some agencies have already made the decision to reduce, consolidate, or relocate their offices.

As agencies move to hybrid office and telework schedules for team members, there is a need to rethink and reshape our workplace environment. Fundamentally, unless a team member is in the office three or more days a week, there is movement away from assigned workstations to making available unassigned spaces of a variety of different types to accommodate the full range of work activities. Additionally, utilizing space effectively and efficiently in this new workplace environment will require a sharing model across agencies to include hub locations across the state. This funding will help facilitate significant downsizing of office space for state agencies.

Providing funds for agencies to downsize their space will allow them the flexibility to make the best choices for the state and the citizens they serve. This investment will allow the state agencies to avoid costs and the diversion of operating funds and continue providing the services that Minnesotans expect and deserve.

Proposal:

The Governor recommends $12,000,000 in FY 2024 and $8,000,000 in FY 2025 to help pay for agency costs associated with consolidation and relocation of their physical workspaces including for space reconfiguration, relocation, and rent loss.

State agencies are intending to complete space reconfiguration in their current locations to achieve space reductions in both state-owned and leased facilities. The following are potential components of space configuration:

- Space Planning
- Demolition and disposal (furniture, IT)
- Design services and minor construction work

- Reinstallation of furniture
- Minor parts for modular furniture modifications
- New IT Installation
- Safety and security improvements
- Relocations
- Finish work (painting, carpeting, lighting, adjustments of HVAC, signage, security, key cards, etc.)

Relocation includes costs incurred in vacating space to remove furniture, fixtures, and equipment (including IT).

The amount for rent loss represents five percent of anticipated rent from leases for FY 2024 and FY 2025. The losses will occur as a result of space vacated by agencies as many reduce their overall space needs including the amount of square footage they lease from Admin. This calculation excludes the income from In Lieu of Rent and buildings that are not under Admin's custodial control.

This initiative will assist Admin in furthering its mission to provide efficient and sustainable offices for state agencies. Agencies are eager to complete these changes and some agencies would be ready for work to begin as early as Summer 2023. It is anticipated that long-term savings will result from space consolidation, though estimates are premature and will be dependent on the findings and implementation of the Facilities Strategic Plan.

Impact on Children and Families:

Helping agencies to efficiently utilize their workspace is a fiscally responsible use of taxpayer dollars and will allow those agencies who serve children and families to use their operating dollars on their core missions.

Equity and Inclusion:

The proposal will not directly affect inequities for protected classes. This funding will allow many of the agencies to continue to utilize their operational funds to provide their services to the protected classes they serve rather than diverting them for space modification needs. Admin consulted many cohorts of state team members when conducting research for the Facilities Strategic Plan.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Partners assisted in reviewing and addressing changing space needs resulting from shifts in programs, budget, workforce, telecommuting and other factors.	0	FY 2023	0 Agencies Served	15+ agencies	FY 2024 & FY 2025

Quantity	Square feet of workspace reduced or consolidated for existing programs and services.	0	FY 2023	0 SF Reconfigured	500,000 SF	FY 2024 & 2025

Administration

FY 2024-25 Biennial Budget Change Item

Change Item Title: In Lieu of Rent Operating Adjustment

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	614	614	614	614
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	614	614	614	614
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $614,000 in FY 2024 and 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 lease rates and are in line with rate changes at other Admin-operated facilities. This recommendation is based on the approved FY 2024-2025 lease rates. This recommendation represents a six percent increase 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, and monuments/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, 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.

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 for the State Capitol Building necessary to protect the significant public investment for the building restoration and ensure it does not fall back into disrepair. Additional funds are also needed to maintain the ceremonial grounds, including repairs to the overlook at Cass Gilbert Park.

Impact on 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, Minnesota AMVETS, Paralyzed Veterans of America, United Veterans League, Veterans of Foreign Wars, 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:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Results	Facilities Management Division-caused Service Disruptions. *A service disruption is any change or interruption in a building service such as heating, cooling, plumbing, or electrical service that degrades an occupant's ability to accomplish their mission.*	2	FY 2022	It is difficult to predict infrastructure failures. The infrastructure failure rate could increase without the full funding amount as some maintenance items could be deferred and could cause a system outage.	2	FY 2024
Quality	Percentage of work orders completed on-time.	84%	FY 2022	Our Goal with or without additional funding is 90% However, lack of full funding could make achieving it more difficult due to an increased maintenance backlog	90% each FY.	FY 2024

Administration

FY 2024-25 Biennial Budget Change Item

Change Item Title: Archaeological and Cemetery Site Inventory Portal

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	236	242	193	205
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	50	53	53	53
Revenues	50	53	53	53
Net Fiscal Impact = (Expenditures – Revenues)	236	242	193	205
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends $236,000 in FY 2024 and $242,000 in FY 2025 from the general fund to upgrade the software and security for the Archaeological and Cemetery Site Inventory Portal (Portal).

Rationale/Background:

The Office of the State Archaeologist (OSA) at the Department of Administration (Admin) is required to maintain an inventory of archaeological and cemetery sites. The OSA provides paid access to this inventory through an online Portal for cultural resource professionals, Tribal Historic Preservation Officers, state agencies, and land managers to determine whether archaeological or culturally sensitive sites are recorded within a specified area. This tool facilitates and streamlines the project review process for proposed developments by flagging areas where archaeological and cemetery sites are recorded while keeping specific site information secure.

The platform the Portal is currently built on (Microsoft .NET 6.1) is only supported until November 12, 2024, after which the site will increasingly be at risk for security breaches. The Portal must remain secure as archaeological and American Indian cemetery site information is protected by M.S. 307.08 and a Security Determination from the Commissioner of Admin.

In addition to streamlining reviews, the Portal allowed statutorily mandated cultural resources reviews (M.S. 138.31-42 and 307.08) to continue relatively fluidly through the COVID-19 stay-at-home order and subsequent state office shutdowns. Financially supporting the Portal can also help the state avoid significant unexpected costs. For example, between June 2017 and August 2022, the state spent over $30 million to mitigate the adverse impacts of a single cemetery site (averaging more than $6 million per year). The Portal streamlines and facilitates project reviews, so cultural resources professionals, Tribal Historic Preservation Officers, and land managers can quickly determine if significant sites are recorded within proposed development areas and thus avoid adverse impacts.

Conversely, if the Portal becomes outdated, insecure, and unmaintained, the OSA will need to abandon the online tool. This will result in a return to in-person file searches, which will slow the project review process, and endanger the state's archaeological and cemetery sites.

The continued operation of the OSA Portal is critical to several entities, such as the MnDOT Cultural Resources Unit (CRU), Minnesota Indian Affairs Council, and Tribal Historic Preservation Officers. These cultural resource professionals use the OSA Portal every day to access information about the location, composition, and research history of known archaeological sites throughout the state.

Without the seamless availability of up-to-date, accurate, and complete archaeological site records provided in the OSA Portal, the reviews of state and federally funded transportation and infrastructure projects would be seriously hobbled. Not only would reviews take much longer because the needed information would not all be in a single digitally accessible location, but the risk of missing a crucial piece of information, such as the location of a known Native American cemetery, would increase.

Not properly considering impacts of proposed projects on known properties early in a project can lead to erosion of trust with partners, such as tribes; unnecessary/unintended resource damage; and costly project delays that can jeopardize project completion. Many state, federal, tribal, academic, and private sector stakeholders rely on the OSA Portal to ensure that they make informed decisions using the best available information when considering impacts to these irreplaceable resources.

Proposal:

$236,000 in FY 2024 and $242,000 in FY 2025 to upgrade the Portal's technologies and to maintain site security. This requested funding will allow the OSA to support the Portal and upgrade the system as technologies age. The OSA is currently partnering with the Department of Transportation (MNDOT) on a portion of this project. This partnership will significantly improve the Portal's technological, security, and usability functions. This request includes both Admin's portion of the OSA/MnDOT project costs and on-going maintenance and support for the Portal after upgrade completion.

Equity and Inclusion:

The Portal provides web based and secure access to archaeological sites in Minnesota to the public, cultural resource professionals, Tribal Historic Preservation Officers (THPOs), state agencies, and land managers. Funding the maintenance and critical upgrades to the Portal ensures that it stays online and that the OSA does not revert back to in person only access to paper files or cumbersome requests for physical documents. Supporting the Portal is especially import for tribes and THPOs. The vast majority of tribal communities and THPOs are in greater Minnesota, an average of three-and-a-half hours from the OSA. The Portal allows the THPOs to conduct their reviews and research without the prohibitive time and expense of driving seven hours to and from the OSA to conduct their work using paper files.

Tribal Consultation:

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

☒Yes
☐No

The Portal is utilized by every Tribal government in Minnesota. If it is left outdated, insecure, and unmaintained, the OSA will need to abandon the online tool. This will result in a return to in-person file searches, which will slow the project review process, and endanger the state's archaeological and cemetery sites. Additionally, the State Archaeologist has discussed this work with the Minnesota Indian Affairs Council and Tribal Historic Preservation Officers.

IT Costs

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Payroll						
Professional/Technical Contracts	236	242	193	205	205	205
Infrastructure						

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	**236**	**242**	**193**	**205**	**205**	**205**
MNIT FTEs						
Agency FTEs						

Results:

The Portal streamlines and facilitates project reviews, so cultural resources professionals, Tribal Historic Preservation Officers, and land managers can quickly determine if significant sites are recorded within proposed development areas and thus avoid adverse impacts. If the Portal is not upgraded and provided on-going maintenance, it will become outdated and insecure, and force the OSA to abandon the online tool and return to in-person file searches.

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Number of Portal users	84	FY 2023	84	200	FY 2024
Quantity	Requests for paper files	33	FY 2022	300	15	FY 2024

FY 2024-25 Biennial Budget Change Item

Change Item Title: Support the Office of State Archaeologist and Implement Private Cemeteries Act Update

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Department of Administration				
Expenditures	200	200	200	200
Revenues	0	0	0	
Minnesota Indian Affairs Council				
Expenditures	300	300	300	300
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	500	500
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends additional funding of $500,000 in FY 2024 and each subsequent year from the general fund to Support the Office of State Archaeologist (OSA) and Implement Private Cemeteries Act, which will include a fiscal impact for the Department of Administration (Admin). $200,000 in each fiscal year will go towards supporting Admin's OSA.

Rationale/Background:

The OSA collaborates with state agencies, political subdivisions, Tribal governments, archaeological professionals, students, and the general public with archaeological site protection, archaeological education, and archaeological research. The OSA is currently receiving more requests to review and discuss proposed development projects and un-platted cemetery sites than the office can accommodate. The office reviewed 138 projects in FY 2017, compared with 409 reviews in FY 2022. The volume of other OSA service requests has also steadily increased each year. For example, the number of archaeological licenses issued annually has increased from 78 in FY 2017 to 324 in FY 2022.

Minnesota Statutes, section 307.08 (the Private Cemeteries Act) directs how the OSA and MIAC address human burials, burial grounds, and cemeteries over 50 years old found outside of recorded cemeteries or un-platted graves or burials found within recorded cemeteries. This statute usually comes into play when:

- Development is proposed near a known or suspected burial or cemetery,
- Burials are accidentally disturbed during construction or earthmoving, or
- Someone purposefully disturbs a burial or cemetery

M.S. 307.08 has not been substantively changed or updated since 2007. To reflect best practices and commonly accepted ethics surrounding the treatment of sacred cemetery sites, human burials, and human remains, the OSA and the Minnesota Indian Affairs Council (MIAC), in collaboration with the Tribal Historic Preservation Officers (THPOs), are proposing changes to M.S. 307.08. A key update to the statute is ensuring that state law complements and does not conflict with the federal Native American Protection and Repatriation Act [NAGPRA], 25 USC Ch. 32 that federal agencies and institutions receiving federal funds must follow. Other changes include modernizing terminology, creating memorandums of understandings (MOUs) between MIAC and the OSA, more closely aligning state statute with federal law, and giving MIAC site access so they can more effectively manage known and suspected American Indian cemetery and burial sites.

Proposal:

The Governor recommends $200,000 in FY 2024 and each subsequent year to support the demand for OSA's services and to implement the proposed changes to M.S. 307.08. These changes will require additional staff to coordinate and carry out condition assessments, develop MOUs, update fieldwork and cemetery sites manuals to reflect MOUs, update the OSA website, conduct project reviews, examine OSA site files for accuracy, and update OSA records. The proposed changes also necessitate updating OSA's technological capabilities including tools used in the field and the associated training, databases, and software.

The Governor also recommends $300,000 in FY 2024 and each subsequent year for 2 FTE to implement MIAC's increased responsibility for cemetery assessments from these policy changes. In addition, this funding would support increased IT costs, cost for larger office space, equipment and travel expenses directly associated with American Indian burial assessments.

Impact on Children and Families:

Appropriately preserving cemetery sites shows that the state respects all Minnesotans.

Equity and Inclusion:

This proposal will not directly reduce inequities for protected classes, but it will codify the authority of MIAC in assessing cemetery sites. This proposal better aligns state statutes with federal law in which Congress recognized that human remains of any ancestry "must at all times be treated with dignity and respect." Admin and MIAC collaborated with Tribal Historic Preservation Officers and Tribal Nations on the proposed changes.

Tribal Consultation:

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

☒Yes
☐No

These proposed changes impact all Tribal governments in Minnesota by clarifying the interaction of state law with the federal Native American Graves Protection and Repatriation Act. MIAC's authority for cemetery assessments will also be codified. The MIAC Cultural Resources Team and OSA meet regularly on these issues. This work has also expanded and enhanced the OSA/MIAC online portal facilitating much better communication on key projects as well as greater tribal access to data.

Results:

The OSA began tracking specific measures in FY 2016. We use this information to evaluate the office's performance quarterly. Specifically, we follow the number of:

- projects reviewed;
- site forms reviewed;
- reports received;
- licenses issued; and
- archaeological and cemetery sites recorded in the state.

This historical data illustrates the increasing demand for OSA services and overall workload. Based on data from FY 2016 through FY 2022, current trends indicate that all of OSA's measures are increasing. For example, in FY 2016 the OSA reviewed 101 projects, while in FY 2022, the office reviewed 409 projects. In addition to increasing project reviews, the number of reports the office receives and the number of site forms we review (187 site forms reviewed in FY 2016 and 445 in FY 2022) has also increased significantly. If current trends continue, the number of project reviews will increase by 26%, and the number of site forms reviewed will increase by over 15% annually.

Because state and federal laws require cultural resources reviews on public land, this trend is expected to increase dramatically with the passing of the federal infrastructure bill.

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Development projects reviewed during the fiscal year	409	FY 2022	400	515	FY 2024
Quantity	Number of archaeological licenses issued for work on non-federal public land	324	FY 2022	325	400	FY 2024
Quantity	Number of archaeological site forms processed and the total number of recorded archaeological sites in the OSA's files	445	FY 2022	445	520	FY 2024

Statutory Change(s):
M.S. 307.08.

FY 2024-25 Biennial Budget Change Item

Change Item Title: Office of Equity in Grants

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	497	397	397	397
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	497	397	397	397
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends funding of $497,000 in FY 2024 and $397,000 in FY 2025 and each subsequent year from the general fund to add three FTEs to the Department of Administration's (Admin) Office of Grants Management (OGM), to provide greater support for state agencies administering and managing state-funded grant programs. This funding would increase the size of the general funded portion of the division from one to four FTEs and build capacity for technical assistance and training to support a framework of equity in state grant-making and grant administration. In addition, this funding will be used to develop and manage an assessment and long-term strategic plan for the office to support the vision, mission, objectives, strategy, approach, and tactics to build and sustain this work. This includes resources for ongoing consulting.

Rationale/Background:

Minnesota Statutes, section 16B.97 charges the OGM with the responsibility to standardize, streamline, and improve state grant-making practices. Dedicating more resources to OGM would work toward meeting executive branch granting agencies' identified needs, which cannot be done at current capacity. Minnesota is faced with startling economic disparities, particularly as it relates to its citizens who are Black, Indigenous, and people of color. Many of the state's grant programs are aimed at ending these disparities.

There are multiple ways to improve support for these programs in state grant-making. One strategy is to focus on building capacity for potential grant applicants from eligible community and culturally specific groups in their efforts to respond to grant opportunities. This strategy also requires that state agencies are supported with resources and training to help build their capacity for inclusion in grant-making and outreach efforts. Another strategy supports state agencies with resources and technical assistance to set outcomes, metrics, and goals for this work. This initiative focuses on tangible efforts that can assist both the grant applicant community and state agencies through taking concrete steps to address equity in the grant-making and grant administration process and can translate broader and proven executive branch contract principles to state-funded grants.

Proposal:

The Governor recommends the addition of three OGM team members to meet the ongoing needs for effective resources, training, policy guidance, data collection, and data analysis to support state granting agencies with effective state-funded grant administration and robust support for diversity, equity, and inclusion in grant-making. These additional resources will provide community and culturally specific training and data analysis.

This request funds:

- An enterprise resource to assist state agencies with effectively implementing state-funded grant programs through a diversity, equity, and inclusion policy framework.
- Dedicated staff for outreach and training to encourage and assist community and culturally specific groups in applying for state-funded grants.
- The ongoing and unmet state agency requests for training, technical assistance, and guidance in grant administration.
- OGM's full implementation of existing statute language to drive innovation, alternative strategies, and collaboration across sectors to improve grant administration and outreach.
- Data collection and analysis that will inform steps for state granting agencies to take in order to establish outcome measurement and reduce systems barriers.
- Coordination and implementation of best practices to identify community and culturally specific organizations.

Additionally, $100,000 in FY 2024 would be used for a study of grantmaking across the state enterprise to determine a baseline of information.

Impact on Children and Families:

This proposal will help ensure that executive branch state grant programs, housed in their respective state agencies, can utilize OGM as a centralized administrative resource to provide guidance, support, flexibility, and innovation for state agencies looking to change their existing practices to better meet the needs of diverse populations within and across Minnesota, including the 11 federally recognized Tribal Nations.

Private foundations and philanthropy are adapting and driving forward on emerging practices to better support models of grant-making and grant administration that center on children and families versus requiring communities to "fit in" to systems that are rigid, inflexible, and, in some instances, replicate harm and exacerbate existing opportunity gaps.

Equity and Inclusion:

Adequate funding for staffing, resources, training, data collection, data analysis, and innovation which focuses on diversity, equity and inclusion in grant making will allow for a more strategic effort identifying and awarding grants to diverse entities and those organizations that directly serve diverse communities. OGM can continue to build, elevate, amplify, coordinate, and highlight best practices in grant-making and grant administration and provide a centralized focus on diversity, equity, and inclusion in grantmaking across state government with partner agencies. OGM will be positioned to take steps to gain a clear understanding of specific measures and identify equity in grantmaking progress given Minnesota's unique environment of de-centralized grant-making within a centralized policy framework.

Tribal Consultation:

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Total number of trainings and presentations provided for community and culturally specific organizations on the state grant-making process	N/A	Baseline will be established in FY24	N/A

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percent of executive branch granting agencies who establish equity in grant-making outcome measures for state grant programs	N/A	Baseline will be established in FY24	N/A

Change Item Title: Risk Management Fund Property Self-Insurance

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	12,500	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)	12,500	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional onetime funding of $12.5 million in FY 2024 from the general fund to the Department of Administration's Risk Management Property and Casualty Fund, to increase its ability to self-insure property damage losses to state facilities.

Rationale/Background:

The Department of Administration's Risk Management Division (RMD), through its property and casualty fund (Fund), has provided property coverage (and auto liability and general liability coverages) to state agencies for close to three decades, offering a low-cost alternative to the conventional insurance market. As of FY 2021, the total insured value neared $20 billion, with the largest insured properties being the Capitol Complex and Minnesota State Colleges and Universities.

Based on its typical account balance, the Fund does not have the financial wherewithal to pay large claims or an aggregation of losses and relies on property reinsurance as a backstop. Re-insurance costs have increased significantly starting in FY 2021 and are continuing to increase. The ongoing impact of wind and hail losses in many areas of the country, along with industry adoption of computer windstorm modeling for states like Minnesota (historically viewed as "safe" from catastrophic weather-related events), is the critical driver of the increase in cost. The high concentration of values in the Twin Cities metro area causes predictive windstorm models to reflect a loss expectancy comparable to hurricane-prone areas in the country. Additionally, the reinsurance industry is a global marketplace, which is experiencing unrelenting catastrophic losses such as the annual summer wildfires in the western U.S., the August 2020 Derecho that impacted Iowa and other Midwestern states, the 2021 Texas freeze, Hurricane Ida in 2021, Kentucky tornados in December 2021, and Hurricane Ian in September 2022. These are just some of the losses contributing to the market shift.

These ongoing large losses are causing property reinsurers to reduce their own exposure to large losses, and property reinsurers are requiring clients to accept more risk, in the form of significantly larger deductibles and reduced limits. Clients who are not positioned financially to accept more risk, are experiencing increased payments to continue the status quo. The price of FY 2021 reinsurance renewal was unprecedented for the fund, as the reinsurance market shifted virtually overnight from a soft market (low rates, with flexible underwriting standards and widely available coverage) to a hard market (high rates, with strict underwriting standards and reduced supply). This shift continued into the FY 2022 and FY 2023 reinsurance renewals, and this shift is expected to continue for the foreseeable future resulting in significant reinsurance costs for the Fund. These costs are passed on to state agency partners in the form of rate increases in order to balance expenses and maintain

account levels. Despite these increased costs, the Risk Management Fund remains a low-cost alternative to insurance purchased in the conventional insurance market.

An actuarial review of the Fund and its structure was completed in March 2022 with the goal of determining the level of retained earnings necessary to self-insure a greater portion of losses and reduce reinsurance costs. That review established the need for a total retained earnings balance of $22.7 million to self-insure the first $5 million to $10 million of property losses.

Without another funding source, it is unlikely that the Fund will be able to build sufficient retained earnings to self-insure the first $5 million to $10 million of property losses any time soon.

Proposal:

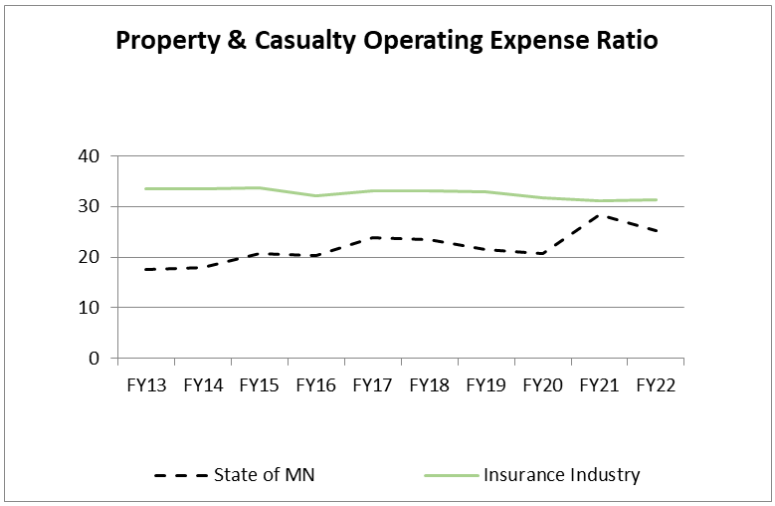
This proposal is for a one-time appropriation of $12.5 million which, combined with current fund retained earnings, will position the Fund to assume more primary risk. Accepting more risk will better insulate the Fund from wild market swings and help capitalize on the best pricing. The increased account balance is expected to reduce annual reinsurance costs up to $2 million annually. If the Fund had been able to self-insure for the full $10 million primary layer starting in FY 2021, the expected property insurance rate increases for FY 2021, FY 2022, and FY 2023 would have been 10%, zero and zero, respectively (rather than 25%, 15%, and 8%).

Tribal Consultation:

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

☐Yes
☒No

Results:



Performance Measure (Quality): Risk Management strives to keep administrative expenses low and measures costs annually against insurance market averages. Property and casualty operating expenses are less than the average insurance industry operating costs.

FY 2024-25 Biennial Budget Change Item

Change Item Title: Enhancing SmART Services

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	325	325	325	325
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	325	325	325	325
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends additional funding of $325,000 in FY 2024 and each subsequent year from the general fund to enhance the services provided by the Small Agency Resource Team (SmART) and to improve human resources and financial management services provided to small agencies.

Rationale/Background:

SmART provides human resources, accounting, and budgeting services to agencies, boards, and councils. Since 2019, the number of partner agencies served by SmART has grown from 19 to 42. Demand for the program's services remains strong with new boards and councils often seeking out SmART as an efficient way of receiving financial management, human resources, budgeting, and leadership support.

A survey of existing agencies served by SmART in 2021, identified that partners are looking for more training, added support for financial functions, and the creation of online reference materials to help partners manage vital tasks. Greater capacity is needed to meet the large volume of budgeting, human resources transactions, equity and inclusion, and cash and receivables management needs for these partners.

The SmART model provides economies of scale by utilizing existing Department of Administration (Admin) resources including Admin's Financial Management and Reporting Division and Human Resources Division. Each division already serves Admin's divisions. Human Resources also serves Minnesota Management and Budget (MMB). The SmART program is funded by a combination of fee-for-service and a general fund appropriation.

The SmART team currently operates with three FTEs to serve the complex budgeting and leadership support needs of all SmART partners. Financial Management and Reporting has not filled a cash management and receivables position to manage budget constraints over the last couple of years. At the same time there has been an increase in receivable invoice requests, e-payment needs, and cash management issues from partners. Human Resources serves SmART partners, Admin and MMB with one staff person working on personnel transactions and without a backup for the role. Transactions have almost doubled from an average of 3,000 per year to 5,000 transactions last year. Further, the One Minnesota Plan lays out goals for equity and inclusion in state government, but current capacity does not provide resources to work on these issues. An Equity Coordinator would serve to enhance this work for Admin and SmART partners.

Proposal:
$325,000 each year to enhance support for SmART services. This includes adding staff positions to the SmART Division, Admin's Financial Management and Reporting Division and Human Resources Division. These positions are expected to meet current service needs and improve service delivery in the SmART program.

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Number of partner trainings provided	4	FY 2022	4	6	FY 2024

FY 2024-25 Biennial Budget Change Item

Change Item Title: Electronic Project Systems and Critical Database Integration

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	485	500	160	160
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	485	500	160	160
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $485,000 in FY 2024 and $500,000 in FY 2025 from the general fund to continue to develop and build electronic project management applications, to stabilize and integrate the State Historic Preservation Office (SHPO) project tracking databases, and to cover the cost of ownership and maintenance of the new Minnesota Statewide Historic Inventory Portal (MnSHIP). Funding in FY 2024 and 2025 is available to be spent through June 30, 2027.

Rationale/Background:

SHPO administers federal and state programs aimed at preserving historic and cultural resources important to all Minnesotans. This includes maintaining an ongoing inventory of historic and cultural resources for Minnesota, reviewing and commenting on all state and federal undertakings that may or will impact historic resources, administering the National Register of Historic Places, reviewing applications for federal and state historic tax credits, and partnering with Certified Local Governments on their preservation activities.

In 2018, SHPO moved to the Department of Administration (Admin) from the Minnesota Historical Society. Six separate main databases and 15 minor databases transferred to Admin, along with multiple paper files that include: Historic Inventories, National Register forms, Archaeology Site forms, and reports. The paper files that make up the Statewide Historic Inventory are permanent records and are added to and updated each year. The main databases only track certain data, and the data is manually entered by staff which has a backlog of information not easily accessible to researchers. The Tax Credit Project Tracking database was corrupted during the migration and is still being used but duplicate entry into a new spreadsheet has been needed as an interim measure since 2020.

Prior the pandemic, SHPO's inventory of historic and cultural properties in Minnesota was only available to the public via paper files in person at the SHPO office in Saint Paul. When state buildings closed, SHPO provided this information digitally by request. SHPO is in the final phase of development of a web-based application, the Minnesota Statewide Historic Inventory Portal (MnSHIP), that will include information for over 107,000 properties and 10,000 reports to an online portal that can be added to and accessed remotely by the public, researchers, Tribal Nations, federal and state agencies, and political subdivisions (project proposers). MnSHIP is expected to go live in the summer of 2023. Beginning in FY 2024, SHPO will begin paying the cost of ownership for their new web based MnSHIP. The costs will increase with the number of users and as more data is uploaded and stored for public access.

