

One Minnesota Budget



mn MANAGEMENT
AND BUDGET

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MINNESOTA MANAGEMENT AND BUDGET: OPTIMIZING STATE OPERATIONS, MAXIMIZING STATE RESOURCES

- Minnesota thrives when state agencies and community partners collaborate to achieve results that improve the lives of all Minnesotans.
- MMB plays a key role in that effort:
 - Providing essential, centralized services foundational to state government operations and to sound management of employee and financial resources.
 - Working collaboratively throughout government to enhance efficiency and capacity and to ensure the continuity and effectiveness of state services for Minnesota's people, businesses, and communities.

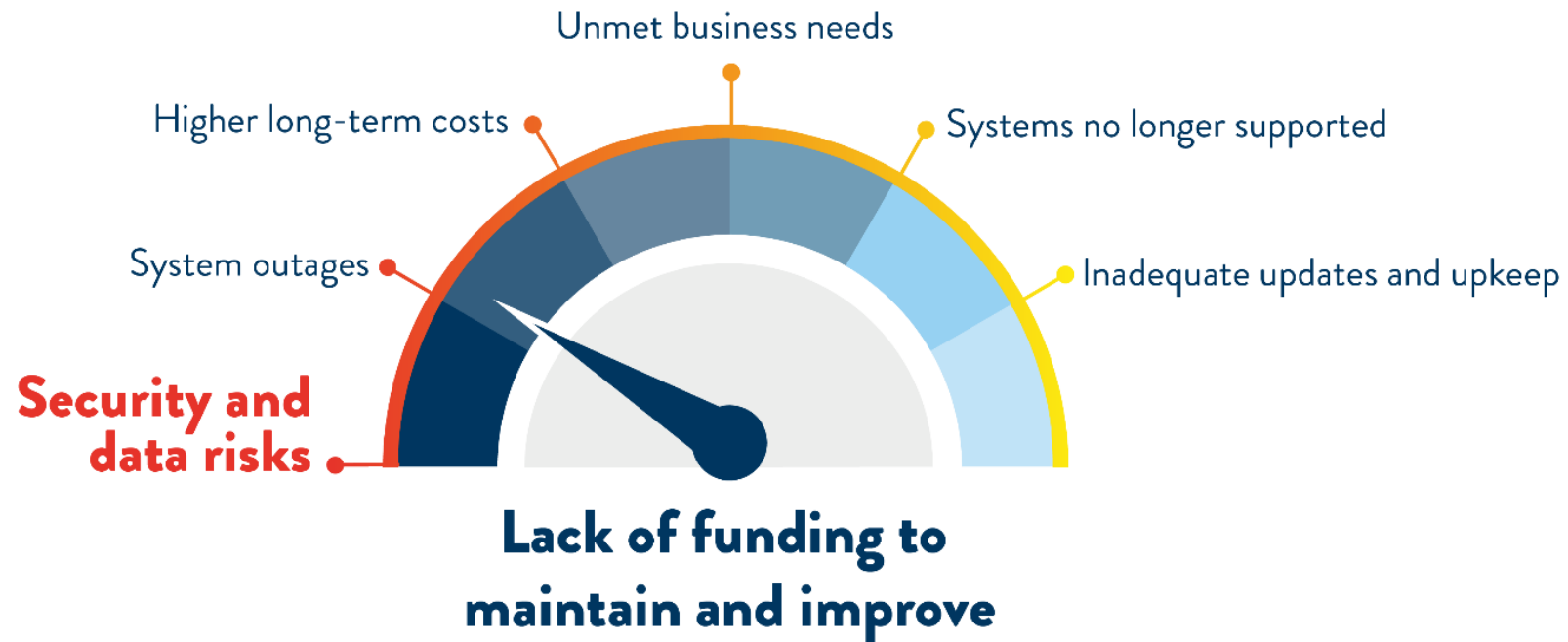
MMB 2023 Operating Budget Recommendations

