

January 11, 2011

To: State Government Finance Members

From: Helen Roberts, Fiscal Analyst, 296-4117

Overview of Accounts

The House State Government Finance division appropriates the funding for and oversees the operations of several state agencies boards and councils, and the Legislature and the constitutional offices. The committee’s jurisdiction also includes funding for the gambling oversight agencies, and the state’s Lottery.

The Veterans Services division oversees the funding and operations of the Military Affairs Department (National Guard) and the Veterans Affairs Department (including the Veterans Homes).

| | |
|--|--|
| <p><u>Legislature and Constitutional Offices</u> Legislature Governor's Office Attorney General Secretary of State State Auditor</p> | <p><u>Gaming</u> Gambling Control Board Lottery Racing Commission</p> |
| <p><u>State Agencies</u> Administration Dept Public Broadcasting Grants Administrative Hearings <i>Arts Board</i> Campaign Finance & Public Disclosure Capital Area Architectural & Planning Board <i>Explore MN Tourism</i> Investment Board MN Amateur Sports Commission Minnesota Management & Budget Contingent Accounts, Tort Claims Office of Enterprise Technology <i>Public Facilities Authority</i> Revenue Department</p> | <p><u>Pensions</u> Minnesota State Retirement System (MSRS) Public Employees Retirement Association (PERA) (including MERF Aids) Teachers Retirement Association (TRA) 1st Class Teachers Funds (St. Paul & Duluth) (other local pension aids are carried in the Tax committee, including Police/Fire state aid)</p> |
| <p><u>Quasi-State Agencies / Other</u> <i>Historical Society</i> <i>Humanities Commission</i> <i>Science Museum (grant to non-profit)</i></p> | <p><u>Veterans Services Division</u> Military Affairs Department Veterans Affairs Department</p> |
| <p><u>Councils</u> Black Minnesotans Council Chicano Latino Affairs Council Asian Pacific Council Indian Affairs Council</p> | |

Agencies new to State Government Finance committee are shown in *italics*.

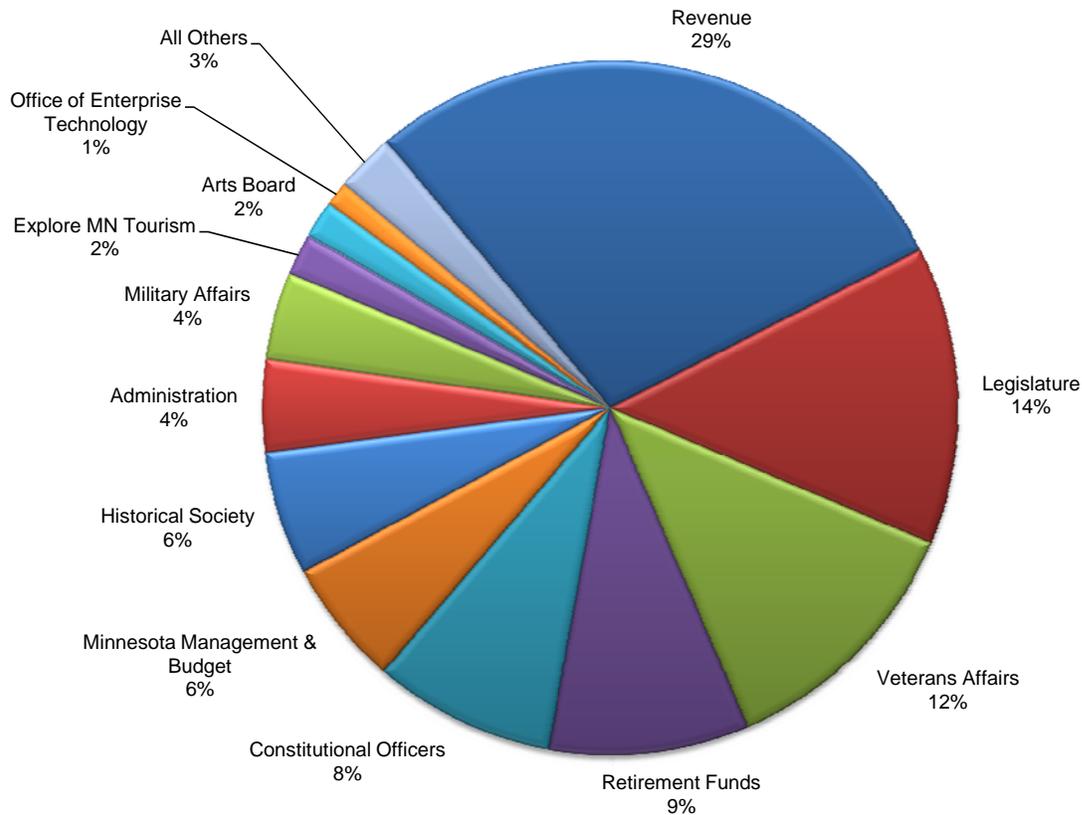
The State Government Finance division's appropriations make-up approximately 2.4 % of the state's General Fund budget. The General Fund accounts for approximately 64% of the division's **direct** appropriations, but less than 50% of **total** spending authorized by the division.