The initial MnSHIP project will only replace one of SHPO's six main databases. Additional support is needed to upgrade to electronic application submissions. During the pandemic, SHPO moved from requiring paper to allowing email submissions of projects for the Environmental Review Program, Tax Credit Reviews, and the National Register Program. There is no electronic file management system in place and staff is spending many hours printing some files and moving files that are in multiple locations, in shared cloud folders and network drives. SHPO has struggled to find resources to make improvements and upgrade their databases.

Proposal:

The Governor recommends $485,000 in FY 2024 and $500,000 in FY 2025 to support and to build electronic project management applications and integrate the multiple project tracking databases into MnSHIP.

Equity and Inclusion:

Having quality data that is accessible results in informed decision making and a better understanding of the impacts to cultural resources when there is state or federal involvement in projects. The new *Minnesota Statewide Historic Preservation Plan, 2022-2032* (Plan) includes goals and action items to improve and expand the delivery of cultural resources information for all. Currently, access to Minnesota's cultural and historic resource information is by visiting the office in Saint Paul or requesting scans of paper files.

Tribal Consultation:

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

☒Yes
☐No

The eleven tribal nations in Minnesota are SHPO's partners in carrying out federal and state programs to identify, recognize, and protect the state's cultural resources, along with other Native nations with historical connections in Minnesota. Supporting the new MnSHIP application and building capacity in this tool will improve access to data for tribes and will allow for sharing sensitive cultural resource data only for credentialed users.

IT Costs

Category	***FY 2024***	***FY 2025***	***FY 2026***	***FY 2027***	***FY 2028***	***FY 2029***
Payroll						
Professional/Technical Contracts	440	440	100	100	100	100
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services	45	60	60	60	60	60
Staff costs (MNIT or agency)						
Total	**485**	**500**	**160**	**160**	**160**	**160**
MNIT FTEs	0	0	0	0	0	0
Agency FTEs	0	0	0	0	0	0

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Staff Fulfilled Information Requests	2,240/FY	2022	2,410/FY	490/FY*	FY 2024

**In the past there have been many requests for reports that were not yet scanned due to the office closure. Once MnSHIP is active, not all the inventory materials, such as reports will be scanned and uploaded into MnSHIP as those are subsequent phases of the project that still need funding.*

Change Item Title: Reinstate the Historic Rehabilitation Tax Credit

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Tax Aids, Credits and Refunds				
Expenditures	0	0	0	0
Revenues	(7,600)	(13,300)	(20,300)	(27,300)
Department of Administration				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(7,600)	(13,300)	(20,300)	(27,300)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends reinstating the State Historic Rehabilitation Tax Credit (HTC), which sunset on June 30, 2022. The HTC offered a 20 percent state tax credit for qualified historic rehabilitations and paralleled with the existing federal rehabilitation tax credit. The tax expenditure is estimated to be $7.6 million in FY 2024 and $13.3 million in FY 2025.

The Governor also recommends amending M.S. 290.0681 to clarify that funds in the State Historic Tax Credit Fund can be used to administer the companion federal Historic Tax Credit Program.

Rationale/Background:

The HTC encouraged investment in historic buildings that in turn generated greater economic return on investment in those communities. The HTC offered a 20 percent state tax credit for qualified historic rehabilitations and paralleled the existing federal rehabilitation tax credit. It also offered project investors an option of a grant in lieu of a credit. Investors could decide which option best suited a developer's tax situation to maximize the efficiency of the public dollars assisting the project. The program required an application with the State Historic Preservation Office (SHPO) and approval by the National Park Service before project work could begin. The federal historic tax credit program is still active and continues to be administered by the SHPO with the National Park Service and the Internal Revenue Service.

A study conducted by the University of Minnesota on the 15 projects that were approved for an HTC in FY 2022, identified a $9.90 return on investment for each dollar of state tax credit. Specific findings include:

- Developers report planning to invest $209.9 million to complete their 15 rehabilitation projects
- Approximately $95.9 million in labor income supporting 1,250 jobs
- An estimated $12.5 million in state and local tax receipts
- For four cases studies, annual property taxes increased by $304,140 due to improvements
- Thirty-five percent of the state credits issued are repaid immediately in state and local taxes upon project completion (issuance of the state credits are rated over a five-year period after project completion)

The state HTC promoted the adaptive reuse of historic buildings and when rehabilitated with energy efficiency measures, construction waste into landfills is reduced and a significant amount of carbon release is avoided.

The HTC program sunset on June 30, 2022.

Proposal:

The Governor proposes to reinstate the HTC program retroactively to July 1, 2022, to continue to preserve and reuse historically significant buildings in Minnesota communities. This will also provide resources for redevelopment and reuse projects that result in substantial economic impact.

The program administration is supported by application fees.

Impact on Children and Families:

Many historic rehabilitations that use the state and federal historic tax credits create housing, and some are paired with the Low-Income Housing Tax Credit to create affordable housing in communities across the state. A 2022 University of Minnesota Extension study looked at the neighborhoods where historic tax credit projects were located since 2011 in Minneapolis, St. Paul, and Duluth. Using the Social Vulnerability Index (SVI), 45 percent of rehabilitations in Minneapolis and 50 percent in St. Paul were benefitting neighborhoods with high vulnerability. Nearly all of Duluth's projects were in highly vulnerable neighborhoods.

Equity and Inclusion:

The newly approved *Statewide Historic Preservation Plan, 2022-2032* promotes continuing funding tools like the state HTC that make preservation happen across Minnesota. Additionally, increased access to and participation in the use of the HTC and balancing fiscal hardships with financial incentives are identified as action items.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)**	*Date*
Quantity	Economic Impact per $1 Credit	$9.90	FY 2022	$0	$9.50	FY 2024
Results	Jobs supported by HTC projects	1,250	FY 2022	$0	2,540	FY 2024
Results	Total estimated economic impact of HTC	$350 million	FY 2022	$0	$422 million	FY 2024

**Projected value is based on averages over the 11-year period having a State Historic Structure Rehabilitation Tax Credit (2011 to 2021). FY 2021 had 34 and FY 2022 had 15 applications while 16 applications annually is the average.*

Statutory Change(s):

M.S. 290.0681

FY 2024-25 Biennial Budget Change Item

Change Item Title: Office of Enterprise Sustainability Direct Funding

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	575	575	575	575
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	575	575	575	575
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends additional funding of $575,000 in FY 2024 and each subsequent year from the general fund for the Office of Enterprise Sustainability at the Department of Administration (Admin).

Rationale/Background:

Since 2016, the Office of Enterprise Sustainability (OES) has made recommendations and assisted agencies with improving the energy efficiency and sustainability of their operations. OES's primary responsibilities include:

1. Assisting cabinet level agencies with developing plans to meet statutory requirements or Executive Orders in the area of sustainability
2. Sharing best practices from both inside and outside of government
3. Assisting agencies with finding the subject matter experts to ensure sustainability plans contain all elements required for success
4. Assisting agencies in finding resources required to execute sustainability plans
5. Tracking the results at the agency and state level to provide transparency for enterprise progress toward established goals
6. Making the sustainability program easier for state agencies so they can be successful

The Office is comprised of a director and two staff planners/analysts. The office has historically been funded through interagency agreements with cabinet level agencies and has not received direct general fund support.

Proposal:

The Governor recommends establishing a general fund appropriation for the critical work of OES. This funding will support three staff positions including the director of the office, a planner, and an analyst to support partner agencies in developing internal sustainability programs, developing plans for, and implementing projects to advance sustainability goals and avoid operating costs. This funding also supports a cloud-based information technology system used for warehousing tracking, analyzing, and reporting sustainability progress.

Funding OES with general fund dollars instead of interagency agreements will reduce the burden on agency operating budgets and free up dollars to be used on core agency work, or to implement recommended energy efficiency and sustainability improvements.

Impact on Children and Families:

The State of Minnesota, as an enterprise, defines sustainability as meeting the economic, social, and environmental needs of the present without compromising the ability of future generations to meet their needs. Improvements in sustainability at state agencies are expected to maintain and improve our economic viability and preserve our natural resources for future generations.

Children and young people are leading the global fight against climate change. They know that, with the current path we are on, their future is uncertain, and it is already having impacts on their physical and mental health.

On September 26, 2021, The Washington Post reported on the findings of "intergenerational inequities" in climate change published in the journal Science. The study indicates that "if the planet continues to warm on its current trajectory, the average 6-year-old will live through roughly three times as many climate disasters as their grandparents. They will see twice as many wildfires, 1.7 times as many tropical cyclones, 3.4 times more river floods, 2.5 times more crop failures and 2.3 times as many droughts as someone born in 1960.

While children and families are not the direct recipients of these funds, anything state government can do to reduce our carbon emissions is a win for the children of today and tomorrow.

Equity and Inclusion:

The impacts of climate change are disproportionately experienced by communities of color, families with lower incomes, and people with underlying health issues. These communities are more likely to feel the impacts of extreme weather conditions compounded by impacts from urban heat islands and rising energy costs. They are also less likely to have access to green space. The impacts on individuals' physical health are also significant, including the impacts of poor air quality on respiratory illnesses. While communities of color are not be the direct recipients of these funds, reducing the impacts of climate change will have a significant and positive impact on the physical health and prosperity of these communities.

Tribal Consultation:

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

☐Yes
☒No

IT Costs

Category	***FY 2024***	***FY 2025***	***FY 2026***	***FY 2027***	***FY 2028***	***FY 2029***
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software	300	300	300	300	300	300
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	**300**	**300**	**300**	**300**	**300**	**300**

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
MNIT FTEs						
Agency FTEs						

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Dates*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Result	Agency scores	51/120 instances of agencies meeting a focus area goal. (5 focus area goals measured at agency level for 24 agencies is 120 instances)	CY 2021	80/120	108/120	FY 2030

Statutory Change(s):

The Department of Administration has a separate legislative proposal to codify the Office of Enterprise Sustainability in Minnesota Statute.

Change Item Title: Enterprise Sustainability Staffing

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,200	1,200	1,200	1,200
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,200	1,200	1,200	1,200
FTEs	**10**	**10**	**10**	**10**

Recommendation:

The Governor recommends additional funding of $1.2 million in FY 2024 and each subsequent year from the general fund for 10 FTEs to work on sustainability initiatives at state agencies coordinated through the Department of Administration (Admin).

Rationale/Background:

Admin completed a Partner Assessment for the Office of Enterprise Sustainability (OES) to better understand what our agency partners need from Admin and from their agency leadership to be successful in achieving sustainability goals. Our agency partners consistently communicated their need for additional staff support to focus on sustainability project implementation and enterprise-wide support for sustainability communications and training in order to meet the sustainability measures outlined in Executive Order 19-27.

Executive Order 19-27 directs the 24 cabinet-level state agencies to:

- Greenhouse Gas Emissions (GHG): reduce GHG emissions 30% by 2025 from a 2005 baseline. In 2021, the enterprise has achieved 100% progress towards goal in large part due to the decarbonization of the electricity grid, however, individual agencies need to continue to reduce GHG in their operations.
- Energy Consumption: reduce consumption of energy per square foot 30% by 2027 from a 2017 baseline. In 2021, the enterprise achieved 57% progress towards achieving this goal and a significant investment in energy efficiency at state-owned facilities will need to be made to achieve this goal.
- Reduce Fleet Fossil Fuel Consumption: reduce the state fleet consumption of fossil fuels 30% by 2027 from a 2017 baseline. In 2021, the enterprise achieved 63% progress toward this goal.
- Reduce Water Consumption: reduce water use 15% by 2025 from a 2017 baseline. In 2021, the enterprise achieved 92% progress toward this goal.
- Reduce Solid Waste: recycle and compost at least 75% of solid waste by 2030. Due to the global pandemic, the enterprise moved backward and is at 38% progress towards this goal as of 2021.
- Sustainable Procurement: ensure 25% of total spend on priority contracts are sustainable purchases by 2025. The enterprise achieved this goal in 2020 and the goal will need to reevaluate items included in the sustainable spend.

While the enterprise has made progress towards these goals, agency assessments have identified that a key barrier to advancing sustainability work in state agencies is dedicated staffing. Staff time is needed to plan, organize, and coordinate to determine which projects are feasible and to assist with implementation. Additionally, certain state agencies have the greatest impact on the enterprise's ability to address sustainability and meet

these emissions and consumption goals due to their size and the nature of their operations. Those state agencies are Admin, Department of Corrections, Department of Employment and Economic Development, Department of Human Services, Military Affairs, Department of Natural Resources, Department of Public Safety, Department of Veteran Affairs, and the Met Council. Targeting sustainability work at these agencies is expected to have the most effective impact towards meeting these goals and result in reduced consumption and emissions across state operations.

Proposal:

The Governor recommends enterprise sustainability staffing for state agencies funded through Admin's Office of Enterprise Sustainability (OES) and housed at specific state agencies. This new initiative will fund 10 program managers to help agencies with the largest sustainability impact to implement sustainable practices, initiatives, and projects. This proposal would provide resources at an enterprise level to advance sustainability initiatives at state agencies. With dedicated staffing and attention to this work, agencies will be better able to develop plans, identify projects, share best practices, utilize existing resources, and implement the state sustainability program resulting in reduced consumption and emissions in state operations. This dedicated staffing would also provide accountability and leadership for the identified state agencies as they work to reduce their carbon footprint and address climate change in state operations. The expected result for state agencies would be an increase in the number and scope of sustainability initiatives adopted.

OES would provide enterprise-level support, communication, coordination, and technical assistance specific to energy, water, and GHG data analysis. The sustainability program managers' work would be governed by an interagency agreement with the respective state agencies. Admin and the host agency would agree to an annual scope of work focused on projects which advance the agency's objectives on sustainability in a way that increases the enterprise progress toward goals. Specific initiatives at agencies would focus on efforts to reduce energy consumption, reduce water usage, increase solid waste diversion from landfills, and reduce greenhouse gas emissions. Project examples include lighting audits, applying for utility rebates, irrigation audits, solid waste audits, data cleaning and analysis, coordinating related professional and technical contracts to further sustainability outcomes, developing new employee training and employee continuing education focused on sustainability, and writing and publishing best practices to advance repeatable projects.

These resources would support the salary and fringe cost of the 10 program managers and some administrative costs while host agencies would be responsible for other costs such as space, IT support and equipment, and other supplies.

Impact on Children and Families:

The State of Minnesota, as an enterprise, defines sustainability as meeting the economic, social, and environmental needs of the present without compromising the ability of future generations to meet their needs. Improvements in sustainability at state agencies are expected to maintain and improve our economic viability and preserve our natural resources for future generations.

Children and young people are leading the global fight against climate change. They know that, with the current path we are on, their future is uncertain, and it is already having impacts on their physical and mental health.

On September 26, 2021, *The Washington Post* reported on the findings of "intergenerational inequities" in climate change published in the journal *Science*. The study indicates that "if the planet continues to warm on its current trajectory, the average 6-year-old will live through roughly three times as many climate disasters as their grandparents. They will see twice as many wildfires, 1.7 times as many tropical cyclones, 3.4 times more river floods, 2.5 times more crop failures and 2.3 times as many droughts as someone born in 1960."

While children and families are not the direct recipients of these funds, anything state government can do to reduce our carbon emissions is a win for the children of today and tomorrow.

Equity and Inclusion:
The impacts of climate change are disproportionately experienced by communities of color, families with lower incomes, and people with underlying health issues. These communities are more likely to feel the impacts of extreme weather conditions compounded by impacts from urban heat islands and rising energy costs. They are also less likely to have access to green space. The impacts on individuals' physical health are also significant, including the impacts of poor air quality on respiratory illnesses.

While communities of color are not the direct recipients of these funds, reducing the impacts of climate change will have a significant and positive impact on the physical health and prosperity of these communities.

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

☐Yes
☒No

Results:

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Dates***	***Progress Towards Goal***
Result	State operations water consumption reduction of 15%	2,120,773 kilogallons	1,827,180 kilogallons	FY 2017 (adjusted), FY 2021	92%
Result	State operations solid waste diversion rate at 75% or higher by 2030	26%	28%	FY 2020, FY 2021	38%
Result	State operations greenhouse gas emissions reduction of 30% by 2025	797,167 metric tons	470,505 metric tons	FY 2005, FY 2021	100%
Result	State operations fleet fossil fuel use reduction of 30% by 2027	18,242,068 fossil fuel gallons	14,812,313 fossil fuel gallons	FY 2017, FY 2021	63%
Result	State operations energy intensity use by sq ft reduction of 30% by 2027	129.6 Kbtu/sqft	107.5 Kbtu/sqft	FY 2017 (adjusted), FY 2021	57%
Result	State operations annual avoided costs due to energy conservation measures	$7.66M	$5.81M	FY 2017, FY 2021	N/A

Change Item Title: Improving Grants Administration Oversight

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,000	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	1,000	1,000
FTEs	**3**	**3**	**5**	**7**

Recommendation:

The Governor recommends additional funding of $1 million in FY 2024 and each subsequent year from the general fund for expanded oversight authority for the Office of Grants Management (OGM) at the Department of Administration (Admin). The Governor also recommends amending M.S. 16B.98 to allow state agencies to retain up to five percent of grant funds for legislatively named and formula grants and up to 10 percent for competitively awarded grants for grants administration.

Rationale/Background:

OGM works to standardize, streamline, and improve state grant-making practices, as well as to increase public information about state grant opportunities. OGM's authority is limited because grant making is decentralized with each agency holding their own authority to grant out funds. This limitation results in each agency establishing its own grant making process. It also makes it difficult for the public to track grant dollars across agencies and increases the burden for grantees who apply for grant funds from more than one agency.

Currently, Admin has enterprise-wide authority over Professional/Technical (P/T) contracts entered into by executive branch state agencies. Expanding the authority of OGM to mirror aspects of the current functionality of the P/T Contracts division of the Office of State Procurement would enable OGM to offer these services to state and federal grant-making agencies:

- Standardized form(s) for grantmaking
- Grant contract review prior to execution
- Centralized repository for tracking grants dollars and entities
- Ability to access data about grantee organizations
- Capacity to track and report data about grants to underrepresented communities
- Ability to perform initial, very basic grant contract agreement review follow-up, similar to the "Right Step Program"
- Means to collect and disseminate Grant Closeout Evaluation Reports similar to Vendor Performance Reports
- Additional training

In addition, implementation of an enterprise system(s) for grants could address several longstanding issues:

- Accessibility:
    - The ability for grant applicants to receive a grantee number or identifier, like a vendor number, that is transferrable as they apply for grants from different agencies

    - The ability for grantees to apply through a single portal as vendors do through SWIFT
    - The simplification of access for grantees, who no longer need to navigate numerous systems at different agencies
- Support for Agency Grant Monitoring:
    - The ability to track and report, by agency, important dates such as renewals, site visits, audits, etc.
- Reporting:
    - Provides transparent access to grants data that is searchable across agencies

Providing the necessary guidance to grantors and grant recipients in addition to the appropriate levels of grant administration is labor intensive. Grants are frequently authorized without funding to provide for administration of the grant. State agencies in those cases must rely on operating funds to cover the costs of establishing, advertising, awarding, and administering grants.

When state grant funds are authorized in law, there is an accompanying administrative burden. The work of grant administration at agencies can include:

- Issuing Requests for Proposals
- Application review and notification
- Assistance with work plans and budget documents
- Grant contract agreement drafting and execution
- Drafting and execution of amendments
- Reporting
- Monitoring
- Payment processing

Amending 16B.98 ensures that when appropriation language is silent on state grant administration, minimal funds are available to ensure compliance with state law and policies along with an appropriate level of assistance for grantees. Ensuring that every state grant appropriation includes funding for administrative tasks will result in enhanced stewardship of grant funds.

Proposal:

The Governor recommends $1 million in FY 2024 and each subsequent year to cover the initial planning and expansion of the Office. This includes a consultant for assistance in designing the Office and processes. Funds would also be used for three FTEs to launch the office and oversee the planning initiative.

Future implementation costs will need to be determined to cover a comprehensive enterprise-wide grants management system and additional staff as needed to administer that system. Admin is also pursuing funds in a separate request to study an enterprise grants management system. This study would include work with agencies to determine their needs from such a system.

The Governor recommends amending M.S. 16B.98 to allow any state agency to retain up to five percent of grant funds for legislatively named grants and up to 10 percent for competitively awarded grants for grant administration when appropriation or statutory language is silent on administration. This would apply to appropriations made for new grant programs implemented after enactment of this provision.

Consistent funding for grants administration would help reduce the burden on grant recipients by ensuring adequate levels of assistance and guidance in navigating and complying with state finance and grant policies. These funds would be used to pay agencies' costs to ensure adequate staffing is in place to administer grants and provide the necessary support to grantees.

Impact on Children and Families:
In keeping with standard practice among private foundations and the federal government, providing support for grantmaking helps ensure that every state grant program, including those that impact children, youth, and families have adequate funding to ensure appropriate stewardship by state agencies.

Equity and Inclusion:
Consistent funding for grants administration will allow for better services and reduce the burden on grantees and prospective grantees in navigating the state's policies and laws related to grants.

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Projected Value*	*Date*
Result	Percent of executive branch granting agencies that have access to dedicated resources for grant administration for new grant programs	8% (2 out of 25) of executive branch granting agencies have existing statutory language that provides the option to dedicate resources for grant administration.	100% of executive branch granting agencies will have access to dedicated resources for grant administration for new grant programs	Survey existing Grants Governance Committee and State Agency Grant Contacts in August 2024

Statutory Change(s):
M.S. 16B.98

FY 2024-25 Biennial Budget Change Item

Change Item Title: Implementation Roadmap for Enterprise Grant Management System

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	735	201	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	735	201	0	0
FTEs	**1**	**.4**	**0**	**0**

Recommendation:

The Governor recommends additional onetime funding of $735,000 in FY 2024 and $201,000 in FY 2025 from the general fund for a feasibility study on acquiring and implementing a statewide grants management system.

Rationale/Background:

Minnesota currently has a decentralized model of grants management where multiple agencies accept applications for, evaluate, award and monitor monetary grants utilizing a wide array of processes and supporting technology. The feasibility study would cover the documentation of the current processes, responsibilities, methods, accounting controls, grant recipient stakeholders, and the various technology systems in use within the state. This study would also make recommendations to improve the processes, organizational structure, internal controls, stakeholder experience, information technology, operational oversight, and transparency.

Proposal:

This recommendation provides $600,000 in FY 2024 and $150,000 in FY 2025 for a consulting firm to conduct an Enterprise Feasibility Study on acquiring and implementing a statewide grants management system.

This study would assess the viability of implementing a single grants management system for the enterprise. If the results of the study determine an enterprise system is feasible, the study will further include (1) an analysis of available technology options; (2) recommended changes to the state's organizational model, operational controls and processes; (3) staffing and other resource needs; (4) high level system requirements; (5) estimated costs; and 6) an implementation roadmap.

The recommendation also provides $135,000 in FY 2024 and $51,000 in FY 2025 for one full time FTE at the agency and one .5 FTE at MNIT to manage the project.

Tribal Consultation:

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

☒Yes
☐No

IT Costs:

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Payroll						
Professional/Technical Contracts	600	150				
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	135	51	0	0	0	0
Total	**735**	**201**	**0**	**0**	**0**	**0**
MNIT FTEs	.5 for 8 months	.5 for 3 months	0	0	0	0
Agency FTEs	1.0 for 8 months	1.0 for 3 months	0	0	0	0

Results:

This proposal will deliver a report that contains a comprehensive evaluation of the current environment for grants management and associated systems, and, as applicable, recommendations for changes and a framework for the future state of an enterprise grants management system.

FY 2024-25 Biennial Budget Change Item

Change Item Title: Office of Enterprise Translations

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,306	1,159	1,159	1,159
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,306	1,159	1,159	1,159
FTEs	**7**	**7**	**7**	**7**

Recommendation:

The Governor recommends additional funding of $1.306 million in FY 2024 and $1.159 million in FY 2025 and each subsequent year from the general fund to provide translation services for state agencies. The request would establish the Office of Enterprise Translations to provide in-house translation services for written material. The funding would also provide an enterprise fund that agencies could access for additional translation needs. The request would also fund language-specific online content to connect non-English speaking Minnesotans to relevant information.

Rationale/Background:

More than 10 percent of Minnesotans speak a language other than English as their primary language. That number is expected to grow as Minnesota's population continues to diversify. Although there are more than 300 different languages spoken in Minnesota households, the three most prevalent are Spanish, Hmong, and Somali. The ability to provide information consistently and efficiently is a challenge that state government must meet to effectively serve all Minnesotans. For many programs that receive federal funding, providing translated materials is mandatory, yet the state cannot fully meet these requirements at an enterprise level.

State agencies generally contract for translation services as needed, although several agencies have limited in-house resources to provide some document translation. The Department of Administration also has a master contract for translation services that can be accessed by all state agencies. However, there is rarely funding appropriated specifically for translation, so operating or program funds are used. This creates inconsistencies and increases disparities for Minnesotans trying to access vital services across state government. Without financial resources provided specifically for translation, agencies are left with the difficult choice between directing funds to their core operations and the translation of key materials.

Nearly 90 percent of state agencies report utilizing translation services for their documents but are able to translate only 10 percent of public-facing written materials. The processes and standards for document translation also vary considerably across state agencies. Additionally, when translation services are contracted with external vendors, at times, the services can be too slow to be useful for agency and public needs.

This need is especially important during emergencies when information is critical for the safety of Minnesotans. The state experienced difficulties getting documents translated quickly during the response to the COVID-19 pandemic and state agencies have voiced support for establishing enterprise-wide translation services, and translation supports for agencies.

Access to quality translations would enable agencies to provide necessary information to all Minnesotans.

Proposal:

$880,000 in FY 2024 and $816,000 in each subsequent year would fund the Office of Enterprise Translations. The Office would be led by a manager responsible for overseeing a team of translation specialists with six FTEs. Two FTEs each would specialize in the translation of each of the three identified priority languages for translation: Spanish, Hmong, and Somali. Two FTEs in each language would allow for a balanced workload, succession planning, and continuity of operations during vacations, illnesses, redeployments, or leaves of absences. The Office would be responsible for establishing a system for the prioritization of agency translation requests and maintaining systems for consistent practices by subject area.

$250,000 in FY 2024 and each subsequent year would fund the newly created Language Access Services Fund. The Office would be responsible for dispersing funds to cover the cost of agency translation services when a translation need is identified for languages not covered by the Office or when translation needs exceed the capacity or technical expertise of the Office. These funds will only be eligible for use on translation efforts beyond current service levels.

$176,000 in FY 2024 and $93,000 in each subsequent year would fun technology and language-specific landing webpages in Spanish, Hmong, and Somali. These pages would serve as an entry point to translated materials across state government. The Office of Enterprise Translations would be responsible for ongoing maintenance of the pages.

The Office would also provide enterprise guidance on translation standards and best practices.

Impact on Children and Families:

Children and families face many obstacles to accessing vital public services when English is not their primary language. Providing more translated information and accessible gateways to public services will increase the likelihood that all families will have access to various programs and initiatives to public programs designed to help them.

Equity and Inclusion:

Making public information available to all Minnesotans opens their state government up to them and ensures that important information, including life-saving resources and communications, is widely available to as many Minnesotans as possible. Minnesotans who have traditionally had limited access to public opportunities will be able to understand state communication and more fully participate in their communities and our state. As appropriate, the Office staff will work collaboratively with community partners to identify best practices for translating with equity and inclusion in mind.