Recommendation (\$ in millions)	FY 2024-25	FY 2026-27
Secure and Sustain the State's ERP Systems	\$20.0	\$21.0
Maintain Current Service Levels	5.5	7.0
Expanded Financial Leadership and Oversight Capacity	4.4	5.0
Enterprise Continuity Capacity Investment	2.0	1.5
Establish a Statewide Internal Audit Office	1.1	1.2
Enhance Statewide Planning, Strategy, and Performance Management	2.8	4.0
Sustainable Funding for Minnesota Children's Cabinet	2.0	2.0
Department of Children, Youth, and Families Created to Coordinate and Improve Program Delivery	7.4	-
Total:	\$45.1	\$41.9

Secure and Sustain the State's ERP Systems

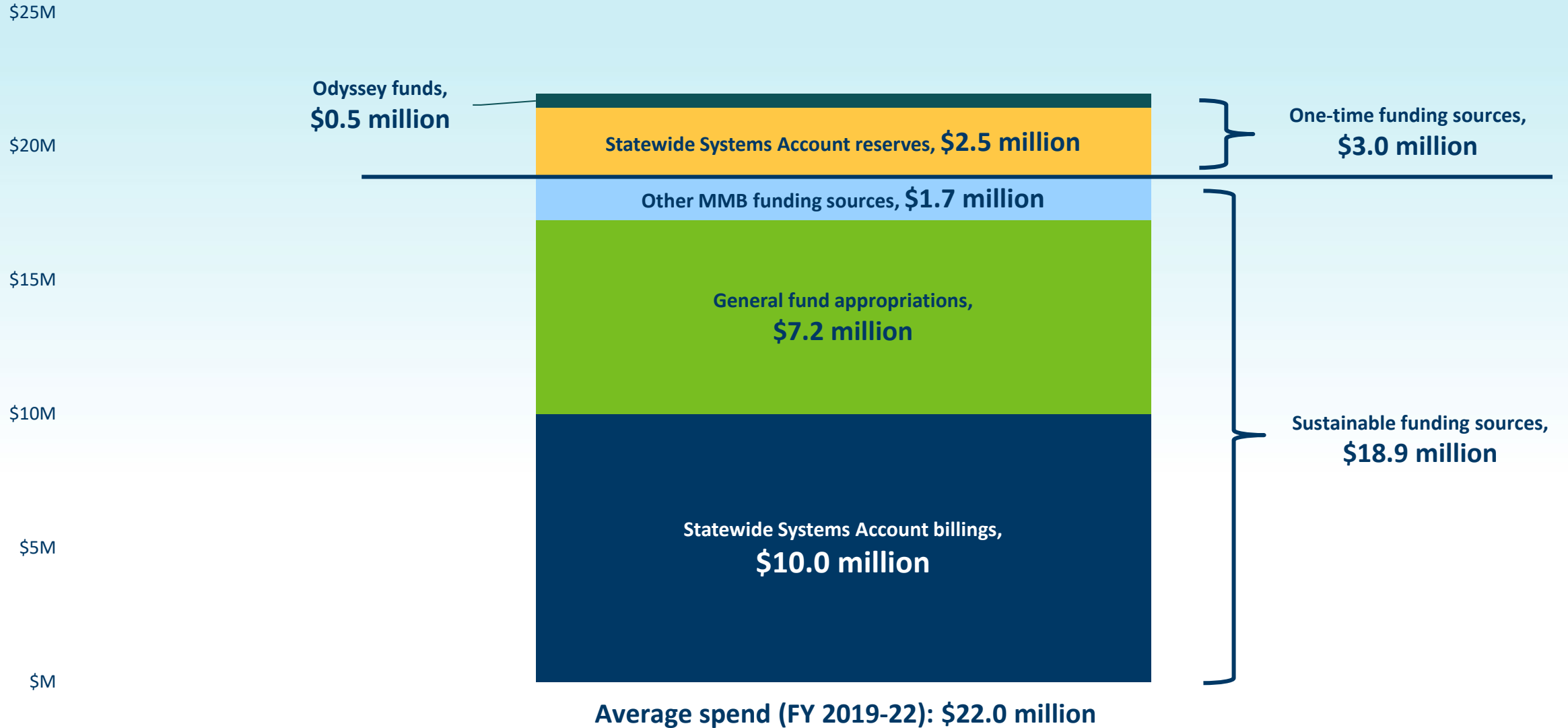
Adequate, stable funding is needed to ensure the reliability, efficiency, and security of state government entities, data and services.