The State Government Finance division, despite its name, does **not** fund all state agency operations. However, the agencies funded through this committee include the major staff agencies (Revenue, Administration, Office of Enterprise Technology and Minnesota Management & Budget) that provide the basic infrastructure for state agency operations.

How do State Government Finance Agencies impact other committee's agencies?

- Department of Revenue collects the tax revenues that fund agency general fund operations.
- The Governor and Minnesota Management & Budget develop and propose agency budgets, and the Legislature appropriates state agency budgets.
- Minnesota Management & Budget sets policy for state agency spending, and provides an oversight function. MMB is also responsible for state's accounting systems and procedures.
- Minnesota Management & Budget negotiates state labor contracts. MMB also manages the State Employee Insurance program, which has a significant impact on agency budgets.
- The Attorney General provides legal services to all state agencies.
- The Department of Administration oversees state contracting and procurement, acts as the "landlord" for state buildings in the capitol complex, and manages leased spaces for state agencies.
- Admin's Internal Service funds provide services to agencies on a fee-for-service basis, including vehicle leasing, and risk management.
- The Office of Enterprise Technology provides technology and telecommunications services to state agencies and political subdivisions, and sets state information technology policy and direction.

State Government Finance FY 2012-13 General Fund Budget (Nov. Forecast)



| | FY 12-13 Forecast Base | % of total |
|--|-----------------------------------|-----------------------|
| Revenue | 272,998 | 29% |
| Legislature | 132,510 | 14% |
| Veterans Affairs | 116,158 | 12% |
| Retirement Funds | 88,790 | 9% |
| Constitutional Officers | 80,656 | 8% |
| Minnesota Management & Budget | 56,215 | 6% |
| Historical Society | 54,940 | 6% |
| Administration | 41,090 | 4% |
| Military Affairs | 38,996 | 4% |
| Explore MN Tourism | 18,376 | 2% |
| Arts Board | 16,680 | 2% |
| Office of Enterprise Technology | 10,908 | 1% |
| All Others | 26,294 | 3% |
| Total General Fund Expenditures | 954,611 | 100% |
| Indirect Costs Receipts offset | -42,350 | |
| Net General Fund Expenditures | 912,261 | |