Tribal Consultation:

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

☐Yes
☒No

IT Costs

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Payroll						
Professional/Technical Contracts						

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Infrastructure						
Hardware	$21,000	$21,000	$21,000	$21,000	$21,000	$21,000
Software	$155,000	$72,000	$72,000	$72,000	$72,000	$72,000
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	**$176,000**	**$93,000**	**$93,000**	**$93,000**	**$93,000**	**$93,000**
MNIT FTEs						
Agency FTEs	0	0	0	0	0	0

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Percentage of requests completed	0	FY 2022	0	100%	FY 2024
Quantity	Percentage of documents translated accurately by Office	0	FY 2022	0	100%	FY 2024

Statutory Change(s):

16B

FY 2024-25 Biennial Budget Change Item

Change Item Title: Required Study of Economic Disparities in State Procurement

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	500	1,000	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	1,000	0	0
FTEs	**.5**	**.5**	**0**	**0**

Recommendation:

The Governor recommends additional onetime funding of $500,000 in FY 2024 and $1 million in FY 2025 from the general fund to conduct a study of economic disparities in state procurement to continue providing procurement preferences to small Targeted Group Businesses.

Rationale/Background:

The Office of State Procurement (OSP) at the Department of Administration (Admin) oversees the procurement and purchasing of goods and services, including construction for state agencies. The Office of Equity in Procurement (OEP) within OSP, helps ensure greater equity in state contracting and construction. It promotes opportunities to do business with the state, and assists small businesses owned by women, minorities, people with substantial physical disabilities, and veterans as they seek state contracts. The office helps state agencies be leaders in equal contracting opportunities and helps level the playing field for small businesses that want to participate in the state's procurement process. Once certified, targeted group small businesses may be eligible for up to a six percent preference in selling their products and services, or bidding on construction projects to the state.

In order for the state to operate a preference program for purchasing, the U.S. Supreme Court ruled that there must be demonstrable evidence to justify the establishment of preferences. A complex statistical analysis is required, and it must show that minority- and female-owned small businesses have been historically underutilized in relationship to their availability in the market area. With that data, the commissioner of Admin must designate targeted small businesses for the executive branch as well as the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District.

Prior to 1998, Minnesota statutes required completion of a disparity study every five years. Conducting a study in such intervals is consistent with industry best practices. Minnesota's most recent disparity study was contracted in FY 2016 at a cost of $1,508,676 and released in March 2018. Existing results will be at least seven years old by the time new data is in place.

The study is designed to precisely identify whether, and to what extent there are race- and gender-based inequities in the state's purchasing. Once identified, it allows the state to actively implement remedial affirmative action remedies. If disparities are identified, it would allow the state to apply a monetary preference in the procurement of goods, services, construction, and consultants in order to increase the use of previously underutilized minority- and female-owned businesses. It would allow the state to update subcontracting goals for identified businesses.

If analysis of under-utilization warrants, Admin would expect to increase the use of targeted businesses and the share of state dollars flowing to these Minnesota-based small businesses.

Proposal:

$440,000 in FY 2024 and $939,000 in FY 2025 will fund a contract with a third party to study the economic disparities in state procurement. The initiative will allow the continuation of Minnesota's affirmative action programs for public procurement. Admin would partner with the state agencies and appropriate metropolitan agencies in the planned disparity study. The study results will determine the data-driven impacts on minority- and female-owned small businesses and the broader state economy. Additionally, the study should prevent turning the curve in the wrong direction toward greater inequities.

No permanent staff will be required. However, Admin would use $60,000 in FY 2024 and $61,000 in FY 2025 for one-half of an FTE at a professional level to manage the contract and coordinate data collection and logistics.

Impact on Children and Families:

This proposal is a tool that will contribute to the broader goal of helping communities that have historically been underrepresented in state contracting to build sustainable economic development.

Equity and Inclusion:

Studying past and current economic discrimination provides the basis to continue Admin's small, targeted business program. Greater opportunities for certified targeted group small businesses to obtain state contracts will contribute to a more robust business community for these historically underutilized businesses.

Tribal Consultation:

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

☐Yes
☒No

Results:

Although the results of a disparity study cannot be predictable, the data is necessary to continue public procurement preference programs. Results will be measured by achieving the key implementation milestones:

- Issue Request for Proposal (RFP) for disparity study by August 1, 2023
- Award contract for disparity study by December 1, 2023
- Orient participating state and metropolitan agencies to their study roles and responsibilities by January 1, 2024
- Complete hard data collection by August 1, 2024
- Complete anecdotal data collection by October 1, 2024
- Receive draft reports by January 1, 2025
- Receive agencies' input on draft reports by March 1, 2025
- Receive final reports by May 1, 2025
- Issue commissioner's formal determination of eligible targeted businesses and related policy and implementation materials by June 1, 2025

Change Item Title: Improving Information Technology Project and Program Management

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	395	630	630	630
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	395	630	630	630
FTEs	**4**	**4**	**4**	**4**

Recommendation:

The Governor recommends additional funding of $395,000 in FY 2024 and $630,000 in FY 2025 and each subsequent year from the general fund to provide additional IT project and program management, application support, and procurement, budget, and license administration management to Department of Administration's (Admin) 25 divisions.

Rationale/Background:

The Modernization Play Book developed by the Governor's Blue-Ribbon Council on Information Technology states that agency IT should improve Minnesotans' experience accessing state government services; create efficiencies as well as be completed on budget and on time; and put a greater focus on creating solutions that meet the needs of the people we serve. Admin is too frequently supporting outdated and vulnerable IT applications that do not meet the expectations of the modern consumer and are often security risks.

Essential to meeting the Council's recommendations is adequate IT project management that Admin does not currently possess. The department has recently been operating with a temporary unclassified project manager focused on a subset of projects. As application and IT project needs grow within the agency, a dedicated permanent IT project manager will improve the number of successful IT projects completed, improve transparency and accountability with better project status reporting, and provide additional oversight and communication to stakeholders.

This request also provides a minimal level of IT support for Admin's 20 divisions that are currently underserved. Admin has 25 divisions with unique functions, services, and varying IT needs. Historically, five of these divisions have been able to fund dedicated Minnesota IT Services (MNIT) staff at the agency to support their business applications, while the remaining divisions have no dedicated application support. These 20 divisions typically borrow limited time from the IT staff of the five divisions with dedicated support. Due to capacity and funding constraints, this borrowed time is insufficient. The number of applications maintained within the agency has grown over the years and encompasses many key operational processes. Added application support will help these functions remain successful.

The growth in Admin's IT portfolio has highlighted a need for program management support for items such as IT budgeting, billing, software license tracking, inventory and procurement duties now done by higher level IT staff. A management analyst role will free up time to provide additional IT support to Admin divisions and improve the accuracy and timeliness of processes like IT billing and procurement.

Proposal:

This recommendation provides $235,000 in FY 2024 and $470,000 in each subsequent year to fund a management analyst, application support, and project manager to expand capacity at Admin to complete needed IT operations work and implement IT best practices. As a central service agency, many of Admin's operations impact work throughout state government. This proposal will address IT needs in divisions currently without dedicated IT staff. This request contributes to the implementation of the recommendations in the Modernization Play Book developed by the Governor's Blue-Ribbon Council on Information Technology.

Additionally, it provides $160,000 in FY 2024 and each subsequent year for a dedicated Information Technology Specialist 3 to replace obsolete technology, maintain and further develop web-based inventory and electronic submission applications for the State Historic Preservation Office.

Tribal Consultation:

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

☐Yes
☒No

IT Costs:

Category	***FY 2024***	***FY 2025***	***FY 2026***	***FY 2027***	***FY 2028***	***FY 2029***
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	395	630	630	630	630	630
Total	**395**	**630**	**630**	**630**	**630**	**630**
MNIT FTEs	4	4	4	4	4	4
Agency FTEs						

Results:

This proposal is expected to contribute to the implementation of the Modernization Play Book developed by the Governor's Blue-Ribbon Council on Information Technology at Admin, resulting in an increase in the number of successful IT projects completed and the amount of IT support hours available for IT objectives.

Change Item Title: Accommodation Fund Parity

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
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 reducing the current eligibility threshold in M.S. 16B.4805 Subd. 1(3), for one-time accommodation expenses for state employees with disabilities from $1,000 to $500.

Rationale/Background:
The Department of Administration's (Admin) System of Technology to Achieve Results (STAR) office administers the Accommodation Fund. These are dollars that agencies can access for reimbursements to make reasonable accommodations for state employees and job applicants.

Currently, one-time accommodations costs are not eligible for reimbursement unless they are over $1,000 while there is no eligibility threshold when accommodations are periodic or on-going. The difference in eligibility has the effect of making it more difficult to accommodate some disabilities (for example, the use of ASL interpreters is an on-going need). Lowering the threshold from $1,000 to $500 will create access parity to the fund regardless of the disability or the nature of the accommodation needed.

In FY 2022, the fund provided reimbursements for 141 individuals, 133 of those were for on-going services related to a hearing disability. By making this change, state employees with disabilities who require one-time accommodation purchases and the agencies they work for will have improved eligibility to be reimbursed through the fund and will be positively impacted by this change.

Proposal:
Reduce the current eligibility threshold in M.S. 16B.4805 Subd. 1(3), for one-time accommodation expenses for state employees with disabilities from $1,000 to $500. This change will provide greater parity between employees who need periodic or ongoing accommodations and those who need one-time accommodations.

Impact on Children and Families:
By allowing more state employee accommodations to be eligible for reimbursement by the fund, state agencies will have additional resources available to make state employment accessible to employees with disabilities.

Equity and Inclusion:
This proposal positively impacts state employees with disabilities who need one-time accommodations. Additionally, rates of disabilities are higher among people of color and indigenous people. Expanding the availability of the fund to agencies may result in more people with disabilities being hired and retained in state government achieving the goals of Executive Order 19-15.

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	One-time expenses (e.g., assistive technology) for a state employee that totals more than $1000	8	FY 2022	8	8	FY 2024
Quantity	One-time expenses for a state employee that totals more than $500-$999	0	FY 2022	0	25	FY 2024
Quantity	Expenses for current state employees for services provided on a periodic or ongoing basis (e.g., American Sign Language interpreter)	133	FY 2022	130	130	FY 2024

Statutory Change(s):
M.S. 16B.4805 Subd. 1(3)

Change Item Title: Eliminate $200 Open Meeting Law Fee

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
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 eliminating the $200 fee for Open Meeting Law (OML) advisory opinions. The fee is de minimis and will not have a negative impact on the Department of Administration's (Admin) budget.

Rationale/Background:
Minnesota Statutes, section 13.072 gives the Commissioner of Administration permissive authority to issue non-binding advisory opinions on data practices and the OML. The Data Practices Office administers this process for the Commissioner. Currently, everyone (government or public) who wants to request an advisory opinion about compliance with the OML pays the $200 fee. However, advisory opinions about data practices issues are free to everyone.

Proposal:
The Governor recommends eliminating the $200 fee for OML opinions for consistency between opinion requestors.

Impact on Children and Families:
These proposals do not directly impact access to resources and services for children and families.

Equity and Inclusion:
This proposed change will positively impact all requesters who seek an OML opinion and give parity with those who request a data practices opinion.

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Number of Open Meeting Law Advisory Opinions accepted per year	3	FY 2022	3	3	FY 2024

Statutory Change(s):

Minnesota Statues, section 13.072

FY 2024-25 Biennial Budget Change Item

Change Item Title: Small Agencies Study

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	102	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)	102	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional onetime funding of $102,000 in FY 2024 from the general fund to study the development of an Office of Small Agencies to help ensure state boards, councils, and small agencies have the support needed to effectively serve Minnesotans.

Rationale/Background:

Small agencies, boards, and councils currently served by the Small Agency Resource Team (SmART) have structures and capacity constraints that make supplementary support in the areas of leadership, human resources, financial management, board support, and internal controls necessary in certain circumstances. For instance, a small agency may need additional support to update processes and procedures so that proper internal controls are maintained. The relatively small staff of these agencies may not have the capacity to complete these tasks and often these requests can go outside the bounds of the support the SmART program is currently designed to provide. 42 such boards, councils, and agencies are currently served by SmART and represent a diversity in services provided and a variety of unique issues and supplementary support needs.

Proposal:

The Governor recommends $102,000 to build upon current consultant work to investigate the development of an Office of Small Agencies. The study would provide a review of the unique issues faced by small agencies, boards, and councils and assess whether the current support model provides adequate support for the agencies and the volunteer board members. The study will also examine how other states support their small agencies, boards, and councils. The study results will provide the administration and legislature with additional insight and recommendations into how to most effectively serve these important functions of government.

An Office of Small Agencies would expand upon the current SmART program and it could have a broader purview; however, additional study and analysis is necessary to examine the full need. Current SmART partners would likely continue to be served along with new partners by any potential revised services recommended in the study.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	**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	39	42	FY 2020, FY 2022

FY 2024-25 Biennial Budget Change Item

Change Item Title: Census Income Exclusion for Benefits

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Department of Administration				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Department of Human Services				
Expenditures	66	13	13	13
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	66	13	13	13
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $66,000 in FY 2024 and $13,000 in FY 2025 and each subsequent year from the general fund to exclude income earned as decennial census workers from state calculations for certain benefits. This does not have fiscal impact for the Department of Administration.

Rationale/Background:

The State Demographic Center (SDC) at the Department of Administration (Admin) serves as an official liaison to the U.S. Census Bureau and plays a lead role in coordinating Minnesota's decennial census response.

Minnesota was at risk of losing a congressional seat and significant federal funding based on its population count in the 2020 census. Thanks to efforts by census enumerators, Minnesota was able to retain all eight congressional seats by the close margin of fewer than 100 people.

The recruitment of census enumerators from historically undercounted areas is especially important to an accurate census count in low-income Minnesota communities. This is because enumerators play an important role in building trust and encouraging residents to participate in the census. Allowing this exclusion, as many states have already done, would assist with staff recruitment and retention for the next census in Minnesota. According to the National Council of State Legislatures, most states exclude census income from some public benefits to help aid with recruitment of census takers including Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and West Virginia.

Proposal:

Exclude income earned as decennial census workers from state calculations for Minnesota's economic assistance programs. Specifically, Minnesota Family Investment Program (MFIP), Diversionary Work Program (DWP), Child Care Assistance Program (CCAP), General Assistance (GA), and Minnesota Supplemental Aid (MSA) benefits.

To implement this change, the Governor recommends $66,000 in FY 2024 and $13,000 in FY 2025 and each subsequent year for the Department of Human Services to cover related IT costs.

Impact on Children and Families:
Young children are among the groups that are historically undercounted by censuses. In 2020, three percent of U.S. children under the age of five were estimated to have been missed. An accurate count of children is important because the census guides the distribution of funding to programs that are aimed at supporting vulnerable children and families. Without a complete count, federal and state funds may not reach the groups they are intended to help.

Equity and Inclusion:
Finding people to fill census jobs was among the most difficult obstacles during the 2020 Census. Increasing the pool of applicants in low-income and BIPOC communities by incentivizing program recipients to work as enumerators would increase the pool of potential census takers working in low-wealth and culturally diverse communities, groups that are also historically undercounted in censuses. An accurate count of historically undercounted groups is important to ensure that future political representation and funding is fairly extended to diverse and low-wealth communities.

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

☐Yes
☒No

IT Costs

Category	***FY 2024***	***FY 2025***	***FY 2026***	***FY 2027***	***FY 2028***	***FY 2029***
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	66	13	13	13	13	13
Total	**66**	**13**	**13**	**13**	**13**	**13**
MNIT FTEs						
Agency FTEs						

Results:
This proposal will support the next census in Minnesota and is expected to result in higher response rates from low-income and BIPOC communities.

Statutory Change(s):
256P.01, 256P.02, and 256P.06

Change Item Title: Public Television Block Grants

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	250	250	250	250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	250	250	250
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $250,000 in FY 2024 and each subsequent year from the general fund for block grants for Minnesota Public Television Association (MPTA) to cover critical infrastructure and operating needs. These funds are in addition to MPTA's existing grant appropriations.

Rationale/Background:

The six MPTA stations serve Minnesotans in all regions of the state: WDSE/WRPT (Northeast), Prairie Public (Northwest), Lakeland PBS (North Central), Pioneer PBS (West Central/Southwest), KSMQ (Southeast), and Twin Cities PBS (Metro). All MPTA stations have basic costs to deliver core services of broadcasting and streaming. MPTA is working to catch up on infrastructure and operational needs, including software upgrades, related licensing and maintenance, safety equipment, vehicles, compliance with new federal initiatives, new equipment required for online viewing, and related human resources for outreach to communities.

Most broadcast software providers no longer allow periodic purchasing. Instead, stations are required to purchase software licenses with monthly fees that include off-site maintenance from the software company. The software systems are critical for production, programming, video editing, and transmission. Block grants would also fund important needs that are not eligible for funding via other grants. Block grants have been in statute for decades (MS 129D.13), but funding was cut during a fiscal downturn.

Station facilities are different, and thus their needs vary from station to station. For example, tower painting could cost $65,000 per tower. Master control software ranges from $50,000 to $100,000, with licensing at $5,000 per year. The average cost for digital video transcoders used in production and broadcast is $25,000 each, plus $5,000 per year in required support contracts. These items may have a life expectancy of five years or less. Additionally, cyber-security is a growing concern at stations, with variable costs.

By replacing equipment that is at the end of life, stations can increase reliability for Minnesota viewers. Because MPTA stations reach more than 90% of the state, the combined broadcast area includes an estimated five million Minnesotans.

Proposal:

The Governor recommends $250,000 in FY 2024 and each subsequent year for block grants to address the infrastructure backlog and improve the reliability of critical systems at all MPTA stations across the state. Of these funds, the Department of Administration can use up to three percent in FY 2024 and FY 2025 to administer this grant.

The result of these investments would be improved media content and services for Minnesota viewers. Block grants will help support the investment the State of Minnesota has made in public television as a statewide central asset for education and community services. Uses include infrastructure, hardware, software, training, station staff, and professional contracts to maintain and improve services across the state.

Currently, each MPTA station receives an average of $258,000 in state operating grants per year and state equipment grants ranging from $10,000 to $95,000 per year. Appropriation bond grant amounts, over a five-year period, will total $4.2 million at Twin Cities PBS, and $2.100 million at the remaining five MPTA stations. Block grant funding would be in addition to these grants. Per statute, block grants must be divided equally among the six MPTA stations.

State appropriation bond funding is being used for major broadcast-specific equipment such as transmitters, but bond restrictions prevent it from being used for other critical needs, such as software, software-as-service, vehicles, tower painting, fire suppression, security improvements, facility maintenance, staff support, or equipment with a lifespan shorter than seven years. Some software systems are at end of their useful life, with manufacturer support ending. Painted towers must have an appropriate level of paint under federal law. Vehicles used for engineering or production crews are reaching their end of life. Block grants may be used for operations or equipment, thus allowing stations the flexibility to maintain and purchase equipment or software, train station staff, and pay for computer system maintenance agreements.

This proposal would complement the work of the Legislature and MNIT. Legislative television broadcasts are broadcast statewide through the MPTA stations via the Minnesota Channel. The Minnesota Channel is distributed to stations through the MNIT backbone.

Impact on Children and Families:

Approximately one-third of public television main channel broadcast hours are dedicated to educational programs for children. These noncommercial, high-quality programs teach critical skills, including helping new immigrant children and families to read and speak English.

This budget request will help to maintain high levels of service and outreach. Because all of Minnesota's public television stations provide free over-the-air service, most families can easily watch programs using a simple antenna. Low-income families do not need to pay for this service. During the pandemic, public television provided multi-language translation for emergency public service messages, working in close partnership with state agencies and emergency management experts.

Children who watch public television educational programs are more likely to succeed in school. For example, children who regularly watch Sesame Street have a higher school achievement rate, according to long-term studies. Block grant funding will help deliver these programs at a consistent level of service.

Equity and Inclusion:

Minnesota's six public television stations work to tailor their program offerings to the needs of local communities, with particular emphasis on equity and inclusion. For example, Lakeland PBS and Pioneer PBS both broadcast FNX, a free over-the-air multicast channel dedicated to programs produced by and for Native Americans. WDSE-Duluth produces and distributes Native Report, a weekly news program about Native American issues. Twin Cities PBS produces content in multiple languages for critical issues, and broadcasts over-the-air with an audio option known as SAP. This option provides descriptive audio for visually impaired viewers, or Spanish language audio. Through better digital video transcoding equipment, closed captioning could be improved, thus improving service to hearing impaired viewers.

Beneficiaries of these programs have been included in program development as part of the national requirement that all stations maintain a local Community Advisory Board (CAB). A CAB is required to review and comment on a

station's programming goals to help stations meet community needs for all viewers. Improving station services will improve the delivery of programs for greater equity and inclusion for the programs described above.

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

☐Yes
☒No

Results:
Public stations operate on a 24/7 basis, 365 days a year. To reach this goal, high-quality equipment with automated systems is required. This proposal will help stations maintain automated systems, catch up on deferred maintenance, and comply with emerging requirements for streaming.

While the block grant program has been in law for decades (M.S. 129D.13), it has not been funded recently. The law requires that grants be distributed equally to all six stations. Therefore, all six stations would be able to use the funds to address local community and station service needs, with follow-up reports to demonstrate how the funds were used.

In terms of quantity, quality, and results, MPTA stations could report annually on how funds are used. Because station needs vary based on service territories, facilities, and audiences, each station would report individually in a similar fashion to how they currently report on state grant use.

Change Item Title: Ampers Community Radio News Service

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,236	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)	1,236	0	0	0
FTEs	**0.3**	**0**	**0**	**0**

Recommendation:

The Governor recommends onetime additional funding of $1.236 million in FY 2024 from the general fund to help the Association of Minnesota Public Educational Radio Stations (Ampers) launch a statewide diverse community radio news service. The current base general fund for Ampers grants is $1.268 million in FY 2024 and FY 2025 with all funds going directly to the stations for community service and equipment grants. The community news project will share the voices and stories of Minnesota's BIPOC, rural, and disability communities, and will provide newscasts in multiple languages. The one-time appropriation will be combined with funds from the private sector to help launch the diverse news service which will become self-sustaining and operate with support from the private sector. Funds are available to be spent through June 30, 2027.

Rationale/Background:

Many national studies have shown that traditional media does not accurately portray underserved communities or those with a majority of Black, Native American, Asian, or Hispanic populations. In fact, just the opposite is portrayed. For example, "Reclaiming Native Truth: A Project to Dispel America's Myths and Misconceptions," from the First Nations Development Institute (FNDI), found that:

- Non-Native media controls news about Native Americans
- Narratives about Native Americans focus on deficits rather than strengths
- Stereotypes inform law, policy, and decision-making

Perhaps more importantly, a report in 2018 by FNDI and Echo Hawk Consulting (EHC) suggests the media is in a strong position to dispel misconceptions and help to build new narratives.

This is not exclusively a problem for Native Americans. The same holds true for African Americans, new immigrants, those living with a disability, and other underrepresented communities. In Minnesota, those living in Greater Minnesota are often also underrepresented in the media. The lack of representation and coverage in mainstream media results in stereotypes and other misconceptions that have a negative impact on jobs, justice, the economy, community resiliency, and much more. Funding this project will allow members of underrepresented communities to tell their own stories, share their own experiences, and start to change the narrative which will help to reduce stereotypes, misconceptions, and help to unite what has been dividing us.

While this is a new initiative, Ampers has extensive experience with similar projects. For more than ten years, Ampers has been producing Minnesota Native News, an award-winning weekly five-minute newscast that covers stories and issues in a way that is informative and relevant to both Native and non-Native listeners. The Minnesota Native News team expanded its programming to include Native Lights: Where Indigenous Voices Shine,

which started as a podcast and is now a weekly podcast and 30-minute radio program that centers on Native voices, perspectives, and stories, from a foundation of strength. In 2021 Ampers recruited and trained a team of diverse reporters to create two-minute daily updates. This nine-month pilot project helped lay the groundwork and showed the need and the desire for a diverse news source in our state.

Proposal:

$1.2 million will be used to create and distribute five-minute daily newscasts, a 30-minute weekly newscast, and weekly newscasts in multiple languages. The newscasts will provide information and diverse perspectives within the communities, which isn't readily available from traditional media sources.

Ampers anticipates increasing staffing by two FTEs. Ampers also anticipates contracting with a team of aspiring broadcast journalists from the diverse communities that they serve to ensure the communities are represented and that the information is presented from the perspective of those communities. This not only helps to ensure more stories and voices from Minnesota's communities are heard as a result of this project, but it also gives new journalists hands-on training. This training makes them even more appealing to larger broadcast entities, which ultimately leads to more diversity and varied voices and perspectives in mainstream media. The new broadcast journalists will be hired as contractors rather than employees. This is by design to allow us to train even more aspiring broadcast journalists from Minnesota's diverse communities.

$36,000 will fund the administrative costs for the Department of Administration.

In addition to the state funding, Ampers has already received some private funding and is seeking and expecting to receive funding from foundations, corporations, and possibly from the Corporation for Public Broadcasting. The launch date is dependent on securing the funds needed to launch the project.

Equipment: Funds will be used to purchase:

- Digital workstations for full-time employees
- Broadcast equipment such as digital recorders, microphones, cables, etc.

Impact on Children and Families:

The "Reclaiming Native Truth" report shows that most narratives about Native Americans in traditional news stories focus on deficits rather than strengths. The same is true for many other communities. The report goes on to show that focusing on deficits leads to even more problems within these communities. One can easily surmise that children and families are especially impacted. This project will give all Minnesotans increased access to information about Minnesota's diverse communities. Children will especially benefit from the positive environment that will be created as a result of dispelling stereotypes, misinformation, as well as by seeing people like themselves achieve success as broadcast journalists. The project will help to create more positive role models for the children of Minnesota.

Equity and Inclusion:

The entire basis for this project is to help reduce and eliminate inequities for people of color, Native Americans, and people with disabilities. Since 1972, that is primarily what Ampers has been doing. Ampers is Diverse Radio for Minnesota's Communities. This funding will be used to give a megaphone to members of these communities so that they can share their own stories from their own perspectives. It will empower members of these communities to create their own narratives.

Tribal Consultation:

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

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Results	Number of radio stations broadcasting the diverse news program.	0	FY 2023	0	13	FY 2024

FY 2024-25 Biennial Budget Change Item

Change Item Title: Debt Service and Cash Impact for Capital Investments

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	904,609	52,386	90,037	96,454
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	(1,085)	(1,085)	(1,085)	(1,085)
Revenues	0	0	0	0
Trunk Highway Fund				
Expenditures	13,051	9,290	14,410	15,537
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	916,575	60,591	103,362	110,906
FTEs	**10.3**	**10.3**	**10.3**	**4.3**

Recommendation:

The Governor recommends $956.995 million in FY 2024-25 and $186.491 million in FY2026-27 from the general fund and $22.341 in FY2024-25 and $29.947 million in FY 2026-27 from the trunk highway fund to support recommended capital investments for the 2023 Legislative Session. This recommendation also includes a savings to the Special Revenue Fund with an impact of -$2.17 million in FY 2024-25 and -$2.17 million in FY 2026-27.

In addition, the Governor is holding the general fund cash required to finance the debt service for $880 million in general obligation bonds, which is the level assumed in the November 2022 forecast and thus has no fiscal impact compared to forecast levels.

Rationale/Background:

General fund and trunk highway fund cash is required for the debt service and cash impacts of projects included in the Governor's 2023 Capital Budget Recommendations. There is also a special revenue fund impact of savings.

Proposal:

The Governor's 2023 Capital Budget Recommendations will be published on January 26, 2023, in the "Current Capital Budget" section of MMB's capital budget website: https://mn.gov/mmb/budget/capital-budget/current/.

Impact on Children and Families:

The Governor's 2023 Capital Budget Recommendations include funding for projects and programs across the state that benefit children and families.

Equity and Inclusion:

The Governor's 2023 Capital Budget Recommendations include funding set aside for projects from community-based organizations that are led by and serve communities of color and American Indians.

Tribal Consultation:

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

☐Yes
☒No

IT Costs

This recommendation does not have an impact on IT costs via MNIT.