Core business systems are at risk due to years of underfunding.



Average Annual Spending on State ERP Systems

On average, MMB spends \$22 million on ERP per year; only \$19 million is from sustainable sources



ERP Funding Recommendations

NEAR TERM

\$9.5 million in FY 2024 and \$10.5 million each year thereafter to:

- Close the Statewide Systems Account funding gap
- Increase staffing capacity by 12 FTE to keep systems stable and supported
- Enhance the system to improve functionality and security
- Engage consultants to plan for the future of ERP

LONG TERM

Eliminate the cap on the statewide systems billing account starting in FY 2026

Establish an advisory group to advise on billing, system services, and enhancements

Maintain Current Service Levels

Each year the cost of maintaining current agency operations increases, including expected compensation pressures, employer-paid insurance and severance costs, and ongoing IT costs.

Some cost growth is offset by assumed savings in lease payments.

Recommendation: \$2.0 million in FY 2024 and \$3.5 million in each subsequent year from the general fund to maintain the current level of service delivery.



Financial Leadership and Oversight Capacity

MMB has experienced growing demand for statewide financial functions due to the increasing complexity of state and federally funded programs and financial regulations.

Recommendation: \$1.9 million in FY 2024 and \$2.5 million each year thereafter to fund 17 FTE

- Statewide federal funds coordination
- Budget analysis and monitoring
- Results management and program evaluations
- Banking and payroll services
- Debt management and regulatory compliance activities



Enterprise Continuity Capacity Investment

The nature and extended duration of multiple continuity incidents have shown there is a need for greater coordination and consistency across the enterprise.

Further, trends indicate a rise in potential workplace violence incidents, dictating the need for more education, training, and planning around preparedness and response.

Recommendation: \$1 million each year

- Enterprise-wide business continuity software to maintain government services in crisis situations
- Centralized mass notification system
- Workplace violence prevention and training
- 3 FTE to support these new functions



Establish a Statewide Internal Audit Office

Part of an enterprise-wide strategy to enhance internal control activities by bolstering internal agency efforts.

Recommendation: \$466,000 in FY 2024 and \$622,000 in each subsequent year to establish and operate a Statewide Internal Audit Office of 5 FTE.

The new office would focus on protecting taxpayer dollars to improve executive branch agency operations and prevent problems before they happen.



Enhance Statewide Planning, Strategy, and Performance Management

The complex challenges facing Minnesota often cross agency jurisdiction. Tackling these challenges requires careful planning, coordination, and analysis.

Recommendation: \$770,000 in FY 2024 and \$2.0 million each subsequent year to establish an Enterprise Strategy and Performance team within MMB.

These 15.5 FTE would provide central coordination of:

- Strategic planning efforts
- Cross-agency policy analysis
- Planning around core long-term problems facing all Minnesotans



Sustainable Children's Cabinet

Consistent ongoing funding is a standard characteristic among interagency coordinating bodies for children's services at state and local levels.

The current funding model for Minnesota's Children's Cabinet doesn't align with data-driven, nationwide best practices.

Recommendation: Dedicate \$1 million each year to support ongoing efforts to provide coordination among agencies and engagement with Minnesotans on issues impacting children.



Department of Children, Youth, and Families Created to Coordinate and Improve Program Delivery

Enhancing coordination and more seamless access to services for families is achieved through a variety of system improvements and structures, including governance.

Recommendation: \$7.4 million to create a new Department of Children, Youth, and Families that reimagines state government structures, elevating these priorities and funding needs by providing focused leadership in the executive branch and with the legislature.

The transition, led by MMB, would support the creation, alignment and launch of the new agency beginning July 2024.



Secure, Effective Delivery of State Services



Secure Systems and Data



Strategic Leadership



Operational Stability and Predictability



Risk Management



Financial Oversight

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