

SF3468 - 0 - Data Security Account

Chief Author: **Mark Koran**
 Committee: **State Government Finance and Policy and Elections**
 Date Completed: **3/9/2022 10:28:29 PM**
 Agency: **Office of the Legislative Auditor**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	331	328	331	331	331
Total	-	331	328	331	331	331
Biennial Total			659			662

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	3	3	3	3
Total	-	3	3	3	3

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joel Enders **Date:** 3/9/2022 10:28:29 PM
Phone: 651-284-6542 **Email:** joel.enders@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	331	328	331	331	331
Total	-	331	328	331	331	331
Biennial Total			659			662
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	331	328	331	331	331
Total	-	331	328	331	331	331
Biennial Total			659			662
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

SF3468-0 appropriates revenue in the *state data security account* to the Office of the Legislative Auditor (OLA).

Assumptions

The Legislature created the account in 2014, and appropriated revenue from the account to OLA, but the Governor vetoed the appropriation language. As a result, OLA has never received revenue from the account. SF3468-0 restores the appropriation language.

State law funds the *state data security account* by requiring the Department of Public Safety to deposit into the account 30% of the fees it charges for the bulk sale of vehicle data. The average amount this brings into the account annually is approximately \$225,000. Because of the Governor’s veto of the appropriation language in 2014, OLA has never received revenue from the account. As a result, there is currently approximately \$1,340,000 in the account.

OLA’s plan is to use the \$225,000 that comes into the account annually, plus approximately \$105,000 annually from the accumulated balance to fund the 3 positions. We think this funding plan will sustain the 3 positions for approximately 12 to 13 fiscal years, at the conclusion of which, OLA will make any necessary staffing and/or budgeting adjustments.

We anticipate using the revenue from the *state data security account* to add 3 professionals with training and experience in financial auditing, information systems security auditing, or fraud investigations. The number of additional audits these staff will be able to complete will depend on the scope and complexity of the audits. However, our goal would be that these staff would complete an additional 2-4 audits annually.

Expenditure and/or Revenue Formula

	FY 2023	FY 2024	FY 2025	FY 2026
Salary - Supervisor (1.0 FTE)	\$96,319	\$96,319	\$96,319	\$96,319
Salary - Senior (1.0 FTE)	\$66,357	\$66,357	\$66,357	\$66,357
Salary - Staff (1.0 FTE)	\$53,515	\$53,515	\$53,515	\$53,515

Fringe (13.9% of Salary plus dependent insurance)	\$103,263	\$106,929	\$109,353	\$109,353
IT Costs	\$6,600	\$600	\$600	\$600
Employee Development	\$3,000	\$3,000	\$3,000	\$3,000
General Office Supplies and Travel	\$1,500	\$1,500	\$1,500	\$1,500
Total Costs	\$330,554	\$328,220	\$330,644	\$330,644

Long-Term Fiscal Considerations

Either funding or staffing adjustments will be required in approximately 12 to 13 years.

Local Fiscal Impact

N/A

References/Sources

Judy Randall (judy.randall@state.mn.us or 651-296-4708)

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Date: 3/7/2022 9:54:12 AM

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