Results:

This recommendation invests in a number of projects and programs, each with a unique scope.

Statutory Change(s):

No statutory changes are needed for this change item, which holds the debt service and cash impact of the Governor's 2023 Capital Budget Recommendations.

https://mn.gov/mnddc
https://mn.gov/mnddc/pipm

AT A GLANCE

- Celebrated the Council's 50th Anniversary in October 2021 and the 35th Anniversary of Partners in Policymaking® in May 2022
- Disseminated more than 3 million publications and downloads about developmental disabilities in federal fiscal year 2021
- Reached a milestone of 1,150 Minnesota Partners in Policymaking® graduates in May 2022
- Continue to update the largest online archive of developmental disabilities history

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 in order 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 an anti-bullying program for 4th graders taught by individuals with developmental disabilities who have been bullied
- Outreach to diverse racial and ethnic communities
- Innovative employment opportunities for people with developmental disabilities
- Research studies on topics critical to the field including a 60-year study of attitudes about people with developmental disabilities from 1962 to 2022.

After approval of Minnesota's Olmstead Plan in 2015, the Legislature provided funding for the Council to:

- Assist in conducting research studies and policy analysis
- Increase community engagement activities
- Document disparities for individuals with disabilities in the areas of health care and abuse
- Assist in tracking Olmstead Plan results and creation of a ten-year chronology of Olmstead efforts
- Help with the statewide Quality of Life study and provide historical archiving of resource materials used in developing and implementing the Olmstead Plan

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of copies of Council publications distributed and number of downloads from Council websites	2 million	3 million	FY 2019, FY 2022
Quality	Partner satisfaction	98%	98%	FY 2019, FY 2022
Results	Level of independence, self-determination, productivity, integration and inclusion (IPSII)1	4.44	4.5	FY 2019, FY 2022

1. 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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	222	222	222	222	222	222	222	222
3000 - Federal	1,198	1,336	1,259	1,188	1,161	1,123	1,161	1,123
Total	**1,420**	**1,558**	**1,481**	**1,410**	**1,383**	**1,345**	**1,383**	**1,345**
Biennial Change				(87)		(163)		(163)
Biennial % Change				(3)		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	375	372	417	395	401	409	401	409
Operating Expenses	474	450	728	728	719	693	719	693
Grants, Aids and Subsidies	568	736	333	285	260	240	260	240
Other Financial Transaction	3		3	2	3	3	3	3
Total	**1,420**	**1,558**	**1,481**	**1,410**	**1,383**	**1,345**	**1,383**	**1,345**
Total Agency Expenditures	1,420	1,558	1,481	1,410	1,383	1,345	1,383	1,345
Internal Billing Expenditures				29	29	29	29	29
Expenditures Less Internal Billing	**1,420**	**1,558**	**1,481**	**1,381**	**1,354**	**1,316**	**1,354**	**1,316**
Full-Time Equivalents	**3.68**	**3.24**	**3.86**	**3.60**	**3.60**	**3.60**	**3.60**	**3.60**

Governor's Council on Developmental Disabilities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
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		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.35	0.82	1.41	0.70	0.70	0.70	0.70	0.70
3000 - Federal								
Balance Forward In		0						
Receipts	1,198	1,336	1,259	1,188	1,161	1,123	1,161	1,123
Expenditures	**1,198**	**1,336**	**1,259**	**1,188**	**1,161**	**1,123**	**1,161**	**1,123**
Biennial Change in Expenditures				(87)		(163)		(163)
Biennial % Change in Expenditures				(3)		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.33	2.42	2.45	2.90	2.90	2.90	2.90	2.90

https://mn.gov/admin/government/vehicles/
https://mn.gov/admin/government/surplus-property/

AT A GLANCE

- Manage a fleet of approximately 2,030 vehicles
- Utilize vehicle telematics to increase safety, efficiency, sustainability, and effectiveness of fleet management
- 92.8% of managed vehicles use alternative fuels or are hybrid vehicles
- Increased number of electric and hybrid vehicles from 997 in FY 2020 to 1,145 in FY 2022
- Increased fuel efficiency by 31 miles per gallon, on average, for vehicle replacements in FY 2022
- Assist state and local governments with the distribution and disposal of surplus property
- Repurposed 30,126 items through the Surplus Property Distribution Center in FY 2022
- Returned $22 million to agencies from surplus property sales in FY 2022
- Sold 4,649 lots of property through the State Auction Program in FY 2022

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.

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, how long the vehicle should be kept, and other transportation options.

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. 90% of vehicles acquired in the Department’s leased fleet in FY 2020 had an emission score of 7 or greater on a 10-point scale.

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 93% of sale proceeds to the agencies that dispose of surplus property.

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 though the fleet vehicle leasing program. Surplus Services is an enterprise fund and generates its revenue through the resale of goods.

SERVICES PROVIDED

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

Specific transportation services provided include:

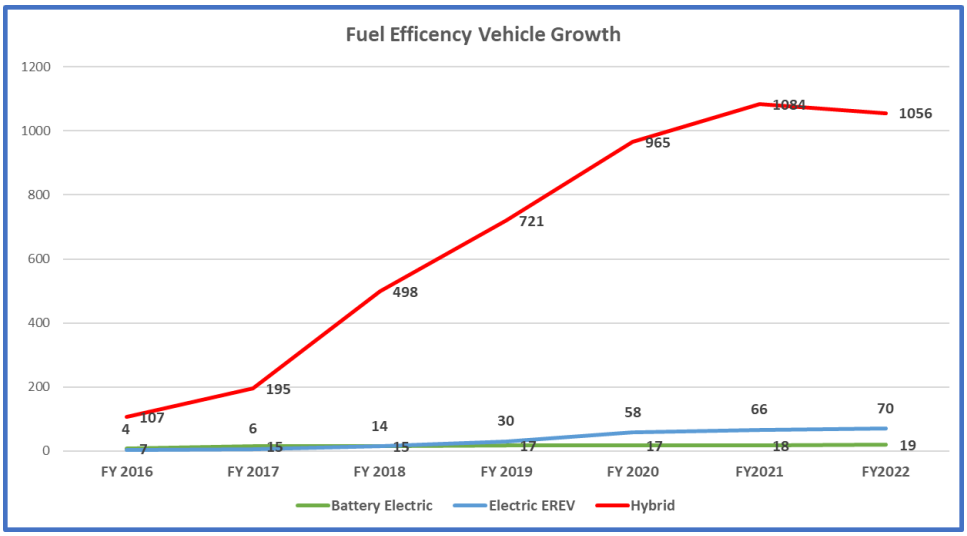
- Full service long-term vehicle rental program
- Vehicle maintenance service
- Fuel card program
- Statewide fleet reporting and information management system
- Telematics
- Agency assistance with vehicle utilization and lifecycle management
- Vehicle usage policy guidance

The surplus property program provides:

- 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 7.1 miles per gallon on vehicle replacements in FY 2021 – FY 2022. Service and program reductions within agencies and right sizing their fleet, has resulted in a decrease of 220 Department Fleet vehicles since 2020.



Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	**Reduction 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.	621	500	FY 2020, FY 2022
Quantity	**Increase Surplus Services program active donee partner participation.** Goal of increasing participation by 10% over the biennium.	505	555	FY 2020, FY 2022

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 these programs.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
4502 - Surplus Property	1,278	1,264	1,810	1,877	1,609	1,617	1,609	1,617
5000 - Master Lease	12,302	9,866	4,004	19,497	21,000	21,000	21,000	21,000
5100 - Fleet Services	7,796	7,275	7,639	7,538	7,588	7,603	7,588	7,603
Total	**21,377**	**18,404**	**13,453**	**28,912**	**30,197**	**30,220**	**30,197**	**30,220**
Biennial Change				2,585		18,052		18,052
Biennial % Change				7		43		43
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	1,568	1,716	1,802	1,611	1,635	1,667	1,635	1,667
Operating Expenses	8,121	7,441	7,293	7,804	7,562	7,451	7,562	7,451
Grants, Aids and Subsidies	8	24	22					
Capital Outlay-Real Property	11,679	9,223	3,835	19,497	21,000	21,000	21,000	21,000
Other Financial Transaction	0	0	502			102		102
Total	**21,377**	**18,404**	**13,453**	**28,912**	**30,197**	**30,220**	**30,197**	**30,220**
Total Agency Expenditures	21,377	18,404	13,453	28,912	30,197	30,220	30,197	30,220
Internal Billing Expenditures				152	154	154	154	154
Expenditures Less Internal Billing	**21,377**	**18,404**	**13,453**	**28,760**	**30,043**	**30,066**	**30,043**	**30,066**
Full-Time Equivalents	**16.66**	**18.57**	**19.00**	**18.00**	**18.00**	**18.00**	**18.00**	**18.00**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
4502 - Surplus Property								
Balance Forward In	1,451	1,434	375	273	1,300	1,300	1,300	1,300
Receipts	1,255	1,555	1,509	1,604	1,609	1,617	1,609	1,617
Transfers In			200	1,300				
Transfers Out	1	1,501	1					
Balance Forward Out	1,428	225	273	1,300	1,300	1,300	1,300	1,300
Expenditures	**1,278**	**1,264**	**1,810**	**1,877**	**1,609**	**1,617**	**1,609**	**1,617**
Biennial Change in Expenditures				1,145		(461)		(461)
Biennial % Change in Expenditures				45		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.36	9.75	10.36	9.75	9.75	9.75	9.75	9.75
5000 - Master Lease								
Balance Forward In	127		1	13				
Receipts	12,176	9,875	4,017	19,484	21,000	21,000	21,000	21,000
Transfers Out		8						
Balance Forward Out		1	13					
Expenditures	**12,302**	**9,866**	**4,004**	**19,497**	**21,000**	**21,000**	**21,000**	**21,000**
Biennial Change in Expenditures				1,334		18,499		18,499
Biennial % Change in Expenditures				6		79		79
Governor's Change from Base								0
Governor's % Change from Base								0
5100 - Fleet Services								
Balance Forward In	2,456	1,887	3,728	3,054	2,873	3,228	2,873	3,228
Receipts	17,586	18,923	18,882	20,424	20,040	19,795	20,040	19,795
Transfers In		1,500	0					
Transfers Out	11,143	12,561	11,916	13,067	12,097	12,297	12,097	12,297
Balance Forward Out	1,102	2,475	3,054	2,873	3,228	3,123	3,228	3,123
Expenditures	**7,796**	**7,275**	**7,639**	**7,538**	**7,588**	**7,603**	**7,588**	**7,603**
Biennial Change in Expenditures				106		14		14
Biennial % Change in Expenditures				1		0		0
Governor's Change from Base								0

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Governor's % Change from Base								0
Full-Time Equivalents	8.30	8.82	8.64	8.25	8.25	8.25	8.25	8.25

Program: Government and Citizen Services
Activity: Data Practices Office

https://mn.gov/admin/data-practices/

AT A GLANCE

- Provides data practices and open meeting law technical assistance and in-person or webinar training to over 3,500 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
- Hosted or presented at 35 training or outreach events across the state in FY 2022

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

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 drafting advisory 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 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. In FY 2022, the office trained exclusively on a remote platform. In FY 2022, the Office changed the questions attendees answer to evaluate the effectiveness of training. 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. The Office will work to maintain high numbers of partner contacts both through training events and informal consultations such as phone calls, emails, and in-person meetings.

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Dates***
Quantity	Total partners assisted and trained per year	4,269	3,533	FY 2020, FY 2022
Quality	Partners who would recommend a Data Practices Office training to someone interested in data practices or the Open Meeting Law. This is a new measure.	N/A	98%	FY 2022
Results	Partners rated the increase in their knowledge following training on a 5-point scale. This is a new measure.	N/A	1pt	FY 2022

The legal authority for the Data Practices Office is provided in:
M.S. 13.073 (https://www.revisor.mn.gov/statutes/cite/13.073) and
Minn. Rules 1205.1700 (https://www.revisor.mn.gov/rules/1205.1700/).

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	511	487	479	670	580	580	604	624
2000 - Restrict Misc Special Revenue	49	8	41	49	53	47	53	47
Total	**559**	**495**	**520**	**719**	**633**	**627**	**657**	**671**
Biennial Change				185		21		89
Biennial % Change				18		2		7
Governor's Change from Base								68
Governor's % Change from Base								5
Expenditures by Category								
Compensation	515	428	458	463	501	514	520	553
Operating Expenses	44	67	61	254	130	111	135	116
Other Financial Transaction	0		1	2	2	2	2	2
Total	**559**	**495**	**520**	**719**	**633**	**627**	**657**	**671**
Total Agency Expenditures	559	495	520	719	633	627	657	671
Internal Billing Expenditures				41	41	41	41	41
Expenditures Less Internal Billing	**559**	**495**	**520**	**678**	**592**	**586**	**616**	**630**
Full-Time Equivalents	**4.59**	**4.07**	**4.35**	**4.20**	**4.44**	**4.44**	**4.67**	**4.86**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		45		90				
Direct Appropriation	557	557	571	582	582	582	606	626
Transfers In		25						
Transfers Out	1	114	2	2	2	2	2	2
Cancellations		26						
Balance Forward Out	45		90					
Expenditures	**511**	**487**	**479**	**670**	**580**	**580**	**604**	**624**
Biennial Change in Expenditures				151		11		79
Biennial % Change in Expenditures				15		1		7
Governor's Change from Base								68
Governor's % Change from Base								6
Full-Time Equivalents	4.11	4.04	3.99	3.82	4.04	4.11	4.27	4.53
2000 - Restrict Misc Special Revenue								
Balance Forward In	33	1	27	29	20	7	20	7
Receipts	17	30	44	40	40	40	40	40
Balance Forward Out	1	23	29	20	7		7	
Expenditures	**49**	**8**	**41**	**49**	**53**	**47**	**53**	**47**
Biennial Change in Expenditures				34		10		10
Biennial % Change in Expenditures				61		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.48	0.03	0.36	0.38	0.40	0.33	0.40	0.33

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

https://www.mmd.admin.state.mn.us/

AT A GLANCE

- Oversee Minnesota state agency purchasing valued over $3.1 billion in FY 2021 and $3.4 billion in FY 2022
- Operate the Office of Equity in Procurement that helps veteran-, minority-, and woman-owned small businesses become state vendors
- Manage about 2,300 contracts offering best value options to state agencies, counties, cities, and school districts in FY 2022
- Review about 6,600 professional and technical contract documents prepared by agencies annually
- Negotiate over $14 million in contract savings for government entities in FY 2022

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 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 1,600 local units of government
- 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
- 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

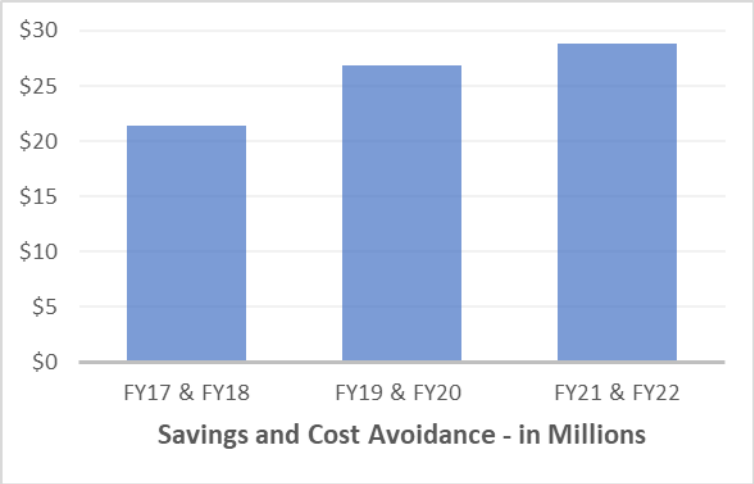
- Monitoring compliance with state procurement law, policy, and contract terms
- Conducting training for state agencies, vendors, and other partners

RESULTS

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

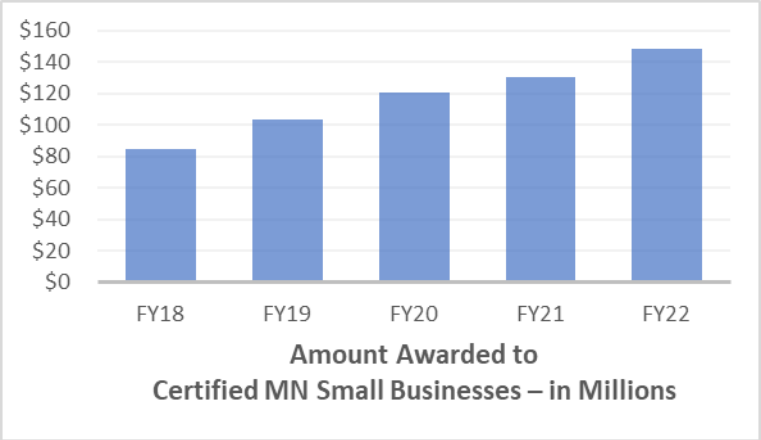
Performance Measure (Result of Program): Dollars saved through contract negotiations.

In FY 2022, OSP tracked savings and cost avoidance of $14.4 million, which is nearly six times greater than its General Fund appropriation of $2.5 million for the same period.



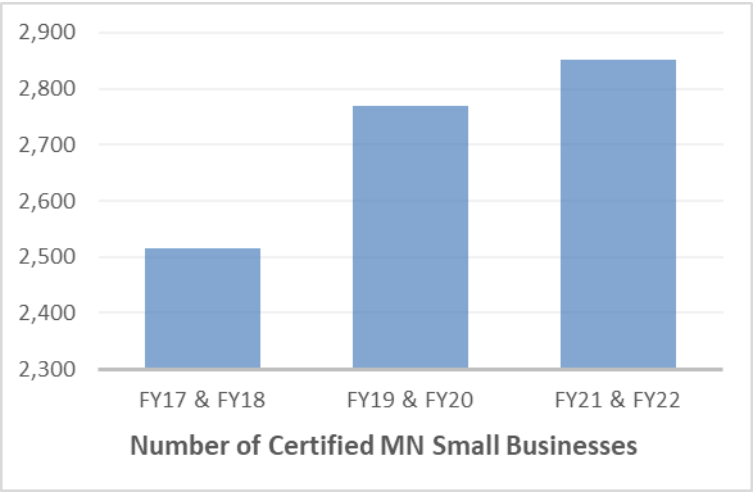
Performance Measure (Result of Program): Contract dollars awarded to certified Minnesota Small Businesses.

Contract dollars awarded to certified Minnesota small businesses continues to grow from $85 million in FY 2018 to $148.8 million in FY 2022, an increase of 75%.



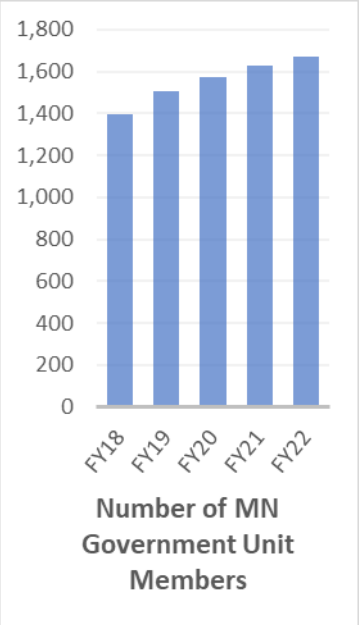
Performance Measure (Quantity of Program): The number of certified Minnesota Small Businesses.

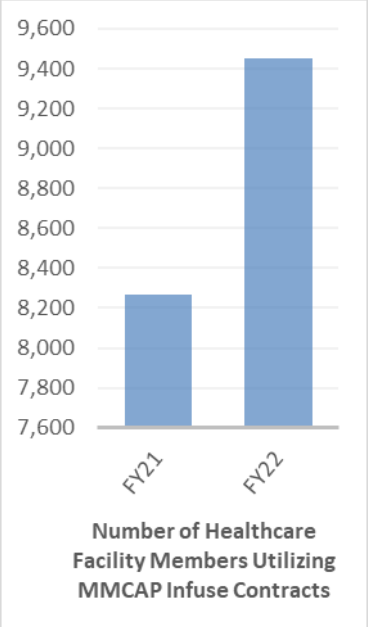
Increasing the number of certified small businesses is critical to expand equity in State contracting opportunities. State law authorizes preferences, sheltered-market, and direct select authority within monetary limits to vendors certified under the program.



Performance Measure (Quantity of Program): The number of local governments and healthcare facilities that use OSP contracts.

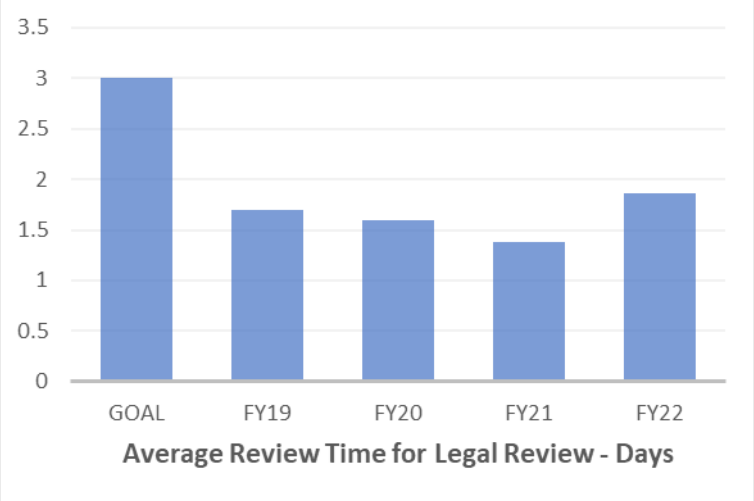
OSP tracks this measure because local governments and healthcare facilities can choose among a wide variety of purchasing programs and contract options that they determine provides the best value to their organization.





Performance Measure (Quality of Program): Average time to provide a legal review.

Agencies need prompt turnaround on the nearly 6,600 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.



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	2,369	2,359	2,422	2,549	2,515	2,515	3,251	3,833
2000 - Restrict Misc Special Revenue			11					
2001 - Other Misc Special Revenue	19	16		18	15	16	15	16
3015 - ARP-State Fiscal Recovery			77	883				
4501 - Coop Purchasing	25,408	27,472	38,850	34,386	32,770	33,571	32,770	33,571
Total	**27,795**	**29,846**	**41,359**	**37,836**	**35,300**	**36,102**	**36,036**	**37,420**
Biennial Change				21,554		(7,793)		(5,739)
Biennial % Change				37		(10)		(7)
Governor's Change from Base								2,054
Governor's % Change from Base								3
Expenditures by Category								
Compensation	10,441	10,503	10,635	13,454	13,966	14,139	14,235	14,491
Operating Expenses	4,624	4,787	5,059	7,620	7,010	7,012	7,477	7,978
Other Financial Transaction	12,730	14,556	25,666	16,762	14,324	14,951	14,324	14,951
Total	**27,795**	**29,846**	**41,359**	**37,836**	**35,300**	**36,102**	**36,036**	**37,420**
Total Agency Expenditures	27,795	29,846	41,359	37,836	35,300	36,102	36,036	37,420
Internal Billing Expenditures				956	956	956	956	956
Expenditures Less Internal Billing	**27,795**	**29,846**	**41,359**	**36,880**	**34,344**	**35,146**	**35,080**	**36,464**
Full-Time Equivalents	**104.20**	**101.87**	**98.81**	**126.34**	**121.36**	**121.02**	**124.05**	**124.46**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		49		34				
Direct Appropriation	2,421	2,421	2,463	2,522	2,522	2,522	3,258	3,840
Transfers In		9						
Transfers Out	6	105	7	7	7	7	7	7
Cancellations		15						
Balance Forward Out	46		34					
Expenditures	**2,369**	**2,359**	**2,422**	**2,549**	**2,515**	**2,515**	**3,251**	**3,833**
Biennial Change in Expenditures				243		59		2,113
Biennial % Change in Expenditures				5		1		43
Governor's Change from Base								2,054
Governor's % Change from Base								41
Full-Time Equivalents	21.70	20.54	20.52	19.87	16.99	16.53	19.68	19.97
2000 - Restrict Misc Special Revenue								
Balance Forward In			10					
Receipts			19					
Transfers In		10						
Transfers Out			19					
Balance Forward Out		10						
Expenditures			**11**					
Biennial Change in Expenditures				11		(11)		(11)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.11	0.11	0.11	0.11	0.11	0.11
2001 - Other Misc Special Revenue								
Balance Forward In	19	15		19	13	10	13	10
Receipts	15	11		12	12	12	12	12
Transfers In			19					
Transfers Out	1	10						
Balance Forward Out	15		19	13	10	6	10	6
Expenditures	**19**	**16**		**18**	**15**	**16**	**15**	**16**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Biennial Change in Expenditures				(16)		13		13
Biennial % Change in Expenditures				(47)				
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.17	0.19	0.01	0.19	0.19	0.19	0.19	0.19

3015 - ARP-State Fiscal Recovery

Balance Forward In				883				
Direct Appropriation			960					
Balance Forward Out			883					
Expenditures			**77**	**883**				
Biennial Change in Expenditures				960		(960)		(960)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.73	4.90				

4501 - Coop Purchasing

Balance Forward In	48,061	51,044	56,548	47,495	44,509	43,674	44,509	43,674
Receipts	26,551	30,938	29,800	31,400	31,935	32,608	31,935	32,608
Transfers Out	2	2	2					
Balance Forward Out	49,202	54,508	47,495	44,509	43,674	42,711	43,674	42,711
Expenditures	**25,408**	**27,472**	**38,850**	**34,386**	**32,770**	**33,571**	**32,770**	**33,571**
Biennial Change in Expenditures				20,357		(6,895)		(6,895)
Biennial % Change in Expenditures				39		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	82.33	81.14	77.44	101.27	104.07	104.19	104.07	104.19

mn.gov/admin/ptac

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
- Improved services in FY 2022 by adding a team member to staff an office in East Central/Northeastern Minnesota as well as an additional team member in the Metro Area
- Conduct one-on-one counseling with the Minnesota business community
- Offer certification assistance, bid matching, and training to all 87 counties with five offices in Greater Minnesota

PURPOSE AND CONTEXT

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

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

PTAC staff are 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. The ability to connect with a local PTAC 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, PTAC helps businesses navigate through the complexities of obtaining federal, state, and local government contracts. The PTAC team is located throughout the state and advises and assists partners in the identification of market opportunities. PTAC 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 post-award assistance

RESULTS

Since joining the Department of Administration in 2017, PTAC has provided significant impacts for Minnesotans including assisting Minnesota vendors in achieving nearly $922 million in prime and subcontractor contracts at all levels of government.

PTAC goals are negotiated with the U.S. Defense Logistics Agency. Goals are set annually and approved prior to the start of the fiscal year. PTAC's goals for FY 2023 are to serve 450 new clients, provide 4500 counseling hours, and host or partner on 85 events.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of new clients (Goal of 450)	841	702	FY 2021, FY 2022
Quantity	Number of counseling hours (Goal of 4500)	5152	4580	FY 2021, FY 2022
Quantity	Number of events that PTAC hosted or partnered with another organization (Goal of 80)	121	146	FY 2021, FY 2022

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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) provide the legal authority for the Procurement Technical Assistance Center.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General							350	350
2001 - Other Misc Special Revenue		50	75	42				
3000 - Federal	613	584	636	728	764	747	764	747
Total	**613**	**634**	**711**	**770**	**764**	**747**	**1,114**	**1,097**
Biennial Change				234		30		730
Biennial % Change				19		2		49
Governor's Change from Base								700
Governor's % Change from Base								46
Expenditures by Category								
Compensation	537	588	639	645	635	619	985	969
Operating Expenses	76	46	71	125	129	128	129	128
Other Financial Transaction	1		1					
Total	**613**	**634**	**711**	**770**	**764**	**747**	**1,114**	**1,097**
Full-Time Equivalents	**5.66**	**6.58**	**6.50**	**6.29**	**6.10**	**5.85**	**9.10**	**8.85**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							350	350
Expenditures							**350**	**350**
Biennial Change in Expenditures				0		0		700
Biennial % Change in Expenditures								
Governor's Change from Base								700
Governor's % Change from Base								
Full-Time Equivalents							3.00	3.00
2001 - Other Misc Special Revenue								
Receipts		50	75	42				
Expenditures		**50**	**75**	**42**				
Biennial Change in Expenditures				67		(117)		(117)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.53	0.82	0.41				
3000 - Federal								
Balance Forward In	3	7	2	22	33	8	33	8
Receipts	618	581	656	739	739	739	739	739
Balance Forward Out	7	5	22	33	8		8	
Expenditures	**613**	**584**	**636**	**728**	**764**	**747**	**764**	**747**
Biennial Change in Expenditures				167		147		147
Biennial % Change in Expenditures				14		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.66	6.05	5.68	5.88	6.10	5.85	6.10	5.85

Program: Government and Citizen Services
Activity: Continuous Improvement

https://mn.gov/admin/continuous-improvement/

AT A GLANCE

In the last biennium, the Office of Continuous improvement provided services to address the State's response to the COVID-19 Pandemic and to plan for future service delivery. This work included:

- Providing continuous improvement, project management, and planning expertise to support both COVID-19 Response efforts for the Enterprise and the Department of Administration
- Assisting in the development of Enterprise guidance, communications development, and planning for COVID-19 response initiatives such as enterprise human resource data analysis, support of the Enterprise Redeployment Center, standing up the Capitol Complex Testing Site
- Leading Return to Office (RTO) and internal planning efforts for the Department of Administration. Providing ad hoc consulting, coaching, and training to both internal and external partners, on organizational planning, engagement, and continuous improvement initiatives

PURPOSE AND CONTEXT

The Minnesota Office of Continuous Improvement (MNCI) works with state agencies, boards, and commissions to improve Minnesota government operations. MNCI's focus is on improvements that have the greatest impact on productivity and services across state government. MNCI's goal is to implement work that significantly and sustainably impacts the efficiency and effectiveness of government services for all Minnesotans. This work helps prepare for and respond to challenges facing state government including:

- Public expectations for greater accountability and transparency
- Customer expectations, declining or static budgets
- An aging state population
- A higher employee retirement rate
- New technology implementation

SERVICES PROVIDED

MNCI was redeployed to assist with the state enterprise's COVID-19 response throughout the last biennium. However, the historical services provided to all cabinet-level agencies include:

- Providing innovation and continuous improvement training to all Minnesota public sector employees, including local government and federal agency staff who may also attend trainings
- Sharing best practices and new practices in continuous improvement and innovation in the public sector
- Facilitating the executive branch continuous improvement network via the Continuous Improvement Advisory Council
- Working with agencies to help them utilize continuous improvement to achieve strategic goals
- Managing enterprise-wide projects from initial scoping through implementation
- Supporting state agency improvement projects with consulting and project management

RESULTS

*Since the onset of the pandemic, the MNCI team has been redeployed and CI activities were temporarily suspended impacting measurements.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	CI Index: "In the last 12 months I have had the opportunity to improve the way my group or organization does its work"	78%	N/A*	FY 2019, FY 2022
Quantity	Percentage of cabinet agencies with staff participating in MNCI training	88%	N/A*	FY 2019, FY 2022
Quantity	Impact of MNCI training: How many respondents do at least one of the following activities within the six months after completing training: • Used what I learned to analyze a problem in new way • Independently made an improvement to my individual work area or process • Sponsored, led, facilitated, an improvement effort	• 58% • 53% • 26%	N/A*	FY 2019, FY 2022

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

Continuous Improvement (Lean)

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	420	353	375	466	423	423	439	454
Total	**420**	**353**	**375**	**466**	**423**	**423**	**439**	**454**
Biennial Change				68		5		52
Biennial % Change				9		1		6
Governor's Change from Base								47
Governor's % Change from Base								6
Expenditures by Category								
Compensation	344	322	343	299	339	347	353	376
Operating Expenses	76	31	31	167	84	76	86	78
Total	**420**	**353**	**375**	**466**	**423**	**423**	**439**	**454**
Total Agency Expenditures	420	353	375	466	423	423	439	454
Internal Billing Expenditures				25	25	25	25	25
Expenditures Less Internal Billing	**420**	**353**	**375**	**441**	**398**	**398**	**414**	**429**
Full-Time Equivalents	**2.84**	**2.62**	**2.67**	**2.50**	**2.81**	**2.81**	**2.97**	**3.11**

Continuous Improvement (Lean)

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		27		43				
Direct Appropriation	420	420	424	430	430	430	446	461
Transfers In		0						
Transfers Out		94	7	7	7	7	7	7
Cancellations		0						
Balance Forward Out	0		43					
Expenditures	**420**	**353**	**375**	**466**	**423**	**423**	**439**	**454**
Biennial Change in Expenditures				68		5		52
Biennial % Change in Expenditures				9		1		6
Governor's Change from Base								47
Governor's % Change from Base								6
Full-Time Equivalents	2.84	2.62	2.67	2.50	2.81	2.81	2.97	3.11

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

https://mn.gov/admin/government/grants/
https://mn.gov/grants/

AT A GLANCE

- Provides guidance to state grant making entities through the administration of 13 comprehensive grant policies to improve state grant-making
- Maintains two websites that provide information and assistance to grant-makers and grant-seekers
- Provides consultation and technical assistance for over 480 inquiries annually
- Web-based resources received more than 96,000 visits in FY 2022

PURPOSE AND CONTEXT

The Office of Grants Management (OGM) provides policy leadership and direction to promote consistent grants administration between state agencies, funders, and grantees. This increases access to state grant opportunities and state grants policies and leads to greater program accountability and transparency. OGM ensures fiscal accountability and measurable results by providing timely, expert technical assistance through individual consultation, conducting training, and maintaining two informational websites. The office also develops and maintains policies that promote diversity, equity, and inclusion in grant administration.

OGM's primary partners are state and local governments, nonprofit organizations, the legislature, private foundations, institutions of higher education, and citizens. This activity is funded through the general fund.

SERVICES PROVIDED

OGM provides services in the following categories to promote more efficient and effective management of state grants and to provide increased access to state-wide grant opportunities:

- Policy development and state grants leadership
- Training, consulting, and development
- Technical assistance

Specific services include:

- Develop, enhance, and revise state grants management policies to create greater oversight, consistency, and transparency for state grant expenditures
- Convene a grants governance committee to provide guidance and promote cooperation between state agencies, grantees, and community partners
- Create and share information and resources about best practices in state grants management through training (virtual, web-based, and in-person) and consulting
- Manage two informational websites that provide resources for executive branch grant-makers (https://mn.gov/admin/government/grants) and a complete listing of state grant opportunities for grant-seekers (https://mn.gov/grants)

These functions help promote fiscal accountability and measurable results by providing:

- Executive branch agencies with consultation, training, and resources to assist with state grant policy implementation, highlighting best practices and compliance
- Cross-sector partners, the legislature, and the public with education and information on state grant administration

- A comprehensive listing of state grant opportunities to grant-seekers

RESULTS

OGM's performance measures show consistently high ratings for the usefulness of training. Like many programs, OGM adjusted to the impact of COVID-19. The Office transitioned to online training platforms and collected data and continued to strive for a high level of success by having training attendees rate and report on the trainer's effectiveness and knowledge about the policy topic.

OGM will work to maintain high numbers of partner contacts both through training events and informal consultations including phone calls, emails, and meetings.

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Dates***
Quantity	Total number of participants that attended trainings and presentations	1180	812	FY 2021, FY 2022
Results	Percent of participants in OGM trainings who rated the trainer as effective and knowledgeable about the policy topic	96%	97%	FY 2021, FY 2022

M.S. 16B.97 (https://www.revisor.mn.gov/statutes/cite/16B.97) and
M.S. 16B.98 (https://www.revisor.mn.gov/statutes/cite/16B.98) provide the legal authority for the Office of Grants Management.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	146	149	147	193	171	171	2,409	1,780
2301 - Arts & Cultural Heritage	267	269	275	322	261		261	
Total	**413**	**418**	**422**	**515**	**432**	**171**	**2,670**	**1,780**
Biennial Change				106		(334)		3,513
Biennial % Change				13		(36)		375
Governor's Change from Base								3,847
Governor's % Change from Base								638
Expenditures by Category								
Compensation	361	356	375	401	379	119	1,250	911
Operating Expenses	50	62	47	114	53	52	1,420	869
Grants, Aids and Subsidies	2							
Other Financial Transaction		0						
Total	**413**	**418**	**422**	**515**	**432**	**171**	**2,670**	**1,780**
Total Agency Expenditures	413	418	422	515	432	171	2,670	1,780
Internal Billing Expenditures				28	28	28	53	53
Expenditures Less Internal Billing	**413**	**418**	**422**	**487**	**404**	**143**	**2,617**	**1,727**
Full-Time Equivalents	**3.74**	**3.66**	**3.67**	**3.69**	**3.42**	**1.00**	**10.48**	**7.51**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		18		22				
Direct Appropriation	166	166	170	173	173	173	2,411	1,782
Transfers In		18						
Transfers Out	1	34	2	2	2	2	2	2
Cancellations		19						
Balance Forward Out	18		22					
Expenditures	**146**	**149**	**147**	**193**	**171**	**171**	**2,409**	**1,780**
Biennial Change in Expenditures				44		2		3,849
Biennial % Change in Expenditures				15		1		1,133
Governor's Change from Base								3,847
Governor's % Change from Base								1,125
Full-Time Equivalents	1.14	1.03	1.05	1.00	1.00	1.00	8.06	7.51

2301 - Arts & Cultural Heritage								
Balance Forward In	66	146	179	246	261		261	
Transfers In	347	302	341	337				
Cancellations	0		0					
Balance Forward Out	146	179	246	261				
Expenditures	**267**	**269**	**275**	**322**	**261**		**261**	
Biennial Change in Expenditures				62		(336)		(336)
Biennial % Change in Expenditures				12		(56)		(56)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.60	2.63	2.62	2.69	2.42		2.42	

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
- Documents unrecorded burials and cemeteries
- 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)
- Works with the Minnesota Indian Affairs Council and Tribal Historic Preservation Offices to preserve and protect American Indian archaeological and cemetery sites
- Records archaeological sites and maintains recorded archaeological site files for Minnesota
- Develops procedures and archaeological standards for the state in collaboration with Minnesota Indian Affairs Council, State Historic Preservation Office, and Minnesota Historical Society
- 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, OSA strives to preserve archaeological sites and un-platted 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 Minnesota Department of Transportation, an agreement with the Minnesota Historical Society under the Arts and Cultural Heritage fund, and an appropriation from the general fund.

SERVICES PROVIDED

The OSA works 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, un-platted 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 un-platted cemeteries in the site files and 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*

- Reviewing development plans to limit harm to archaeological sites and cemeteries cost-effectively and efficiently
- Evaluating professional qualifications and licensing professionals working on public lands

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Development projects reviewed during the fiscal year	19	409	FY 2018, FY 2022
Quantity	Number of archaeological licenses issued for work on non-federal public land	100	324	FY 2018, FY 2022
Quantity	Number of archaeological site forms processed and the total number of recorded archaeological sites in the OSA's files	280 site forms processed resulting in a total of 19,671 recorded sites	445 site forms processed resulting in a total of 20,847 recorded sites	FY 2018, FY 2022

The following Minnesota Statutes guide the work of the State Archaeologist:
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)
M.S. 390.25 (https://www.revisor.mn.gov/statutes/?id=390.25)

State Archaeologist

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	260	265	312	312	312	312	804	820
2000 - Restrict Misc Special Revenue	5	4	40	54	6	6	56	59
2001 - Other Misc Special Revenue	86	102	65	69	70	70	70	70
Total	**352**	**371**	**416**	**435**	**388**	**388**	**930**	**949**
Biennial Change				128		(75)		1,028
Biennial % Change				18		(9)		121
Governor's Change from Base								1,103
Governor's % Change from Base								142
Expenditures by Category								
Compensation	293	301	365	353	283	283	509	521
Operating Expenses	58	70	51	82	105	105	421	428
Total	**352**	**371**	**416**	**435**	**388**	**388**	**930**	**949**
Total Agency Expenditures	352	371	416	435	388	388	930	949
Internal Billing Expenditures				13	27	27	27	27
Expenditures Less Internal Billing	**352**	**371**	**416**	**422**	**361**	**361**	**903**	**922**
Full-Time Equivalents	**2.78**	**2.68**	**2.92**	**2.94**	**2.31**	**2.28**	**3.31**	**3.28**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		4						
Direct Appropriation	262	262	314	314	314	314	806	822
Transfers Out	1	2	2	2	2	2	2	2
Balance Forward Out	0		0					
Expenditures	**260**	**265**	**312**	**312**	**312**	**312**	**804**	**820**
Biennial Change in Expenditures				99		0		1,000
Biennial % Change in Expenditures				19		0		160
Governor's Change from Base								1,000
Governor's % Change from Base								160
Full-Time Equivalents	2.12	1.84	2.34	2.03	1.80	1.78	2.80	2.78
2000 - Restrict Misc Special Revenue								
Balance Forward In	0		0	1				
Receipts	5	4	41	53	6	6	56	59
Balance Forward Out			1					
Expenditures	**5**	**4**	**40**	**54**	**6**	**6**	**56**	**59**
Biennial Change in Expenditures				84		(82)		21
Biennial % Change in Expenditures				920		(87)		23
Governor's Change from Base								103
Governor's % Change from Base								858
Full-Time Equivalents	0.04	0.02	0.04	0.45	0.05	0.05	0.05	0.05
2001 - Other Misc Special Revenue								
Receipts	86	102	65	69	70	70	70	70
Expenditures	**86**	**102**	**65**	**69**	**70**	**70**	**70**	**70**
Biennial Change in Expenditures				(55)		6		6
Biennial % Change in Expenditures				(29)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.62	0.82	0.54	0.46	0.46	0.45	0.46	0.45
2403 - Gift								
Balance Forward In	1	1	1	1	1	1	1	1

State Archaeologist

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
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 23 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 16 million pieces of mail and achieved $1.7 million in postage savings in FY 2022
- Reduced carbon emissions by 53.7% 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 and visitors to the Capitol Complex.

FMD 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. Revenue also comes from central mail postage rates 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 in order 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 work towards facilitating a smooth return to office for state agencies that occupy FMD managed buildings through timely programming, execution of maintenance and repairs, and minor alteration work necessary to meet their post-COVID 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.

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Percentage of Partner Satisfaction. **FY 2020, FY 2021, and FY 2022 data are incomplete as a result of temporary suspension of survey program due to COVID-19. Survey program resumed at the start of FY 2023 with agencies returning to the office.*	92%	*	FY 2019, FY 2022
Result	FMD-caused Service Disruptions. *A service disruption is any change or interruption in a building service such as heating, cooling, plumbing, or electrical service that degrades an occupant's ability to accomplish their mission.*	3	2	FY 2021, FY 2022
Quality	Percentage of work orders completed on-time. *The slight decrease in timeliness can be attributed to COVID-19 absences and supply chain delays for work order materials.*	86%	84%	FY 2021, FY 2022
Quantity	Energy Use in Metric Million British Thermal Unit (MMBtu). *Energy use in Admin managed facilities has been reduced by 15.9% since CY08.*	465,117 MMBtu	487,905 MMBtu	CY 2020, CY 2021
Quantity	Greenhouse gas emissions. *Greenhouse gas emissions in Admin managed facilities have been reduced by 53.7% since CY08.*	40,113 Tons	43,370 Tons	CY 2020, CY 2021

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.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	397	461	438	442	440	440	456	472
2000 - Restrict Misc Special Revenue	4,089	3,979	4,555	1,770	3,587	3,433	4,577	4,426
2001 - Other Misc Special Revenue	7,288	3,121		12,469	6,084	4,750	6,084	4,750
2403 - Gift	2	17	43					
3015 - ARP-State Fiscal Recovery			1,523	2,835				
5000 - Master Lease	153							
5203 - Central Mail	9,082	10,337	11,013	11,429	11,467	11,504	11,467	11,504
5400 - Plant Management	58,988	60,926	57,677	58,564	63,800	59,836	63,800	59,836
Total	**79,999**	**78,841**	**75,250**	**87,509**	**85,378**	**79,963**	**86,384**	**80,988**
Biennial Change				3,919		2,582		4,613
Biennial % Change				2		2		3
Governor's Change from Base								2,031
Governor's % Change from Base								1
Expenditures by Category								
Compensation	19,164	18,517	18,524	19,323	20,621	21,543	20,637	21,575
Operating Expenses	44,004	46,603	41,086	48,885	47,703	49,494	48,693	50,487
Capital Outlay-Real Property	3,348	384	2,217	5,920	3,678	2,851	3,678	2,851
Other Financial Transaction	13,483	13,337	13,422	13,381	13,376	6,075	13,376	6,075
Total	**79,999**	**78,841**	**75,250**	**87,509**	**85,378**	**79,963**	**86,384**	**80,988**
Total Agency Expenditures	79,999	78,841	75,250	87,509	85,378	79,963	86,384	80,988
Internal Billing Expenditures				1,704	1,736	1,770	1,736	1,770
Expenditures Less Internal Billing	**79,999**	**78,841**	**75,250**	**85,805**	**83,642**	**78,193**	**84,648**	**79,218**
Full-Time Equivalents	**256.95**	**239.81**	**231.72**	**191.73**	**198.20**	**203.56**	**198.36**	**203.87**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		44		2				
Direct Appropriation	440	440	440	440	440	440	456	472
Transfers In		13						
Transfers Out		23						
Cancellations		13						
Balance Forward Out	43		2					
Expenditures	**397**	**461**	**438**	**442**	**440**	**440**	**456**	**472**
Biennial Change in Expenditures				22		0		48
Biennial % Change in Expenditures				3		(0)		5
Governor's Change from Base								48
Governor's % Change from Base								5
Full-Time Equivalents	5.62	5.10	5.55	3.16	3.10	3.10	3.26	3.41
2000 - Restrict Misc Special Revenue								
Balance Forward In	2,025	2,471	27,168	1,338	960	756	960	1,841
Receipts	6,621	5,093	4,374	3,569	5,554	5,554	5,554	5,554
Transfers In		25,967	10,163					
Transfers Out	2,790	2,787	35,812	2,177	2,171	2,181	96	103
Balance Forward Out	1,766	26,765	1,338	960	756	696	1,841	2,866
Expenditures	**4,089**	**3,979**	**4,555**	**1,770**	**3,587**	**3,433**	**4,577**	**4,426**
Biennial Change in Expenditures				(1,743)		695		2,678
Biennial % Change in Expenditures				(22)		11		42
Governor's Change from Base								1,983
Governor's % Change from Base								28
Full-Time Equivalents	8.47	9.25	6.21	4.06	7.28	7.29	7.28	7.29
2001 - Other Misc Special Revenue								
Balance Forward In	23,661	23,200	860	29,643	22,413	21,201	22,413	21,201
Transfers In	10,514	10,493	28,783	9,743	9,013	8,652	9,013	8,652
Transfers Out	4,588	30,544		4,504	4,141	3,955	4,141	3,955
Balance Forward Out	22,298	28	29,643	22,413	21,201	21,148	21,201	21,148
Expenditures	**7,288**	**3,121**		**12,469**	**6,084**	**4,750**	**6,084**	**4,750**
Biennial Change in Expenditures				2,060		(1,635)		(1,635)

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Biennial % Change in Expenditures				20				
Governor's Change from Base								0
Governor's % Change from Base								0

2403 - Gift

Balance Forward In	563	575	620	578	579	580	579	580
Receipts	14	50	2	1	1	1	1	1
Balance Forward Out	575	609	579	579	580	581	580	581
Expenditures	**2**	**17**	**43**					
Biennial Change in Expenditures				25		(43)		(43)
Biennial % Change in Expenditures				139				
Governor's Change from Base								0
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In				1,477				
Direct Appropriation			3,000	1,358	0	0	0	0
Balance Forward Out			1,477					
Expenditures			**1,523**	**2,835**				
Biennial Change in Expenditures				4,358		(4,358)		(4,358)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			2.85	3.10				

5000 - Master Lease

Receipts	153							
Transfers Out	0							
Expenditures	**153**							
Biennial Change in Expenditures				(153)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
5203 - Central Mail								
Balance Forward In	2	1,084	1,771	1,780	2,082	2,346	2,082	2,346
Receipts	9,828	10,973	11,347	11,731	11,731	11,731	11,731	11,731
Transfers Out			325					
Balance Forward Out	747	1,720	1,780	2,082	2,346	2,573	2,346	2,573
Expenditures	**9,082**	**10,337**	**11,013**	**11,429**	**11,467**	**11,504**	**11,467**	**11,504**
Biennial Change in Expenditures				3,022		529		529
Biennial % Change in Expenditures				16		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.70	6.35	7.13	6.45	6.37	6.40	6.37	6.40
5400 - Plant Management								
Balance Forward In	15,546	17,883	18,958	18,612	21,135	16,610	21,135	16,610
Receipts	77,003	78,857	77,047	80,968	78,022	78,479	78,022	78,479
Transfers In	0		325					
Transfers Out	19,987	19,978	20,040	19,881	18,747	18,056	18,747	18,056
Balance Forward Out	13,574	15,835	18,612	21,135	16,610	17,197	16,610	17,197
Expenditures	**58,988**	**60,926**	**57,677**	**58,564**	**63,800**	**59,836**	**63,800**	**59,836**
Biennial Change in Expenditures				(3,673)		7,395		7,395
Biennial % Change in Expenditures				(3)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	235.16	219.11	209.98	174.96	181.45	186.77	181.45	186.77

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 800 non-state-owned and state-owned real property leases in FY 2022
- Leased 3.8 million useable square feet of non-state-owned space
- Managed over 290 construction projects for state-owned facilities in FY 2022
- Oversaw capital expenditures from 2017, 2018, and 2020 bond appropriations

PURPOSE AND CONTEXT

Real Estate and Construction Services delivers project management and leasing 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 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 implementation of space standards and oversight of space lease terms and conditions.

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

Real Estate

- Acquiring and selling real property
- Coordination of transfers of real property between agencies
- Space utilization services for efficient facility management
- Negotiation and drafting of easements and permits

Leasing

- Negotiation and drafting of lease documents
- Management of state-owned and non-state-owned real property leases

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Capital improvement projects reviewed for Sheltered Market eligibility. This is a procurement initiative designed to offer bidding exclusively among certified Targeted Group, Economically Disadvantaged, and Veteran-Owned (TG/ED/VO) small businesses in Minnesota	100%	100%	FY 2020, FY 2022
Quantity	Invited at least one or more TG/ED/VO vendor(s) to submit proposals on at least 25% of RFPs issued. This is a new measure	N/A	100%	FY 2022

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) are the statutes that provide the legal authority for Real Estate and Construction Services.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	2,636	2,541	2,651	3,162	2,938	2,938	3,322	3,478
2001 - Other Misc Special Revenue	500	504	500	542	500	500	500	500
2340 - Renewable Development			125					
2403 - Gift	82	85	548	9,387	1,792		1,792	
3015 - ARP-State Fiscal Recovery			881	3,119				
Total	**3,218**	**3,129**	**4,704**	**16,210**	**5,230**	**3,438**	**5,614**	**3,978**
Biennial Change				14,567		(12,246)		(11,322)
Biennial % Change				229		(59)		(54)
Governor's Change from Base								924
Governor's % Change from Base								11
Expenditures by Category								
Compensation	2,061	2,065	2,145	2,202	2,315	2,315	2,651	2,806
Operating Expenses	1,157	1,064	2,071	5,133	1,121	1,121	1,169	1,170
Capital Outlay-Real Property			489	3,493	660		660	
Other Financial Transaction		0	0	5,382	1,134	2	1,134	2
Total	**3,218**	**3,129**	**4,704**	**16,210**	**5,230**	**3,438**	**5,614**	**3,978**
Total Agency Expenditures	3,218	3,129	4,704	16,210	5,230	3,438	5,614	3,978
Internal Billing Expenditures				197	222	222	222	222
Expenditures Less Internal Billing	**3,218**	**3,129**	**4,704**	**16,013**	**5,008**	**3,216**	**5,392**	**3,756**
Full-Time Equivalents	**19.51**	**19.44**	**19.15**	**18.84**	**19.12**	**18.73**	**22.45**	**23.40**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		303		224				
Direct Appropriation	2,825	2,825	2,882	2,946	2,946	2,946	3,330	3,486
Transfers In		110						
Transfers Out	5	587	7	8	8	8	8	8
Cancellations		110						
Balance Forward Out	184		224					
Expenditures	**2,636**	**2,541**	**2,651**	**3,162**	**2,938**	**2,938**	**3,322**	**3,478**
Biennial Change in Expenditures				637		63		987
Biennial % Change in Expenditures				12		1		17
Governor's Change from Base								924
Governor's % Change from Base								16
Full-Time Equivalents	19.51	19.44	19.15	18.84	19.12	18.73	22.45	23.40
2000 - Restrict Misc Special Revenue								
Balance Forward In	498	498	498	498	498	498	498	498
Balance Forward Out	498	498	498	498	498	498	498	498
2001 - Other Misc Special Revenue								
Balance Forward In	9	13	42	42				
Receipts	500	500	500	500	500	500	500	500
Balance Forward Out	9	9	42					
Expenditures	**500**	**504**	**500**	**542**	**500**	**500**	**500**	**500**
Biennial Change in Expenditures				38		(42)		(42)
Biennial % Change in Expenditures				4		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
2340 - Renewable Development								
Direct Appropriation			125					
Balance Forward Out			0					
Expenditures			**125**					
Biennial Change in Expenditures				125		(125)		(125)
Biennial % Change in Expenditures								

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	323	528	587	11,140	1,804	14	1,804	14
Receipts	8	128	11,100	51	2		2	
Transfers In	219							
Balance Forward Out	468	571	11,139	1,804	14	14	14	14
Expenditures	**82**	**85**	**548**	**9,387**	**1,792**		**1,792**	
Biennial Change in Expenditures				9,768		(8,143)		(8,143)
Biennial % Change in Expenditures				5,847		(82)		(82)
Governor's Change from Base								0
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In				3,119				
Direct Appropriation			4,000					
Balance Forward Out			3,119					
Expenditures			**881**	**3,119**				
Biennial Change in Expenditures				4,000		(4,000)		(4,000)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Government and Citizen Services
Activity: Enterprise Real Property Program

AT A GLANCE

- Manages data for approximately 6,000 state-owned buildings consisting of more than 36 million square feet, and more than 3.1 million acres of land
- Preserves a catalog of floorplans for more than 86% 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 790 active leases
- Inventories and tracks maintenance history of more than 41,000 pieces of facility-supporting equipment
- Facilitates space planning to allow for the most effective use of work areas

PURPOSE AND CONTEXT

Enterprise Real Property's mission is to assist the state in making critical decisions for property assets at an enterprise level by collaboratively setting and enforcing policy, procedures, standards, and guidelines concerning coordination and cooperation between agencies on real property matters, and to clearly communicate these strategies within state agencies and to legislators.

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

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

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

The system modules are used for space management, building operations, Facility Condition Assessments (FCAs), employee moves, project management, asset management, compliance management, environmental health and safety management, geographic information system (GIS) asset locating, and lease management to manage the state's real property.

SERVICES PROVIDED

- Manage state facility data
- Create and maintain compliance of standards, 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

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Active facilities personnel using system	2,099	2,080	FY 2020, FY 2022
Quantity	Number of work orders processed annually	122,211	116,275	FY 2020, FY 2022
Quality	Percent of work orders completed on time	66%	76%	FY 2020, FY 2022
Quality	Percent of state-owned buildings assessed	99%	100%	FY 2020, FY 2022
Result	Percent of square footage in poor and crisis condition	18%	19%	FY 2019, FY 2022

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).

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	717	707	676	841	761	761	883	890
2001 - Other Misc Special Revenue	288	60		328				
Total	**1,005**	**767**	**676**	**1,169**	**761**	**761**	**883**	**890**
Biennial Change				74		(323)		(72)
Biennial % Change				4		(18)		(4)
Governor's Change from Base								251
Governor's % Change from Base								16
Expenditures by Category								
Compensation	208	220	228	236	241	246	251	266
Operating Expenses	797	547	448	933	520	515	632	624
Other Financial Transaction			1					
Total	**1,005**	**767**	**676**	**1,169**	**761**	**761**	**883**	**890**
Total Agency Expenditures	1,005	767	676	1,169	761	761	883	890
Internal Billing Expenditures				21	21	21	21	21
Expenditures Less Internal Billing	**1,005**	**767**	**676**	**1,148**	**740**	**740**	**862**	**869**
Full-Time Equivalents	**1.76**	**2.03**	**2.04**	**2.00**	**2.00**	**2.00**	**3.19**	**3.24**

Enterprise Real Property Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		30		80				
Direct Appropriation	719	719	756	761	761	761	883	890
Transfers Out		43						
Balance Forward Out	2		80					
Expenditures	**717**	**707**	**676**	**841**	**761**	**761**	**883**	**890**
Biennial Change in Expenditures				94		5		256
Biennial % Change in Expenditures				7		0		17
Governor's Change from Base								251
Governor's % Change from Base								16
Full-Time Equivalents	1.76	2.03	2.04	2.00	2.00	2.00	3.19	3.24
2001 - Other Misc Special Revenue								
Balance Forward In	384	305	328	328				
Receipts	70	83						
Transfers In	29							
Balance Forward Out	195	328	328					
Expenditures	**288**	**60**		**328**				
Biennial Change in Expenditures				(20)		(328)		(328)
Biennial % Change in Expenditures				(6)				
Governor's Change from Base								0
Governor's % Change from Base								

https://www.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 $20.6 billion in state property and 13,700 vehicles for auto liability
- Cover over 57,500 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 4,425 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 5,000 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

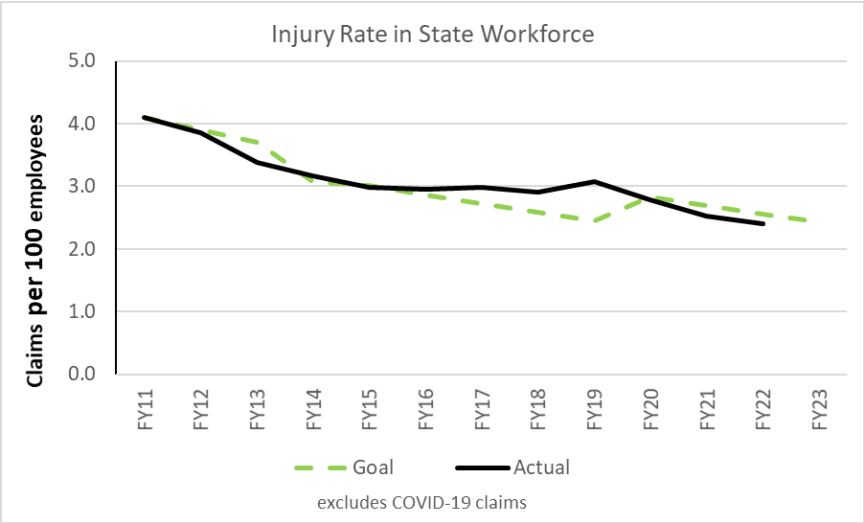
Risk Management helps state agencies and employees return to serving Minnesota citizens following unexpected events or accidents.

The services provided by Risk Management include:

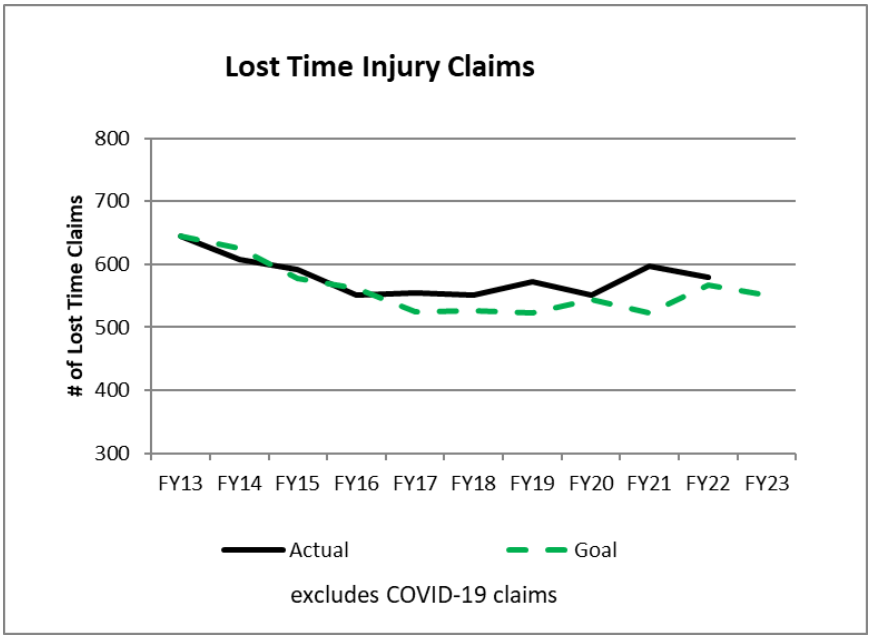
- Advising partners about how to best control operational and contractual risks
- Helping partners acquire specialty insurance coverage when self-insuring the risk is not cost-effective
- Protecting state property and the public through loss control efforts
- Preventing injuries to employees and providing 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

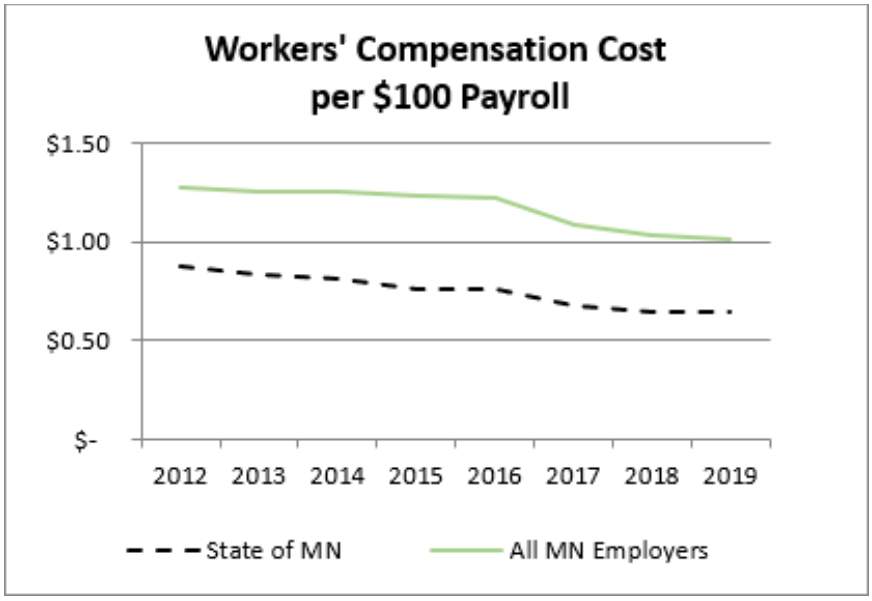
Performance Measure (Result): The number of workplace injuries is declining.



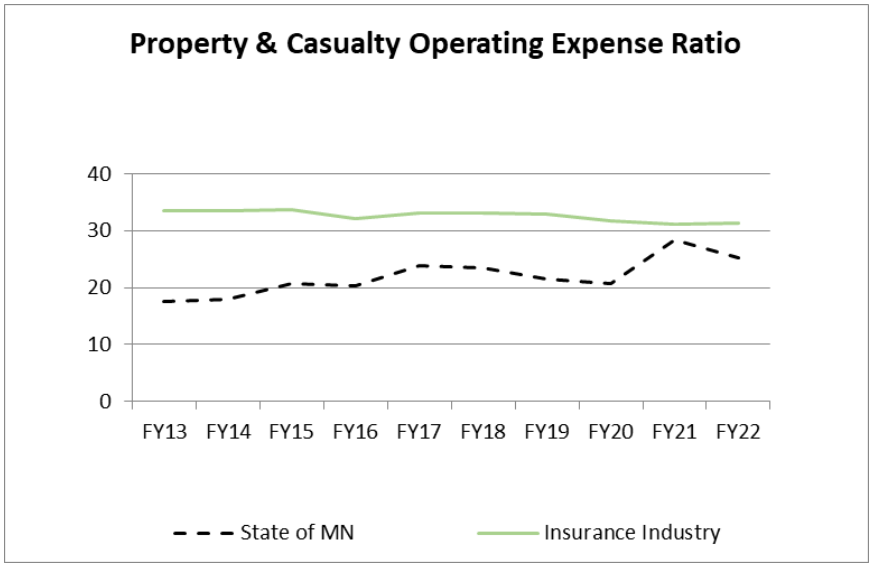
Performance Measure (Result): The number of lost time injury claims is decreasing, but more slowly than the target goal.



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.



Performance Measure (Quality): Risk Management strives to keep administrative expenses low and measures costs annually against insurance market averages. 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).

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	661	710	764	850	875	900	875	900
2000 - Restrict Misc Special Revenue			32,615					
2001 - Other Misc Special Revenue	32,276	31,759		35,221	36,762	38,337	36,762	38,337
3010 - Coronavirus Relief	34	1,500						
3015 - ARP-State Fiscal Recovery			3,589	2,289				
5300 - Risk Management	14,304	14,819	16,407	18,214	18,301	18,344	18,301	18,344
Total	**47,274**	**48,788**	**53,375**	**56,574**	**55,938**	**57,581**	**55,938**	**57,581**
Biennial Change				13,887		3,570		3,570
Biennial % Change				14		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	3,915	3,961	4,024	4,466	4,627	4,704	4,627	4,704
Operating Expenses	40,015	44,128	49,342	51,781	50,984	52,550	50,984	52,550
Capital Outlay-Real Property			0					
Other Financial Transaction	3,343	699	10	327	327	327	327	327
Total	**47,274**	**48,788**	**53,375**	**56,574**	**55,938**	**57,581**	**55,938**	**57,581**
Total Agency Expenditures	47,274	48,788	53,375	56,574	55,938	57,581	55,938	57,581
Internal Billing Expenditures				357	357	357	357	357
Expenditures Less Internal Billing	**47,274**	**48,788**	**53,375**	**56,217**	**55,581**	**57,224**	**55,581**	**57,224**
Full-Time Equivalents	**36.21**	**35.06**	**35.37**	**41.15**	**39.65**	**39.65**	**39.65**	**39.65**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							12,500	
Open Appropriation	661	710	764	850	875	900	875	900
Transfers Out							12,500	
Expenditures	**661**	**710**	**764**	**850**	**875**	**900**	**875**	**900**
Biennial Change in Expenditures				243		161		161
Biennial % Change in Expenditures				18		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In			11,022	459				
Receipts			30,385					
Transfers In		11,022	7,927					
Transfers Out			16,260	459				
Balance Forward Out		11,022	459					
Expenditures			**32,615**					
Biennial Change in Expenditures				32,615		(32,615)		(32,615)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			23.92					
2001 - Other Misc Special Revenue								
Balance Forward In	10,645	10,473	2,114	10,446	10,915	11,230	10,915	11,230
Receipts	32,091	32,434		35,231	37,077	38,662	37,077	38,662
Transfers In	3,974	4,031	10,302	4,628	4,252	4,380	4,252	4,380
Transfers Out	3,974	15,053	1,969	4,169	4,252	4,380	4,252	4,380
Balance Forward Out	10,460	126	10,446	10,915	11,230	11,555	11,230	11,555
Expenditures	**32,276**	**31,759**		**35,221**	**36,762**	**38,337**	**36,762**	**38,337**
Biennial Change in Expenditures				(28,814)		39,878		39,878
Biennial % Change in Expenditures				(45)				
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Full-Time Equivalents	25.86	24.96	1.52	28.00	27.50	27.50	27.50	27.50

3010 - Coronavirus Relief

Balance Forward In		0						
Direct Appropriation	34	1,500						
Cancellations		0						
Balance Forward Out	0							
Expenditures	**34**	**1,500**						
Biennial Change in Expenditures				(1,534)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

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		(5,878)		(5,878)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

5300 - Risk Management

Balance Forward In	23,999	22,923	22,930	23,336	23,008	22,593	23,008	35,093
Receipts	13,121	14,652	16,814	17,886	17,886	17,886	17,886	17,886
Transfers In							12,500	
Balance Forward Out	22,816	22,756	23,337	23,008	22,593	22,135	35,093	34,635
Expenditures	**14,304**	**14,819**	**16,407**	**18,214**	**18,301**	**18,344**	**18,301**	**18,344**
Biennial Change in Expenditures				5,499		2,024		2,024
Biennial % Change in Expenditures				19		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Full-Time Equivalents	10.35	10.10	9.93	13.15	12.15	12.15	12.15	12.15

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

AT A GLANCE

- Serves 44 diverse agencies, boards, and councils
- Provides financial guidance for budgets totaling $139 million in FY 2022
- Delivers human resource services for approximately 649 employees in FY 2022

PURPOSE AND CONTEXT

The Small Agency Resource Team (SmART) provides accounting, budgeting, and human resources services to 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, the Indian Affairs Council, and the Minnesota Council on Disability. 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 40 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

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	**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	44%	48%	FY 2020, FY 2022
Quantity	**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	39	44	FY 2020, FY 2022

M.S. 16B.371 (https://www.revisor.mn.gov/statutes/?id=16B.371) provides the legal authority for this activity.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	457	451	392	584	493	493	940	856
2001 - Other Misc Special Revenue	838	1,092	1,188	1,382	1,358	1,400	1,358	1,400
Total	**1,295**	**1,542**	**1,580**	**1,966**	**1,851**	**1,893**	**2,298**	**2,256**
Biennial Change				709		198		1,008
Biennial % Change				25		6		28
Governor's Change from Base								810
Governor's % Change from Base								22
Expenditures by Category								
Compensation	1,190	1,408	1,472	1,634	1,622	1,664	1,932	1,991
Operating Expenses	94	134	108	332	229	229	366	265
Capital Outlay-Real Property	7							
Other Financial Transaction	4	0						
Total	**1,295**	**1,542**	**1,580**	**1,966**	**1,851**	**1,893**	**2,298**	**2,256**
Full-Time Equivalents	**12.58**	**15.26**	**14.92**	**16.24**	**15.80**	**15.87**	**19.00**	**19.23**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		26		91				
Direct Appropriation	471	471	483	493	493	493	940	856
Transfers Out		46						
Balance Forward Out	14		91					
Expenditures	**457**	**451**	**392**	**584**	**493**	**493**	**940**	**856**
Biennial Change in Expenditures				68		10		820
Biennial % Change in Expenditures				8		1		84
Governor's Change from Base								810
Governor's % Change from Base								82
Full-Time Equivalents	5.66	4.67	3.76	3.72	3.64	3.56	6.84	6.92
2001 - Other Misc Special Revenue								
Balance Forward In	112	150	177	387	332	320	332	320
Receipts	875	1,089	1,399	1,327	1,346	1,385	1,346	1,385
Transfers In		25						
Balance Forward Out	149	172	388	332	320	305	320	305
Expenditures	**838**	**1,092**	**1,188**	**1,382**	**1,358**	**1,400**	**1,358**	**1,400**
Biennial Change in Expenditures				641		188		188
Biennial % Change in Expenditures				33		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.92	10.59	11.16	12.52	12.16	12.31	12.16	12.31

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

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

AT A GLANCE

During FY 2021 and FY 2022, System of Technology to Achieve Results provided:

- 330 long-term loans of assistive technology that saved Minnesotans with disabilities $740,182
- 756 short-term loans of assistive technology for trial or temporary use
- 313 demonstrations of assistive technology
- Technical assistance to various state agency committees

During FY 2021 and FY 2022, the State Accommodation Reimbursement Fund:

- Received 306 accommodation reimbursement requests, with applications from 13 state agencies
- Provided reimbursement of $271,098 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 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

STAR also administers the State's Accommodation Reimbursement Fund to provide support to applicants with disabilities applying for state jobs and to provide a more inclusive workplace for current state employees with disabilities.

SERVICES PROVIDED

STAR provides the following free services to Minnesotans with disabilities 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 and an assistive technology online learning site. 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 loaned 756 devices for short-term trial during FY 2021 and FY 2022. 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.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their **educational** needs	90% (130 loans)	96% (84 loans)	FY 2021, FY 2022
Result	Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their **employment** needs	100% (20 loans)	97% (34 loans)	FY 2021, FY 2022
Result	Percentage of device loans for decision-making that resulted in borrowers determining if assistive technology would meet their **community living needs**	99% (202 loans)	99% (181 loans)	FY 2021, FY 2022

The following relates to the State's Accommodation Fund.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	One-time expenses (e.g., assistive technology) for a state employee that totals more than $1,000.	10	8	FY 2021, FY 2022
Quantity	Expenses for current state employees for services provided on a periodic or ongoing basis (e.g., American Sign Language interpreter)	139	133	FY 2021, FY 2022
Quantity	Number of individual job applicants for whom agencies submitted expenses for reimbursement from the Accommodation Fund	0	1	FY 2021, FY 2022

The legal authority for STAR is provided in:
Public Law 108-364 (http://www.gpo.gov/fdsys/pkg/PLAW-108publ364/html/PLAW-108publ364.htm)
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 Reimbmt

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
2000 - Restrict Misc Special Revenue			164					
2001 - Other Misc Special Revenue	176	163		207	205	205	205	205
2403 - Gift	5			6				
3000 - Federal	409	382	425	710	602	562	602	562
Total	**589**	**545**	**589**	**923**	**807**	**767**	**807**	**767**
Biennial Change				378		62		62
Biennial % Change				33		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	277	219	304	325	337	348	337	348
Operating Expenses	292	315	279	560	468	419	468	419
Grants, Aids and Subsidies	1							
Capital Outlay-Real Property		2		22	2		2	
Other Financial Transaction	20	9	6	16				
Total	**589**	**545**	**589**	**923**	**807**	**767**	**807**	**767**
Total Agency Expenditures	589	545	589	923	807	767	807	767
Internal Billing Expenditures				17	17	17	17	17
Expenditures Less Internal Billing	**589**	**545**	**589**	**906**	**790**	**750**	**790**	**750**
Full-Time Equivalents	**2.87**	**2.32**	**2.78**	**3.17**	**3.15**	**3.15**	**3.15**	**3.15**

State Assistive Technology & Accommodation Reimbmt

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation	200	200	200	200	200	200	200	200
Transfers In		117						
Transfers Out	200	200	200	200	200	200	200	200
Cancellations		117						
2000 - Restrict Misc Special Revenue								
Balance Forward In			38					
Transfers In		38	200					
Transfers Out			74					
Balance Forward Out		38						
Expenditures			**164**					
Biennial Change in Expenditures				164		(164)		(164)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.23					
2001 - Other Misc Special Revenue								
Balance Forward In	92	118	1	75	68	63	68	63
Transfers In	200	83	74	200	200	200	200	200
Transfers Out		38						
Balance Forward Out	116		75	68	63	58	63	58
Expenditures	**176**	**163**		**207**	**205**	**205**	**205**	**205**
Biennial Change in Expenditures				(132)		203		203
Biennial % Change in Expenditures				(39)				
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.18	0.17	0.01	0.14	0.12	0.12	0.12	0.12
2403 - Gift								
Balance Forward In		5	6	6				
Receipts	10	0	0					
Balance Forward Out	5	6	6					

State Assistive Technology & Accommodation Reimbmt

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures	**5**			**6**				
Biennial Change in Expenditures				1		(6)		(6)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In	3		0					
Receipts	406	382	425	710	602	562	602	562
Expenditures	**409**	**382**	**425**	**710**	**602**	**562**	**602**	**562**
Biennial Change in Expenditures				345		29		29
Biennial % Change in Expenditures				44		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.69	2.15	2.54	3.03	3.03	3.03	3.03	3.03

Program: Government and Citizen Services
Activity: State Demographer

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

AT A GLANCE

- Prepare estimates of people and households for all counties, cities, and townships in the state
- 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 207 occasions in FY 2022
- Delivered 89 presentations about critical issues and demographic trends, reaching 3,600 listeners in FY 2022
- 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

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Website pageviews each year	184,606	166,699	FY 2021, FY 2022
Quantity	Number of stakeholders served by individual data requests and presentations each year	5,418	3,700	FY 2014, FY 2022
Quantity	Self-response rate to the Census	74.1%	75.1%	CY 2010, CY 2020

M.S. 4A.02 (https://www.revisor.mn.gov/statutes/cite/4A.02) provides the legal authority for the State Demographic Center. The State Demographic Center serves as an official liaison to the U.S. Census Bureau.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	2,249	686	678	827	759	759	790	814
2000 - Restrict Misc Special Revenue	11							
Total	**2,259**	**686**	**678**	**827**	**759**	**759**	**790**	**814**
Biennial Change				(1,441)		13		99
Biennial % Change				(49)		1		7
Governor's Change from Base								86
Governor's % Change from Base								6
Expenditures by Category								
Compensation	788	555	545	555	563	572	586	619
Operating Expenses	413	131	132	272	196	187	204	195
Grants, Aids and Subsidies	1,049	(20)						
Other Financial Transaction	10	20	0					
Total	**2,259**	**686**	**678**	**827**	**759**	**759**	**790**	**814**
Total Agency Expenditures	2,259	686	678	827	759	759	790	814
Internal Billing Expenditures				55	55	55	55	55
Expenditures Less Internal Billing	**2,259**	**686**	**678**	**772**	**704**	**704**	**735**	**759**
Full-Time Equivalents	**7.81**	**4.90**	**4.65**	**4.50**	**4.50**	**4.50**	**4.80**	**5.03**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		138		68				
Direct Appropriation	2,339	739	747	761	761	761	792	816
Transfers Out	1	190	2	2	2	2	2	2
Balance Forward Out	89		68					
Expenditures	**2,249**	**686**	**678**	**827**	**759**	**759**	**790**	**814**
Biennial Change in Expenditures				(1,430)		13		99
Biennial % Change in Expenditures				(49)		1		7
Governor's Change from Base								86
Governor's % Change from Base								6
Full-Time Equivalents	7.71	4.90	4.65	4.50	4.50	4.50	4.80	5.03

2000 - Restrict Misc Special Revenue								
Receipts	11							
Expenditures	**11**							
Biennial Change in Expenditures				(11)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.10							

https://mn.gov/admin/shpo

AT A GLANCE

- New Minnesota Statewide Historic Preservation Plan 2022-2032 approved by the National Park Service to guide Minnesotans to recognize, preserve and protect diverse historic and cultural resources
- Completed environmental reviews for 2,806 federal and 574 state projects in federal FY 2021
- Approved a record 34 properties to receive federal and state historic tax credits in state FY 2021, 15 in greater Minnesota; project developers plan to invest $890 million in rehabilitation with an estimated $124.6 million of state historic tax credits to be awarded (state FY 2022 data is not yet available)
- In state FY 2021, the total estimated economic impact of the Minnesota Historic Rehabilitation Tax Credit was $1.4 billion creating an estimated 9,660 full-time jobs; for every $1 of state credit, $11.30 in economic activity is created (state FY 2022 data is not yet available)
- Partnered with Minnesota Department of Transportation Cultural Resources Unit and completed scanning and organizing over two million paper forms that make up the Statewide Historic Inventory from FY 2019 through FY 2022
- Awarded more than $118,000 in grants and scholarships in federal FY 2021 to several Certified Local Governments who leveraged local match to support local preservation projects
- Minnesota has 1,784 nationally recognized places, encompassing 25 National Historic Landmarks, two Traditional Cultural Properties, and over 7,500 historic and cultural resources

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 generally 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 100,000 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.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Meet the 30-day response time for federal and state environmental compliance reviews	90%	89%	FY 2020, FY 2022
Quantity	Number of new partners and projects SHPO engaged with to carry out the State's goals in the updated statewide preservation plan. This is a new measure	N/A	53	FY 2022
Quality	All forms and documents produced are electronically accessible	60%	90%	FY 2020, FY 2022
Quality	Ensure that all forms and information needed by partners and the public is posted and easily accessed on the SHPO website	40%	50%	FY 2020, FY 2022

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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	519	451	539	1,522	1,557	1,557	2,280	2,358
2000 - Restrict Misc Special Revenue	215	224	233	282	297	303	297	303
2001 - Other Misc Special Revenue		4	13	125	125	125	125	125
3000 - Federal	1,026	1,026	1,005	1,242	1,144	1,144	1,144	1,144
Total	**1,761**	**1,705**	**1,791**	**3,171**	**3,123**	**3,129**	**3,846**	**3,930**
Biennial Change				1,496		1,290		2,814
Biennial % Change				43		26		57
Governor's Change from Base								1,524
Governor's % Change from Base								24
Expenditures by Category								
Compensation	1,318	1,359	1,450	1,569	1,415	1,409	1,643	1,700
Operating Expenses	324	211	227	508	584	596	1,079	1,106
Grants, Aids and Subsidies	120	135	113	1,089	1,120	1,120	1,120	1,120
Other Financial Transaction	(1)		1	5	4	4	4	4
Total	**1,761**	**1,705**	**1,791**	**3,171**	**3,123**	**3,129**	**3,846**	**3,930**
Total Agency Expenditures	1,761	1,705	1,791	3,171	3,123	3,129	3,846	3,930
Internal Billing Expenditures				69	127	127	127	127
Expenditures Less Internal Billing	**1,761**	**1,705**	**1,791**	**3,102**	**2,996**	**3,002**	**3,719**	**3,803**
Full-Time Equivalents	**13.47**	**13.31**	**13.59**	**14.40**	**12.61**	**12.13**	**14.80**	**14.81**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		22		2				
Direct Appropriation			541	551	551	551	1,274	1,352
Open Appropriation				969	1,006	1,006	1,006	1,006
Transfers In	527	535						
Transfers Out		98						
Cancellations		8						
Balance Forward Out	8		2					
Expenditures	**519**	**451**	**539**	**1,522**	**1,557**	**1,557**	**2,280**	**2,358**
Biennial Change in Expenditures				1,091		1,053		2,577
Biennial % Change in Expenditures				112		51		125
Governor's Change from Base								1,524
Governor's % Change from Base								49
Full-Time Equivalents	3.79	3.84	3.79	3.90	3.56	3.44	5.75	6.12
2000 - Restrict Misc Special Revenue								
Balance Forward In	586	544	672	764	706	825	706	825
Receipts	177	351	325	224	416	56	416	56
Transfers Out	5	1						
Balance Forward Out	542	671	764	706	825	578	825	578
Expenditures	**215**	**224**	**233**	**282**	**297**	**303**	**297**	**303**
Biennial Change in Expenditures				76		85		85
Biennial % Change in Expenditures				17		16		16
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.76	1.79	1.85	1.78	1.78	1.78	1.78	1.78
2001 - Other Misc Special Revenue								
Receipts		4	13	125	125	125	125	125
Expenditures		**4**	**13**	**125**	**125**	**125**	**125**	**125**
Biennial Change in Expenditures				134		112		112
Biennial % Change in Expenditures						81		81
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Full-Time Equivalents		0.04	0.10	0.70	0.80	0.80	0.80	0.80

3000 - Federal

Receipts	1,027	1,026	1,005	1,242	1,144	1,144	1,144	1,144
Expenditures	**1,026**	**1,026**	**1,005**	**1,242**	**1,144**	**1,144**	**1,144**	**1,144**
Biennial Change in Expenditures				195		41		41
Biennial % Change in Expenditures				10		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.92	7.64	7.85	8.02	6.47	6.11	6.47	6.11

https://mn.gov/admin/ocdr

AT A GLANCE

- Helps to resolve contentious legislative, interagency, and community issues
- Provides training and capacity building on conflict resolution for state and local governments
- Works in partnership with the League of Minnesota Cities and the Association of Minnesota Counties to resolve difficult local issues and to provide conflict resolution training and capacity building for local officials
- Administers a statewide conflict resolution grant program
- Helps to coordinate the legislature's Civility Caucus

PURPOSE AND CONTEXT

The Office of Collaboration and Dispute Resolution (OCDR) uses collaborative processes, public engagement, and the science of human relations to help government and stakeholders improve relationships, build trust, and develop wise and durable solutions to seemingly intractable issues. OCDR provides innovative collaborative and consensus-building services to help resolve contentious public issues, assists state and local government in providing meaningful public engagement, and builds the capacity of government to resolve differences in an effective and efficient manner.

SERVICES PROVIDED

- **Public Policy Collaborative Problem-Solving Services**. OCDR uses issue assessment, process design, consensus building, and implementation support to develop wise and durable solutions to seemingly intractable issues.
- **Capacity Building**. OCDR provides training, resources and technical assistance to other state and local agencies in effectively implementing collaborative and dispute resolution initiatives and public engagement services. OCDR works with other state offices, local governments, and external partners in Minnesota and nationally to apply the latest trends and best practices in the field of conflict resolution to cases and training models in Minnesota.
- **Community Based Dispute Resolution**. OCDR administers a small grant program to and supports the development and statewide expansion of Community Dispute Resolution Programs which are certified by the Office of the State Court Administrator under Minnesota Statute 494. These centers use highly trained volunteer mediators to resolve disputes such as family disputes, disputes between neighbors, disputes over school discipline, and community-level disputes.
- **Management of dispute resolution programs**. For efficiency and effectiveness, OCDR manages some dispute resolution programs for other state agencies. A past example includes a federally required mediation for disputes over special education services. Current examples include statutorily required mediation programs for disputes over services provided by State Services for the Blind and Vocational Rehabilitation Services (both at the Department of Employment and Economic Development).
- **Minnesota Legislative Civility Caucus**. The Civility Caucus was formed by legislative leadership in 2017 to foster effective policy making by promoting trust and understanding between political parties. The caucus hosts relationship building and professional development activities. These activities are developed by legislators for legislators. OCDR coordinates the caucus as part of its statutory charge to "assist state agencies, offices of the executive, legislative, and judicial branches, and units of local government in improving collaboration and dispute resolution".

OCDR builds the State's capacity to work together effectively across differences. Through collaborative problem solving, training, and meaningful public engagement, OCDR assists both state agencies and units of local government in accomplishing their missions and goals in an inclusive way which integrates the perspectives and needs of all stakeholders.

Diversity, equity, and inclusion are central issues of most OCDR collaborative problem-solving processes. OCDR assists state and local government in having challenging conversations productively and developing solutions that lead to greater equity and inclusion in Minnesota. Additionally, OCDR works to build government's capacity to conduct meaningful public engagement through training, online resources, and process design. The result of this work fosters the development of policy which leads to increased equity and inclusion.

Through its grant program, OCDR also supports nonprofit community dispute resolution programs across the state in the areas of landlord-tenant disputes, school discipline, and small business-client disputes. Most of these services are provided at little or no cost to low-income Minnesotans.

RESULTS

The collaborative resolution of public policy disputes improves the efficiency and effectiveness of government by preventing or mitigating gridlock, avoiding costly litigation, generating higher quality solutions, and speeding up implementation of more durable solutions.

Type of measure	*Name of measures*	*Previous*	*Current*	*Dates*
Quantity	Number of mediations provided by OCDR-funded nonprofit dispute resolution centers	664	1522	CY 2020, CY 2021
Quality	Percentage of mediations provided by OCDR-funded centers which successfully reached resolution	68%	56%	CY 2020, CY 2021
Quality	Percentage of OCDR processes successfully addressed through collaborative problem solving	85%	100%	CY 2020, CY 2021
Quantity	Number of people trained by OCDR in conflict resolution or public engagement	760	1584	CY 2020, CY 2021

M.S. 179.90 (http://www.revisor.mn.gov/statutes/cite/179.90) and M.S. 179.91 (http://www.revisor.mn.gov/statutes/cite/179.91) provide the legal authority for the Office of Collaboration and Dispute Resolution.

Office of Collaboration and Dispute Resolution

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	397	397	383	495	439	439	493	509
Total	**397**	**397**	**383**	**495**	**439**	**439**	**493**	**509**
Biennial Change				83		0		124
Biennial % Change				10		(0)		14
Governor's Change from Base								124
Governor's % Change from Base								14
Expenditures by Category								
Compensation	237	231	213	254	231	231	284	300
Operating Expenses	1	6	10	81	48	48	49	49
Grants, Aids and Subsidies	160	160	160	160	160	160	160	160
Other Financial Transaction		0	0					
Total	**397**	**397**	**383**	**495**	**439**	**439**	**493**	**509**
Total Agency Expenditures	397	397	383	495	439	439	493	509
Internal Billing Expenditures				23	23	23	23	23
Expenditures Less Internal Billing	**397**	**397**	**383**	**472**	**416**	**416**	**470**	**486**
Full-Time Equivalents	**1.90**	**1.95**	**1.62**	**1.88**	**1.63**	**1.59**	**1.63**	**1.59**

Office of Collaboration and Dispute Resolution

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In				56				
Direct Appropriation			439	439	439	439	493	509
Transfers In	398	398						
Cancellations	0	0						
Balance Forward Out			56					
Expenditures	**397**	**397**	**383**	**495**	**439**	**439**	**493**	**509**
Biennial Change in Expenditures				83		0		124
Biennial % Change in Expenditures				10		(0)		14
Governor's Change from Base								124
Governor's % Change from Base								14
Full-Time Equivalents	1.90	1.95	1.62	1.88	1.63	1.59	1.63	1.59

Program: Government and Citizen Services
Activity: Office of Enterprise Sustainability

https://mn.gov/admin/government/sustainability

AT A GLANCE

- Maintain a web-based Sustainability Reporting Tool designed to track state agencies' progress towards achieving sustainability goals and provide transparency in government operations at https://sustainability.mn.gov/
- Publish Enterprise Sustainability Report annually
- Manage $5 million for the State Building Energy Conservation Improvement Revolving Loan Account to help state agencies reduce energy and water consumption and utility costs and improve operations
- Increase the overall fuel efficiency of the state fleet by adding hybrids, electric vehicles (EV), and EV charging stations at state buildings and manage $2 million in appropriations to install EV fast charging and level 2 charging equipment at state-owned facilities throughout the state
- Host remote "lunch and learn" events for state employees annually during Climate Week
- Work with Facilities Management and Real Estate and Construction Services to install three additional solar installations on the Capitol Complex for a total of 303 kilowatts direct current capacity and expect to avoid 230 metric tons of carbon dioxide equivalent (CO2e) per year
- Work with the Office of State Procurement to develop umbrella contracts for renewable energy, energy-efficiency and solid waste services, and the procurement of EVs and EV charging stations

PURPOSE AND CONTEXT

The Office of Enterprise Sustainability (OES) assists all cabinet level agencies in embracing a culture of sustainability to maintain Minnesota's economic viability, be socially responsible, and preserve natural resources for future generations. 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 inter-agency agreements.

SERVICES PROVIDED

The Office of Enterprise Sustainability supports the 24 cabinet-level state agencies' efforts to reduce greenhouse gas emissions and to fulfill the sustainability goals by:

- Managing sustainability metrics and reporting for the enterprise (through the Sustainability Reporting Tool)
- Publishing an annual report on progress towards goals at https://sustainability.mn.gov/
- Educating on sustainability best practices with other agencies, local government, higher education, Fortune 500 companies, and international partners
- Assisting with development of agency sustainability plans
- Providing technical assistance on energy-efficiency, renewable energy, water, and solid waste improvements
- Administering annual sustainability awards

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.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*	*Progress Towards Goal*
Result	State operations water consumption reduction of 15%	2,120,773 kilogallons	1,827,180 kilogallons	FY 2017 (adjusted), FY 2021	92%
Result	State operations solid waste diversion rate at 75% or higher by 2030	26%	28%	FY 2020, FY 2021	38%
Result	State operations greenhouse gas emissions reduction of 30% by 2025	797,167 metric tons	470,505 metric tons	FY 2005, FY 2021	100%
Result	State operations fleet fossil fuel use reduction of 30% by 2027	18,242,068 fossil fuel gallons	14,812,313 fossil fuel gallons	FY 2017, FY 2021	63%
Result	State operations energy intensity use by sq ft reduction of 30% by 2027	129.6 Kbtu/sqft	107.5 Kbtu/sqft	FY 2017 (adjusted), FY 2021	57%
Result	State operations annual avoided costs due to energy conservation measures	$7.66M	$5.81M	FY 2017, FY 2021	N/A

Executive Order 19-27 (https://www.leg.state.mn.us/archive/execorders/19-27.pdf),
M.S. 16B.24 (https://www.revisor.mn.gov/statutes/cite/16B.24),
M.S. 16B.30-16B.327 (https://www.revisor.mn.gov/statutes/cite/16B/full#stat.16B.30),
M.S. 16B.531-16B.58 (https://www.revisor.mn.gov/statutes/cite/16B/full#stat.16B.531), and
M.S. 216H (https://www.revisor.mn.gov/statutes/cite/216H) provide the legal authority for the Office of Enterprise Sustainability.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General							1,775	1,775
2001 - Other Misc Special Revenue			619	684	691	575	691	575
2340 - Renewable Development			33	274	90	92	90	92
Total			**651**	**958**	**781**	**667**	**2,556**	**2,442**
Biennial Change				1,609		(161)		3,389
Biennial % Change						(10)		211
Governor's Change from Base								3,550
Governor's % Change from Base								245
Expenditures by Category								
Compensation			357	415	421	307	1,780	1,666
Operating Expenses			294	543	360	360	776	776
Other Financial Transaction			0					
Total			**651**	**958**	**781**	**667**	**2,556**	**2,442**
Full-Time Equivalents			**2.85**	**3.00**	**2.78**	**1.89**	**15.78**	**14.89**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							1,775	1,775
Expenditures							**1,775**	**1,775**
Biennial Change in Expenditures				0		0		3,550
Biennial % Change in Expenditures								
Governor's Change from Base								3,550
Governor's % Change from Base								
Full-Time Equivalents							13.00	13.00
2001 - Other Misc Special Revenue								
Balance Forward In			43	225	116		116	
Receipts			232	231	231	231	231	231
Transfers In		43	569	344	344	344	344	344
Balance Forward Out		43	225	116				
Expenditures			**619**	**684**	**691**	**575**	**691**	**575**
Biennial Change in Expenditures				1,303		(37)		(37)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			2.79	2.94	2.72	1.83	2.72	1.83
2340 - Renewable Development								
Balance Forward In				5,205	4,529	3,639	4,529	3,639
Direct Appropriation			5,219	88	90	92	90	92
Receipts			19	10	10	10	10	10
Transfers In			5,000					
Transfers Out			5,000					
Net Loan Activity				(500)	(900)	(1,200)	(900)	(1,200)
Balance Forward Out			5,205	4,529	3,639	2,449	3,639	2,449
Expenditures			**33**	**274**	**90**	**92**	**90**	**92**
Biennial Change in Expenditures				307		(125)		(125)
Biennial % Change in Expenditures						(41)		(41)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.06	0.06	0.06	0.06	0.06	0.06

Program: Government and Citizen Services
Activity: State Register and Mailing List Services

https://mn.gov/admin/bookstore/register.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 $337,000 in list sales on behalf of Executive Branch boards and commissions in FY 2021.

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. Minnesota law requires that names and addresses of individuals or organizations licensed by the State of Minnesota be made available to the public. Since 1982, selected mailing lists have been sold by MLS. Lists are purchased by individuals and companies from across the country.

SERVICES PROVIDED

The *State Register* is the official weekly magazine of the executive branch of state government publishing information related to state 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 names and addresses of individuals or organizations licensed by the State of Minnesota to individuals and companies. Lists are typically purchased by vendors to market new services, continuing education, recruiting, charities, and to conduct research.

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	*State Register* customer satisfaction rate of 90 percent or higher	88%	N/A*	FY 2019 FY 2022
Quality	Mailing List Services customer satisfaction rate of 90 percent or higher	N/A*	N/A*	FY 2022

* Customer surveys have not been completed this year due to the change in the business model of the State Register and the COVID-19 pandemic. Mailing List Services is a new budget activity whose customers had not previously been surveyed.

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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
4500 - MN Bookstore	933	564	338	258	260	266	260	266
Total	**933**	**564**	**338**	**258**	**260**	**266**	**260**	**266**
Biennial Change				(901)		(70)		(70)
Biennial % Change				(60)		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	488	380	228	160	162	168	162	168
Operating Expenses	445	184	110	98	98	98	98	98
Total	**933**	**564**	**338**	**258**	**260**	**266**	**260**	**266**
Total Agency Expenditures	933	564	338	258	260	266	260	266
Internal Billing Expenditures				32	32	32	32	32
Expenditures Less Internal Billing	**933**	**564**	**338**	**226**	**228**	**234**	**228**	**234**
Full-Time Equivalents	**5.82**	**4.38**	**2.96**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
4500 - MN Bookstore								
Balance Forward In	285	176	216	374	626	876	626	876
Receipts	764	583	496	510	510	510	510	510
Balance Forward Out	116	195	374	626	876	1,120	876	1,120
Expenditures	**933**	**564**	**338**	**258**	**260**	**266**	**260**	**266**
Biennial Change in Expenditures				(901)		(70)		(70)
Biennial % Change in Expenditures				(60)		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.82	4.38	2.96	2.00	2.00	2.00	2.00	2.00

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General							1,306	1,159
Total							**1,306**	**1,159**
Biennial Change				0		0		2,465
Biennial % Change								
Governor's Change from Base								2,465
Governor's % Change from Base								
Compensation							816	816
Operating Expenses							490	343
Total							**1,306**	**1,159**
Full-Time Equivalents							**7.00**	**7.00**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							1,306	1,159
Expenditures							**1,306**	**1,159**
Biennial Change in Expenditures				0		0		2,465
Biennial % Change in Expenditures								
Governor's Change from Base								2,465
Governor's % Change from Base								
Full-Time Equivalents							7.00	7.00

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
- Coordinate agency telework program and update in-person safety processes to adapt to team member expectations and department business needs

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 of other executive branch state agencies, including their purchasing and contracting, facilities management and more. Executive Leadership and Partnerships also manages strategic planning efforts for the state and 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
- Enterprise sustainability

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Department website views	53,632	1,924,526	FY 2020, FY 2022
Quantity	Agency Continuity of Operations trainings	30	39	FY 2020, FY 2021

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

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	659	647	695	773	743	743	1,245	1,506
2001 - Other Misc Special Revenue	581	552						
3010 - Coronavirus Relief	402							
Total	**1,642**	**1,199**	**695**	**773**	**743**	**743**	**1,245**	**1,506**
Biennial Change				(1,372)		18		1,283
Biennial % Change				(48)		1		87
Governor's Change from Base								1,265
Governor's % Change from Base								85
Expenditures by Category								
Compensation	1,129	700	456	494	505	505	591	616
Operating Expenses	510	497	238	274	233	233	649	885
Capital Outlay-Real Property	0							
Other Financial Transaction	3	1	1	5	5	5	5	5
Total	**1,642**	**1,199**	**695**	**773**	**743**	**743**	**1,245**	**1,506**
Full-Time Equivalents	**10.28**	**6.04**	**3.60**	**3.80**	**3.80**	**3.75**	**8.88**	**9.09**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		57		30				
Direct Appropriation	1,248	1,248	732	750	750	750	1,252	1,513
Transfers Out	532	658	7	7	7	7	7	7
Balance Forward Out	56		30					
Expenditures	**659**	**647**	**695**	**773**	**743**	**743**	**1,245**	**1,506**
Biennial Change in Expenditures				162		18		1,283
Biennial % Change in Expenditures				12		1		87
Governor's Change from Base								1,265
Governor's % Change from Base								85
Full-Time Equivalents	3.62	3.56	3.41	3.80	3.80	3.75	8.88	9.09
2000 - Restrict Misc Special Revenue								
Balance Forward In	174	137	160	190	190	190	190	190
Receipts	22	23	30					
Balance Forward Out	196	160	190	190	190	190	190	190
2001 - Other Misc Special Revenue								
Balance Forward In	12	19	226					
Receipts	238	234						
Transfers In	338	341						
Transfers Out		43	226					
Balance Forward Out	7							
Expenditures	**581**	**552**						
Biennial Change in Expenditures				(1,132)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.93	2.46	0.19					
3010 - Coronavirus Relief								
Direct Appropriation	402							
Cancellations	0							
Expenditures	**402**							

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Biennial Change in Expenditures				(402)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	3.73	0.02						

https://www.mn.gov/admin/about/contact-us/fmr.jsp

AT A GLANCE

- Provide financial management, accounting, and purchasing support of the agency's $213 million expenditures in FY 2021
- Produce more than 50 financial statements each year for monthly, quarterly, and annual reporting
- Serve each of the agency's 25 divisions
- Support the financial management and accounting needs of 40 agencies served by the Small Agency Resource Team

PURPOSE & 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 more than two-fold since FY 2019, from 19 partners to 40 partners.

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 for proprietary funds
- Billing and accounts receivable management
- Cash and 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

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Agency prompt payment: Percent of valid obligations paid to vendors within 30 days following receipt of the invoice or delivery of the product or service, whichever is later	97%	97%	FY 2021, FY 2022
Quality	Percentage of accounting processes (internal accounts receivable, cash management, and accounts payable) converted from paper-based to paperless	33%	70%	FY 2020, FY 2022
Quality	Percentage of accounts receivable billing invoices processed withing 2 days of the request or by the requested date. This is a new measure	N/A	87%	FY 2022

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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	903	920	893	1,068	989	989	1,056	1,086
2001 - Other Misc Special Revenue				3,500	3,612	3,660	3,612	3,660
Total	**903**	**920**	**893**	**4,568**	**4,601**	**4,649**	**4,668**	**4,746**
Biennial Change				3,638		3,789		3,953
Biennial % Change				200		69		72
Governor's Change from Base								164
Governor's % Change from Base								2
Expenditures by Category								
Compensation	612	675	622	3,694	3,780	3,823	3,808	3,880
Operating Expenses	281	242	270	869	816	821	855	861
Other Financial Transaction	10	3	1	5	5	5	5	5
Total	**903**	**920**	**893**	**4,568**	**4,601**	**4,649**	**4,668**	**4,746**
Full-Time Equivalents	**6.60**	**6.89**	**6.83**	**27.57**	**28.84**	**28.67**	**29.50**	**29.60**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		77		79				
Direct Appropriation	964	944	972	989	989	989	1,056	1,086
Transfers Out		101						
Balance Forward Out	61		79					
Expenditures	**903**	**920**	**893**	**1,068**	**989**	**989**	**1,056**	**1,086**
Biennial Change in Expenditures				138		17		181
Biennial % Change in Expenditures				8		1		9
Governor's Change from Base								164
Governor's % Change from Base								8
Full-Time Equivalents	6.60	6.89	6.83	6.18	6.20	6.09	6.86	7.02
2001 - Other Misc Special Revenue								
Balance Forward In					4	10	4	10
Receipts				3,514	3,628	3,678	3,628	3,678
Internal Billing Receipts				3,514	3,628	3,678	3,628	3,678
Transfers Out				10	10	10	10	10
Balance Forward Out				4	10	18	10	18
Expenditures				**3,500**	**3,612**	**3,660**	**3,612**	**3,660**
Biennial Change in Expenditures				3,500		3,772		3,772
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				21.39	22.64	22.58	22.64	22.58

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

AT A GLANCE

- Posted 367 jobs for 471 employment opportunities in FY 2022 for partner agencies; increasing 150% from the average number of job postings in previous fiscal years
- Filled 79% of the 471 employment opportunities, resulting in 373 new hires in FY 2022 for partner agencies
- Processed 5,002 total transactions in FY 2022; more than 1,500 transactions from FY 2020
- Participates in Joint Labor-Management Safety Committee to help maintain open communication between team members and management concerning safety and health
- Process 200 Family and Medical Leave Act requests per year
- Provides human resource consultation and services to 41 partner agencies and 1300 employees

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 strategic sourcing to 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

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Maintain at least a 75% retention rate for newly hired employees for two years	72%	75%	FY 2019, FY 2022
Quality	Percent of Admin staff who self-report as minority race or ethnicity	20.3%	20.2%	FY 2018, FY 2022
Quality	Percent of Admin staff who self-report as having a disability	6.5%	10.5%	FY 2018, FY 2022
Quality	Safety Perceptions Survey (1-5 ranking with 5 reflecting a favorable safety culture). FY 2021 survey delayed due to COVID-19	3.88	3.98	FY 2017, FY 2019
Quality	Employees receive performance reviews annually. FY 2022 is not yet available	94%	91.5%	FY 2020, FY 2021

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.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	423	465	441	508	479	479	501	516
Total	**423**	**465**	**441**	**508**	**479**	**479**	**501**	**516**
Biennial Change				62		9		68
Biennial % Change				7		1		7
Governor's Change from Base								59
Governor's % Change from Base								6
Expenditures by Category								
Compensation	356	402	359	406	406	406	424	439
Operating Expenses	67	63	82	100	71	71	75	75
Other Financial Transaction		0	1	2	2	2	2	2
Total	**423**	**465**	**441**	**508**	**479**	**479**	**501**	**516**
Full-Time Equivalents	**4.49**	**4.56**	**3.45**	**3.97**	**3.81**	**3.72**	**4.01**	**4.08**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		43		29				
Direct Appropriation	459	459	470	479	479	479	501	516
Transfers Out		37						
Balance Forward Out	36		29					
Expenditures	**423**	**465**	**441**	**508**	**479**	**479**	**501**	**516**
Biennial Change in Expenditures				62		9		68
Biennial % Change in Expenditures				7		1		7
Governor's Change from Base								59
Governor's % Change from Base								6
Full-Time Equivalents	4.49	4.56	3.45	3.97	3.81	3.72	4.01	4.08

Program: Fiscal Agent
Activity: Public Broadcasting

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

AT A GLANCE

- Administered and managed 24 public broadcasting general fund grant contracts totaling almost $3 million in FY 2022.
- Administered and managed 19 Arts and Cultural Heritage Fund grants contracts totaling just over $8 million in FY 2022
- Executed six five-year Minnesota Public Television Association (MPTA) appropriation bond grant contracts totaling $15 million
- Conducted 23 financial reconciliations with general fund public broadcasting grantees in FY 2022
- Conducted eight financial reconciliations and monitoring visits with arts and cultural heritage public broadcasting grantees in FY 2022

PURPOSE AND CONTEXT

The Department of Administration's fiscal agent function – conducted by the Office of Grants Management – 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.

The fiscal agent functions allow public broadcasting grantees to produce content for all Minnesotans that aligns with important state priorities. Examples are as follows:

- Public broadcasting grantees provide grant-funded resources for K-12 educators to access artistic, historical, and cultural programming
- Public broadcasting grants were awarded to three Tribal Nations in FY 2022. Programming from Tribal Nation grantees and other grantees includes:
    - Native language education and preservation
    - Native American news and history programming
- Most of the public broadcasting grantees are in Greater Minnesota, and six are in the Twin Cities Metropolitan Area.
- Public Broadcasting programming highlights local, and Minnesota-focused content and increases listeners and viewers knowledge of and access to Minnesota history and culture
- Public Broadcasting programming includes segments featuring Minnesota Veterans with an emphasis on Veterans from BIPOC communities that have largely gone untold. Public broadcasting programming includes "Minnesota History in 90 Seconds", a program that delivers Minnesota history statewide in a fun and informative manner allowing Minnesotans to be aware of how Minnesota history impacts their lives.

SERVICES PROVIDED

The fiscal agent function oversees funding for:

- Administration and management of 24 public broadcasting general fund grant contracts to 24 grantees in FY 2022

- Administration and management of 19 Arts and Cultural Heritage Fund grant contracts to 18 public broadcasting entities
- Administration and management of six, five-year MPTA appropriation bond grant contracts totaling $15 million. The grants are for statutorily defined equipment.
- Financial reconciliations, 31 conducted in FY 2022 (23 general fund and eight arts and cultural heritage fund) on public broadcasting grantees, meeting Office of Grants Management policies.

Specific services provided include:

- Administer grants and ensure state grant policies and procedures are followed
- Provide consultation and technical assistance to grantees
- Conduct trainings to increase grantees' understanding of grant requirements and policies
- Maintain information on the state's Legacy website https://www.legacy.mn.gov/

The fiscal agent function 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

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of required reports from grantees received in a timely manner	94%	92%	FY 2020, FY 2022
Result	Percent of grantees stating in legislative report that they achieved or mostly achieved grant outcomes for their Legacy grant projects	93%	100%	FY 2020, FY 2021

The legal authority for this program is provided by appropriations bills and the following statutes:
M.S. 16B (https://www.revisor.mn.gov/statutes/?id=16B)
M.S. 129D.17-19 (https://www.revisor.mn.gov/statutes/cite/129D/full#stat.129D.17)

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	2,819	2,818	2,940	2,948	2,944	2,944	4,430	3,194
2301 - Arts & Cultural Heritage	8,183	7,191	8,188	8,257				
Total	**11,002**	**10,009**	**11,128**	**11,205**	**2,944**	**2,944**	**4,430**	**3,194**
Biennial Change				1,322		(16,445)		(14,709)
Biennial % Change				6		(74)		(66)
Governor's Change from Base								1,736
Governor's % Change from Base								29
Expenditures by Category								
Operating Expenses							8	8
Grants, Aids and Subsidies	11,002	10,009	11,132	11,205	2,944	2,944	4,422	3,186
Other Financial Transaction			(4)					
Total	**11,002**	**10,009**	**11,128**	**11,205**	**2,944**	**2,944**	**4,430**	**3,194**
Total Agency Expenditures	11,002	10,009	11,128	11,205	2,944	2,944	4,430	3,194
Internal Billing Expenditures							8	8
Expenditures Less Internal Billing	**11,002**	**10,009**	**11,128**	**11,205**	**2,944**	**2,944**	**4,422**	**3,186**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In	0	0		4				
Direct Appropriation	2,981	2,981	2,944	2,944	2,944	2,944	4,430	3,194
Transfers Out	162	162						
Cancellations		1						
Balance Forward Out			4					
Expenditures	**2,819**	**2,818**	**2,940**	**2,948**	**2,944**	**2,944**	**4,430**	**3,194**
Biennial Change in Expenditures				251		0		1,736
Biennial % Change in Expenditures				4		0		29
Governor's Change from Base								1,736
Governor's % Change from Base								29
2301 - Arts & Cultural Heritage								
Balance Forward In	137	94	233	149				
Direct Appropriation	8,295	7,500	8,360	8,360	0	0	0	0
Transfers Out	249	225	251	252				
Cancellations			5					
Balance Forward Out		178	148					
Expenditures	**8,183**	**7,191**	**8,188**	**8,257**				
Biennial Change in Expenditures				1,071		(16,445)		(16,445)
Biennial % Change in Expenditures				7		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Fiscal Agent
Activity: In Lieu of Rent

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 eleven sites.
- **Rent Waived** – space in the State Capitol Building, the State Office 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 appropriation provides the staffing and maintenance necessary to care for many of the state's most valuable real property assets, including the state's recent 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.

The appropriation also helps the state build a more inclusive workplace by providing a training platform for individuals from disadvantaged neighborhoods and offering them the experience they need to gain full employment. It provides the workspace for 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, the Facilities Management Division (FMD) will work towards facilitating a smooth return to office for 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.

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Percentage of Partner Satisfaction. **FY 2020, FY 2021, and FY 2022 data are incomplete as a result of temporary suspension of survey program due to COVID-19. Survey program resumed at the start of FY 2023 with agencies returning to the office.*	92%	*	FY 2019, FY 2022
Result	FMD-caused Service Disruptions. *A service disruption is any change or interruption in a building service such as heating, cooling, plumbing, or electrical service that degrades an occupant's ability to accomplish their mission.*	3	2	FY 2021, FY 2022
Quality	Percentage of work orders completed on-time. *The slight decrease in timeliness can be attributed to COVID-19 absences and supply chain delays for work order materials.*	86%	84%	FY 2021, FY 2022
Quantity	Energy Use in Metric Million British Thermal Unit (MMBtu). *Energy use in Admin managed facilities has been reduced by 15.9% since CY08.*	465,117 MMBtu	487,905 MMBtu	CY 2020, CY 2021
Quantity	Greenhouse gas emissions. *Greenhouse gas emissions in Admin managed facilities have been reduced by 53.7% since CY08.*	40,113 Tons	43,370 Tons	CY 2020, CY 2021

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.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	9,391	9,891	10,515	10,515	10,515	10,515	11,129	11,129
Total	**9,391**	**9,891**	**10,515**	**10,515**	**10,515**	**10,515**	**11,129**	**11,129**
Biennial Change				1,748		0		1,228
Biennial % Change				9		0		6
Governor's Change from Base								1,228
Governor's % Change from Base								6
Expenditures by Category								
Operating Expenses	9,391	9,891	10,515	10,515	10,515	10,515	11,129	11,129
Total	**9,391**	**9,891**	**10,515**	**10,515**	**10,515**	**10,515**	**11,129**	**11,129**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation	9,391	9,891	10,515	10,515	10,515	10,515	11,129	11,129
Expenditures	**9,391**	**9,891**	**10,515**	**10,515**	**10,515**	**10,515**	**11,129**	**11,129**
Biennial Change in Expenditures				1,748		0		1,228
Biennial % Change in Expenditures				9		0		6
Governor's Change from Base								1,228
Governor's % Change from Base								6

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

AT A GLANCE

- Administered and managed 14 Arts and Cultural Heritage grant fund contracts to zoos, museums, gardens, memorials and non-profit organizations totaling over $3 million in FY 2022.

PURPOSE AND CONTEXT

The Department of Administration's fiscal agent function – conducted by the Office of Grants Management (OGM) – ensures that grants and other special funding that Admin receives 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.

All the grants in this activity are made from the Arts and Cultural Heritage Fund. Grants managed by this activity include two separate grants to the City of Saint Paul (Como Park Zoo and Conservatory and Phalen Park), Lake Superior Zoo, Science Museum, Disabled Veterans Rest Camp, Wilderness Inquiry, Appetite for Change, and seven municipalities for Veteran's memorials. The fiscal agent function allows Arts and Cultural Heritage Fund grantees to produce programs, improvements, exhibits and memorials with a statewide reach and align with important state priorities. Examples are as follows:

- Grant outcomes include providing students with outdoor educational experiences aligned with Minnesota history graduation standards, providing and increasing access to STEM programming, and increased interest, understanding and knowledge of county veteran and military history, heritage and culture.
- Eight grantees are in Greater Minnesota and five are in the Twin Cities Metropolitan Area.
- Local expertise will be used to design and develop the Chinese garden in Phalen Park, including cultural leaders and a local artist, that will help tell the Hmong experience.
- Programming includes access to live music and special exhibits such as Pollinators and autism/sensory sensitivity experiences.

SERVICES PROVIDED

The fiscal agent oversees funding, administration, and management of 14 Arts and Cultural Heritage Fund grant contracts to 13 grantees.

Specific services provided include:

- Administer grants and ensure grantees follow state grant policies and procedures
- Provide consultation and technical assistance to grantees
- Conduct trainings to increase grantees' understanding of grant requirements and policies
- Maintain information on the state's Legacy website

OGM conducted three financial reconciliations and three monitoring visits for grantees with expenditures over $250,000, meeting Office of Grants Management policy requirements.

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

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of required reports from grantees received in a timely manner	100%	100%	FY 2020, FY 2022
Result	Percent of grantees stating in Legislative report that they achieved or mostly achieved grant outcomes for their Legacy grant projects	100%	100%	FY 2020 FY 2021

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

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General			133	3,517			12,000	8,000
1251 - COVID-19 Minnesota	5,683	427						
2301 - Arts & Cultural Heritage	2,780	2,474	3,532	2,819				
2403 - Gift	1	3	10	5				
3000 - Federal		5,503						
3010 - Coronavirus Relief		1						
3015 - ARP-State Fiscal Recovery				650				
Total	**8,464**	**8,407**	**3,675**	**6,991**			**12,000**	**8,000**
Biennial Change				(6,206)		(10,666)		9,334
Biennial % Change				(37)		(100)		88
Governor's Change from Base								20,000
Governor's % Change from Base								
Expenditures by Category								
Compensation				3				
Operating Expenses	100	335	143	4,169			4,000	2,000
Grants, Aids and Subsidies	2,780	2,474	3,282	2,819				
Capital Outlay-Real Property	5,584	5,599	250				8,000	6,000
Total	**8,464**	**8,407**	**3,675**	**6,991**			**12,000**	**8,000**
Full-Time Equivalents				**0.03**				

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							12,000	8,000
Open Appropriation			133	3,517	0	0	0	0
Expenditures			**133**	**3,517**			**12,000**	**8,000**
Biennial Change in Expenditures				3,650		(3,650)		16,350
Biennial % Change in Expenditures						(100)		448
Governor's Change from Base								20,000
Governor's % Change from Base								
Full-Time Equivalents				0.03				
1251 - COVID-19 Minnesota								
Balance Forward In		1,236						
Direct Appropriation	6,900							
Cancellations		809						
Balance Forward Out	1,217							
Expenditures	**5,683**	**427**						
Biennial Change in Expenditures				(6,111)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
2301 - Arts & Cultural Heritage								
Balance Forward In	7	645	646	46	7	7	7	7
Direct Appropriation	3,516	2,550	3,023	2,865	0	0	0	0
Transfers Out	98	77	91	85				
Cancellations			0					
Balance Forward Out	645	645	46	7	7	7	7	7
Expenditures	**2,780**	**2,474**	**3,532**	**2,819**				
Biennial Change in Expenditures				1,097		(6,351)		(6,351)
Biennial % Change in Expenditures				21		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
2403 - Gift								

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward In	14	5	21	10	5	5	5	5
Receipts	0	18	0					
Transfers Out	7	0						
Balance Forward Out	5	20	11	5	5	5	5	5
Expenditures	**1**	**3**	**10**	**5**				
Biennial Change in Expenditures				11		(15)		(15)
Biennial % Change in Expenditures				250		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Receipts		5,503						
Expenditures		**5,503**						
Biennial Change in Expenditures				(5,503)		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	3	3	3	3	3	3
Balance Forward Out	3	3	3	3	3	3	3	3

3010 - Coronavirus Relief

Direct Appropriation		1,376						
Cancellations		1,376						
Expenditures		**1**						
Biennial Change in Expenditures				(1)		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				650				

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Direct Appropriation			1,000					
Cancellations			350					
Balance Forward Out			650					
Expenditures				**650**				
Biennial Change in Expenditures				650		(650)		(650)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Health and Human Services CFDA 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	$ 1,259	$ 1,188	$ 1,161	$ 1,123	Yes	2.9
	Governor's Council on Developmental Disabilities Activity Total	**$ 1,259**	**$ 1,188**	**$ 1,161**	**$ 1,123**		**2.9**
Health and Human Services CFDA 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.	$ 425	$ 710	$ 602	$ 562	No	3.0
	State Assistive Technology Activity Total	**$ 425**	**$ 710**	**$ 602**	**$ 562**		**3**
Defense Logistics Agency CFDA 12.002	**Procurement Technical Assistance Center** To assist Minnesota businesses in selling their products/services to federal, state and local entities.	$ 636	$ 728	$ 764	$ 747	Yes	6.1
	Procurement Technical Assistance Center Activity Total	**$ 636**	**$ 728**	**$ 764**	**$ 747**		**6.1**
Department of Interior CFDA 15.904	**Historic Preservation Fund** To administer federal and state programs to preserve historic and cultural resources.	$ 1,005	$ 1,242	$ 1,144	$ 1,144	Yes	6.5
	State Historical Preservation Office Activity Total	**$ 1,005**	**$ 1,242**	**$ 1,144**	**$ 1,144**		**6.5**
	Government and Citizen Services Program Total	**$ 3,325**	**$ 3,868**	**$ 3,671**	**$ 3,576**		**18.5**
	Federal Fund [3000 Fund] Total	**$ 3,325**	**$ 3,868**	**$ 3,671**	**$ 3,576**		**18.5**
U.S. Department of Treasury CFDA 21.027C	**Small Business Development** To assist small, targeted business in doing business with the state.	$ 77	$ 883	$ -	$ -		4.9
	Office of State Procurement Activity Total	**$ 77**	**$ 883**	**$ -**	**$ -**		**4.9**
U.S. Department of Treasury CFDA 21.027C	**State Parking Facilities** To help offset the impact of parking revenue reductions due to the pandemic.	$ 1,523	$ 2,835	$ -	$ -		3.1
	Facilities Management Activity Total	**$ 1,523**	**$ 2,835**	**$ -**	**$ -**		**3.1**
U.S. Department of Treasury CFDA 21.027C	**Enterprise Planning** To complete a Facilities Strategic Plan to address changing enterprise space needs due to shifting ratios of onsite versus remote work.	$ 881	$ 3,119	$ -	$ -		-
	Real Estate and Construction Services Activity Total	**$ 881**	**$ 3,119**	**$ -**	**$ -**		**-**

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
U.S. Department of Treasury CFDA 21.027C	COVID-19 Worker's Compensation To cover COVID-related workers' compensation claims for state employees in certain occupations.	$ 3,589	$ 2,289	$ -	$ -		-
	Risk Management Activity Total	**$ 3,589**	**$ 2,289**	**$ -**	**$ -**		-
	Government and Citizen Services Program Total	**$ 6,069**	**$ 9,126**	**$ -**	**$ -**		**8**
U.S. Department of Treasury CFDA 21.027C	N95/KN95 Masks To maintain an adequate supply to distribute as needed to vulnerable populations.	$ -	$ 650	$ -	$ -		-
	Miscellaneous Grants/Studies/Other Activity Total	**$ -**	**$ 650**	**$ -**	**$ -**		-
	Fiscal Agent Program Total	**$ -**	**$ 650**	**$ -**	**$ -**		-
	ARP - State Fiscal Recovery Fund [3015 Fund] Total	**$ 6,069**	**$ 9,776**	**$ -**	**$ -**		**8**
	Agency Total	**$ 9,394**	**$ 13,644**	**$ 3,671**	**$ 3,576**		**26.5**

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. The DDC currently receives a $74,000 general fund appropriation and a $148,000 general fund appropriation for Olmstead activities each fiscal year. Federal funding is expected to slightly increase over the budget period due to reallocation of funds related to entities that did not meet their MOE commitments, thereby forfeiting their funds. In addition, in 2022 DDC received one-time grants of $95,319 to expand the public health workforce within the disability network and $65,307 to expand the disability network's access to COVID-19 vaccines.

Assistive Technology

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. 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. In 2022, STAR also received a one-time $80,000 grant for public health care work within the disability and aging network.

Procurement Technical Assistance Center

The Procurement Technical Assistance Center (PTAC) was established to expand the number of businesses capable of participating in government contracts. The PTAC receives federal funding from the Defense Logistics Agency (transitioning to the Department of Defense, Office of Small Business Programs, in 2023) 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 80% of costs for distressed areas. State matching funds are required. State match includes a portion of operating costs for the Office of Equity on Procurement and limited leadership and administrative support costs. The level and percentage of future federal funding may vary, but changes cannot be accurately predicted at this time, so future available federal funds are anticipated to remain near the current level.

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 (non-tax dollars) and has been authorized through 2023, however, each year the HPF must be allocated and approved. SHPO has 14 full-time employees supported by the HPF and state matching share.

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 the state general fund, state historic tax credit revenues, MnDOT state funds, and sub-grantees. The state historic tax credit program sunset in June 2022, and no new fees will be collected or available as state match. Fees from approved applications will not be collected after 2026.

Beginning in federal fiscal year (FFY) 2022, each annual SHPO award is available for three years (prior was two years), and only 25% can be carried over to the third year with no waiver process. During FFY 2022, the SHPO was authorized $1,178,932 HPF with a minimum matching share of $785,955. For FFY 2023, the federal government is operating under a continuing resolution through December 16, 2022 and SHPO has planned for the same funding level as in 2022.

Beginning FFY 2024, the National Park Service will implement an updated HPF appropriation formula using recent census data. If HPF funding remains level, Minnesota will see a decrease of three percent in HPF funding.

Small Business Development
This is a one-time American Rescue Plan (ARP) appropriation to help support Admin's Office of Equity in Procurement (OEP) to assist small businesses owned by minorities, women, people with substantial physical disabilities and veterans, in doing business with the state. There is no maintenance of effort obligation or short or long-term staffing commitment relating to this funding. OEP's primary operating funding is an annual general fund appropriation. The approved ARP State Fiscal Recovery Funds request that provided this funding specifies how the money may be spent.

State Parking Facilities
This is a one-time American Rescue Plan (ARP) appropriation to help offset reductions to parking contract revenue due to the COVID-19 pandemic and shifting ratios of onsite versus remote work. There is no maintenance of effort obligation or short or long-term staffing commitment relating to this funding. Admin's Parking and Transit program is normally user-financed. The approved ARP State Fiscal Recovery Funds request that provided this funding specifies how the money may be spent.

Enterprise Planning
This is a one-time American Rescue Plan (ARP) appropriation to complete and implement a comprehensive Facilities Strategic Plan for agency space consolidation, reconfiguration, and relocation in response to shifting ratios of on-site versus remote work especially in the post pandemic work environment. There is no maintenance of effort obligation or short or long-term staffing commitment relating to this funding. Currently there is no other funding source for this important planning effort. The approved ARP State Fiscal Recovery Funds request that provided this funding specifies how the money may be spent.

COVID-19 Workers' Compensation
This is a one-time American Rescue Plan (ARP) appropriation to cover COVID-19-related workers' compensation claims for state employees working in occupations for which COVID-19 was deemed a presumptive occupational disease. There is no maintenance of effort obligation or short or long-term staffing commitment relating to this funding. Aside from this funding, state employee worker's compensation costs are borne by the agencies where those employees work. The approved ARP State Fiscal Recovery Funds request that provided this funding identifies how the money may be spent.

N95 and KN95 Respirator Masks
This is a one-time American Rescue Plan (ARP) appropriation to purchase N95 and/or KN95 respirator masks to provide an on-going supply to distribute as needed to vulnerable populations. There is no maintenance of effort obligation or short or long-term staffing commitment relating to this funding. The approved ARP State Fiscal Recovery Funds request that provided this funding specifies how the money may be spent.

Department of Administration

Government and Citizen Services - Fleet and Surplus Services

Fleet Services (5100) Fund

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

	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Operating Revenues:				
Net Sales	14,942	14,226	14,700	14,700
Rental and Service Fees				
Insurance Premiums				
Other Income	305	260	270	270
Total Operating Revenues	15,247	14,486	14,970	14,970
Gross Margin	15,247	14,486	14,970	14,970
Operating Expenses:				
Purchased Services	2,666	2,875	1,925	1,925
Salaries and Fringe Benefits	521	936	762	777
Claims				
Depreciation	7,641	7,148	7,000	7,000
Amortization				
Supplies and Materials	3,257	3,125	3,125	3,125
Indirect Costs	100	100	174	174
Other Expenses	464	604	1,602	1,602
Total Operating Expenses	14,649	14,788	14,588	14,603
Operating Income (Loss)	598	(302)	382	367
Nonoperating Revenues (Expenses):				
Investment Income	92	150	150	150
Interest and Financing Costs	(369)	(529)	(529)	(529)
Other Nonoperating Expenses	48	(1,200)		
Gain (Loss) on Disposal of Capital Assets	1,583	1,911	4,920	4,675
Total Nonoperating Revenues (Expenses)	1,354	332	4,541	4,296
Income (Loss) Before Transfers and Contributions	1,952	30	4,923	4,663
Capital Contributions				
Transfers in				
Transfers out	(2)	(2)	0	0
Change in Net Assets	1,950	28	4,923	4,663
Net Assets, Beginning as Reported	13,182	15,132	15,160	20,083
Net Assets, Ending	15,132	15,160	20,083	24,746
Rate increase/(decrease)	0%	0%		
Full Time Equivalents (FTE)	8.6	8.3	8.3	8.3

Department of Administration

Government and Citizen Services - Fleet and Surplus Services

Fleet Services (5100) Fund

Net Assets

(Dollars in Thousands)

	Actual FY 2022	Projected FY 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	1,645	141
Investments		
Accounts Receivable	4,988	4,959
Accrued Investment/Interest Income		
Inventories		
Deferred Costs		
Total Current Assets	6,633	5,100
Noncurrent Assets:		
Deferred Costs	360	360
Depreciable Capital Assets (Net)	32,427	49,071
Total Noncurrent Assets	32,787	49,431
Total Assets	39,420	54,531
LIABILITIES		
Current Liabilities:		
Accounts Payable	867	818
Interfund Payables	1,300	0
Unearned Revenue	2,793	2,793
Loans Payable	8,839	8,839
Compensated Absences Payable	12	12
Total Current Liabilities	13,811	12,462
Noncurrent Liabilities:		
Loans Payable	9,625	26,057
Compensated Absences Payable	111	111
Other Liabilities	740	740
Total Noncurrent Liabilities	10,476	26,908
Total Liabilities	24,287	39,370
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	13,963	14,175
Unrestricted	1,170	986
Total Net Assets	15,133	15,161

Department of Administration

Government and Citizen Services - Fleet and Surplus Services

Fleet Services (5100) Fund

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. However, due to vehicle production delays, cash flow will most likely be a concern for FY23.

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 increase in FY23. The FY23 Admin rate increases are 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

Government and Citizen Services - Facilities Management

Central Mail (5203) Fund

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

	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Operating Revenues:				
Net Sales	11,387	11,732	11,731	11,731
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	11,387	11,732	11,731	11,731
Gross Margin	11,387	11,732	11,731	11,731
Operating Expenses:				
Purchased Services	10,067	10,424	10,425	10,438
Salaries and Fringe Benefits	251	794	639	654
Claims				
Depreciation	62	59	59	59
Amortization				
Supplies and Materials	139	157	159	163
Indirect Costs	29	30	121	123
Other Expenses	113	119	123	126
Total Operating Expenses	10,661	11,583	11,526	11,563
Operating Income (Loss)	726	149	205	168
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	0	0	0	0
Income (Loss) Before Transfers and Contributions	726	149	205	168
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	726	149	205	168
Net Assets, Beginning as Reported	1,453	2,179	2,328	2,533
Net Assets, Ending	2,179	2,328	2,533	2,701
Rate increase/(decrease)		2%		
Full Time Equivalents (FTE)	7.1	6.5	6.4	6.4

Department of Administration

Government and Citizen Services - Facilities Management

Central Mail (5203) Fund

Net Assets

(Dollars in Thousands)

	Actual FY 2022	Projected FY 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	0	0
Investments		
Accounts Receivable	2,887	2,887
Accrued Investment/Interest Income		
Inventories	1	1
Deferred Costs	337	337
Total Current Assets	3,225	3,225
Noncurrent Assets:		
Deferred Costs	199	199
Depreciable Capital Assets (Net)	231	172
Total Noncurrent Assets	430	371
Total Assets	3,655	3,596
LIABILITIES		
Current Liabilities:		
Accounts Payable	120	120
Interfund Payables	891	1,099
Unearned Revenue		
Loans Payable		
Compensated Absences Payable	4	4
Total Current Liabilities	1,015	1,223
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable	35	35
Other Liabilities	422	422
Total Noncurrent Liabilities	457	457
Total Liabilities	1,472	1,680
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	231	172
Unrestricted	1,952	2,159
Total Net Assets	2,183	2,331

Department of Administration

Government and Citizen Services - Facilities Management

Central Mail (5203) Fund

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 $891,568.10 is due to other funds due to the cash overdraft position of the fund on June 30, 2022.

Proposed investments in technology or equipment of $100,000 or more:
Central Mail has been implementing a new subsystem since FY 2021. The total cost is estimated at over $200k with additional charges to be added in FY23. If the actual cost is lower or higher than estimation, the difference will be reflected in future rates.

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 2023 retained earnings, net of pension and OPEB related adjustments, are projected to increase $208k, with FY 2023 ending retained earnings projected to be $2.583 million. This is approximately 45 days working capital.

Explain any reasons for rate changes:
Central Mail rates are not changing in FY 2023. State agencies' costs for Central Mail services will increase due to expansion of all mail pieces to the Sort & Handling Fee. The goal of an internal service fund is to recover its own expenses by setting rates as close to the break-even rate as possible while maintaining a retained earnings balance equal to 60 days working capital.

Impact of rate changes on affected agencies:
Because information has not been tracked at the customer level in the past, Central Mail can only estimate the impact of this change to the customer will be approximately 1%.

Department of Administration

Government and Citizen Services - Risk Management

Risk Management (5300) Fund

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

	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Operating Revenues:				
Net Sales	22	21	22	22
Rental and Service Fees				
Insurance Premiums	16,626	17,804	17,804	17,804
Other Income	202			
Total Operating Revenues	16,850	17,825	17,826	17,826
Gross Margin	16,850	17,825	17,826	17,826
Operating Expenses:				
Purchased Services	10,122	10,617	10,695	10,695
Salaries and Fringe Benefits	543	1,312	1,455	1,455
Claims	5,763	5,582	5,582	5,582
Depreciation				
Amortization	37	37	37	0
Supplies and Materials	5	7	8	8
Indirect Costs	102	121	227	227
Other Expenses	7	7	7	7
Total Operating Expenses	16,579	17,683	18,011	17,974
Operating Income (Loss)	271	142	(185)	(148)
Nonoperating Revenues (Expenses):				
Investment Income	89	60	60	60
Interest and Financing Costs				
Other Nonoperating Expenses	(552)	(327)	(327)	(327)
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	(463)	(267)	(267)	(267)
Income (Loss) Before Transfers and Contributions	(192)	(125)	(452)	(415)
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	(192)	(125)	(452)	(415)
Net Assets, Beginning as Reported	10,364	10,172	10,047	9,595
Net Assets, Ending	10,172	10,047	9,595	9,180
Rate increase/(decrease)	15%	8%		
Full Time Equivalents (FTE)	9.9	13.2	12.5	12.5

Department of Administration

Government and Citizen Services - Risk Management

Risk Management (5300) Fund

Net Assets

(Dollars in Thousands)

	Actual FY 2022	Projected FY 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	24,016	23,891
Investments		
Accounts Receivable	2,630	2,630
Accrued Investment/Interest Income		
Inventories		
Deferred Costs	373	373
Total Current Assets	27,019	26,894
Noncurrent Assets:		
Deferred Costs	462	462
Depreciable Capital Assets (Net)	74	37
Total Noncurrent Assets	536	499
Total Assets	27,555	27,393
LIABILITIES		
Current Liabilities:		
Accounts Payable	15,854	15,817
Interfund Payables		
Unearned Revenue	411	411
Loans Payable		
Compensated Absences Payable	23	23
Total Current Liabilities	16,288	16,251
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable	148	148
Other Liabilities	947	947
Total Noncurrent Liabilities	1,095	1,095
Total Liabilities	17,383	17,346
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	74	37
Unrestricted	10,098	10,010
Total Net Assets	10,172	10,047

Brief Narrative

Background:
The Risk Management Division's (RMD) program serves as the state's insurance company, providing auto liability coverage for all state agencies and offering its partners auto physical damage, property, and general liability coverages through the self-insured Risk Management Fund (RMF).

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

None

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

RMD is anticipating replacement of P&C policy system in either FY24 or FY25. Cost is unknown at this time, but will exceed $100,000.

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 2023 retained earnings, net of pension and OPEB related adjustments, are projected to decrease by $88k, with FY 2023 ending retained earnings projected to be $10.891million. The RMF needs retained earnings for future claim costs.

Explain any reasons for rate changes:
RMD increased the property rate by 8% in FY 2023. The rate increase is necessary to offset property reinsurance increase expected for the FY 2023 policy year. The rate change will enable RMD to better manage their retained earnings level while still permitting them to provide necessary funds to manage report claims; provide most risk management consulting services free of charge to state government; grow retained earnings in order to allow for greater primary property reinsurance layer participation in the future and protect the RMF from catastrophic losses. WIthout the above mentioned legislative funding, RMD anticipates continued property rate increases at or above the amount in FY23.

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 2022.

Department of Administration

Government and Citizen Services - Facilities Management Leases, Repair and Other Jobs

Plant Management (5400) Fund

Revenues, Expenses and Changes in Net Assets

(Dollars in Thousands)

	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Operating Revenues:				
Net Sales	76,055	79,964	77,020	77,474
Rental and Service Fees				
Insurance Premiums				
Other Income	1,006	1,001	1,002	1,005
Total Operating Revenues	77,061	80,965	78,022	78,479
Gross Margin	77,061	80,965	78,022	78,479
Operating Expenses:				
Purchased Services	15,857	15,192	13,987	14,614
Salaries and Fringe Benefits	8,005	20,139	18,843	19,729
Claims		2	2	2
Depreciation	621	665	620	620
Amortization				
Supplies and Materials	3,271	2,209	2,414	2,526
Indirect Costs	954	1,034	2,507	2,555
Other Expenses	7,467	8,248	13,266	14,679
Total Operating Expenses	36,175	47,489	51,639	54,725
Operating Income (Loss)	40,886	33,476	26,383	23,754
Nonoperating Revenues (Expenses):				
Investment Income	1	3	0	0
Interest and Financing Costs	(107)	(102)	(96)	(92)
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets	(1,608)	0		
Total Nonoperating Revenues (Expenses)	(1,714)	(99)	(96)	(92)
Income (Loss) Before Transfers and Contributions	39,172	33,377	26,287	23,662
Capital Contributions				
Transfers in				
Transfers out	(32,566)	(32,385)	(31,240)	(23,576)
Change in Net Assets	6,606	992	(4,953)	86
Net Assets, Beginning as Reported	5,905	12,511	13,503	8,550
Net Assets, Ending	12,511	13,503	8,550	8,636
Rate increase/(decrease)	ROJ 13%, Leases - 4%	ROJ 1%, Leases - 6%		
Full Time Equivalents (FTE)	210.0	175.0	181.5	186.8

Department of Administration

Government and Citizen Services - Facilities Management Leases, Repair and Other Jobs

Plant Management (5400) Fund

Net Assets

(Dollars in Thousands)

	Actual FY 2022	Projected FY 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	24,061	25,486
Investments		
Accounts Receivable	467	467
Accrued Investment/Interest Income		
Inventories	356	356
Deferred Costs		
Total Current Assets	24,884	26,309
Noncurrent Assets:		
Deferred Costs	6,736	6,736
Depreciable Capital Assets (Net)	5,224	4,595
Total Noncurrent Assets	11,960	11,331
Total Assets	36,844	37,640
LIABILITIES		
Current Liabilities:		
Accounts Payable	5,678	5,669
Interfund Payables		
Unearned Revenue		
Loans Payable	187	187
Compensated Absences Payable	233	233
Total Current Liabilities	6,098	6,089
Noncurrent Liabilities:		
Loans Payable	2,795	2,608
Compensated Absences Payable	1,271	1,271
Other Liabilities	14,169	14,169
Total Noncurrent Liabilities	18,235	18,048
Total Liabilities	24,333	24,137
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	5,043	4,512
Unrestricted	7,468	8,991
Total Net Assets	12,511	13,503

Department of Administration

Government and Citizen Services - Facilities Management Leases, Repair and Other Jobs

Plant Management (5400) Fund

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 2023 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 $4.333 million in FY 2024 and increase by $706 thousand in FY 2025.

Explain any reasons for rate changes:
In FY 22 the impact of rate reduction is greater than the impact of rate increases by -4% In FY23, building rates either increased or remained the same for an overall increase of 6%. 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:
The rate change will have a minimal net effect on the agencies.