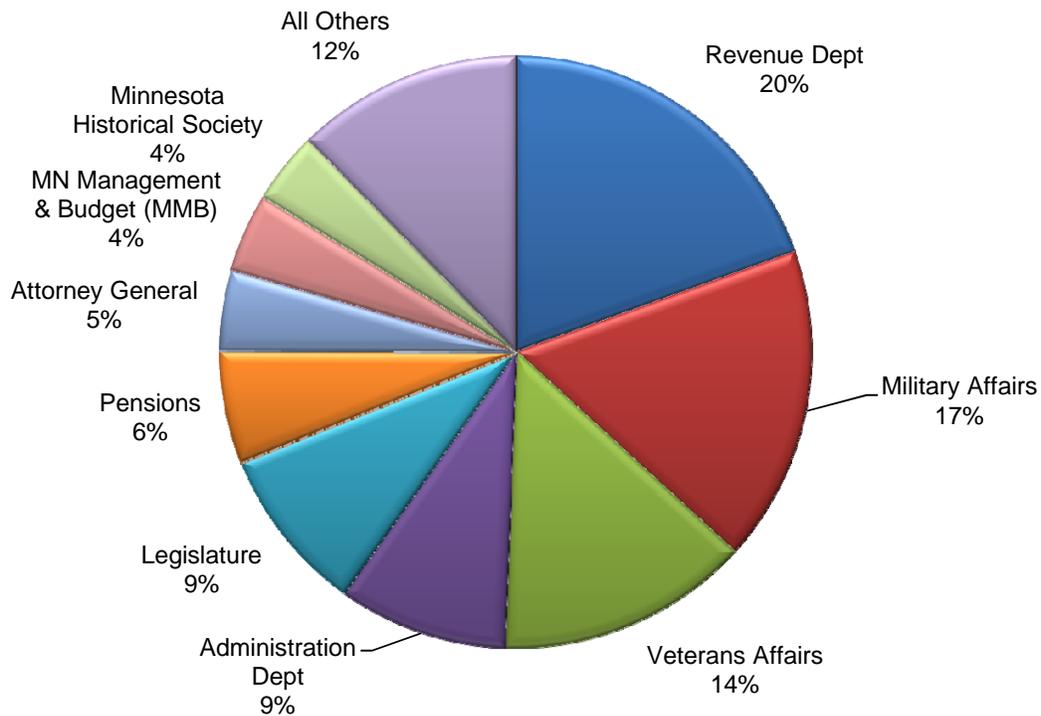
Note: dollars in thousands

House State Government Finance Division
General Fund Budget Expenditures - November 2010 Forecast

(all dollars in thousands)

| | Enacted FY 10-11 | Forecast FY 12-13 | \$ Change FY 10-11 to FY 12-13 |
|--|-----------------------------|------------------------------|---|
| Legislature | | | |
| Senate | 44,141 | 43,648 | (493) |
| House | 60,744 | 58,682 | (2,062) |
| Legislative Coordinating Commission (Inc. Legislative Auditor) | 32,464 | 30,180 | (2,284) |
| Legislature | 137,349 | 132,510 | (4,839) |
| Constitutional Officers | | | |
| Governor | 6,807 | 6,726 | (81) |
| State Auditor | 18,531 | 18,204 | (327) |
| Attorney General | 47,225 | 44,408 | (2,817) |
| Secretary of State | 11,466 | 11,318 | (148) |
| Constitutional Officers | 84,029 | 80,656 | (3,373) |
| Boards, Commissions, Councils | | | |
| Amateur Sports Commission (MASC) | 527 | 522 | (5) |
| Capitol Area Architecture & Planning Board | 690 | 684 | (6) |
| Campaign Finance Board | 1,459 | 1,450 | (9) |
| Campaign subsidy - open | 3,552 | 3,520 | (32) |
| Investment Board | 295 | 292 | (3) |
| Admin Hearings | 663 | 664 | 1 |
| Black Minnesotans Council | 618 | 614 | (4) |
| Chicano-Latino Affairs Council | 581 | 578 | (3) |
| Council on Asian -Pacific Minnesotans | 537 | 534 | (3) |
| Indian Affairs Council | 977 | 972 | (5) |
| Boards, Commissions, Councils | 9,899 | 9,830 | (69) |
| Retirement Funds | | | |
| MSRS - legislators & constitutional officers -open | 5,535 | 6,036 | 501 |
| PERA / Mpls Employees Retirement Fund (MERF) - open | 18,000 | 45,500 | 27,500 |
| TRA / Mpls. Teachers Retirement Aids | 30,908 | 30,908 | - |
| St. Paul Teacher Retirement Assoc. - open | 6,346 | 6,346 | - |
| Retirement Funds | 60,789 | 88,790 | 28,001 |
| Other | | | |
| Contingent Accounts | 0 | 500 | 500 |
| Tort Claims / Finance Non-Operating | 7,751 | 9,054 | 1,303 |
| Other | 7,751 | 9,554 | 1,803 |
| Executive Branch Agencies | | | |
| Administration | 42,493 | 41,090 | (1,403) |
| Arts Board | 16,705 | 16,680 | (25) |
| Explore Minnesota Tourism | 20,950 | 18,376 | (2,574) |
| MN Management & Budget | 45,609 | 56,215 | 10,606 |
| Office of Enterprise Technology | 10,971 | 10,908 | (63) |
| Public Facilities Authority (PFA) | 213 | 172 | (41) |
| Revenue | 259,711 | 272,998 | 13,287 |
| Executive Branch Agencies | 396,652 | 416,439 | 19,787 |
| Quasi-State Agencies / Other | | | |
| Historical Society | 45,590 | 54,940 | 9,350 |
| Humanities Commission | 500 | 500 | - |
| Public Broadcasting (grants through Admin) | 3,881 | 3,864 | (17) |
| Science Museum (grant to non-profit) | 2,374 | 2,374 | - |
| New Accounts / Agencies: | 52,345 | 61,678 | 9,333 |
| Military Affairs / Veterans | | | |
| Military Affairs | 44,064 | 38,996 | (5,068) |
| Veterans Affairs (incl. Veterans Homes) | 117,007 | 116,158 | (849) |
| Military Affairs / Veterans | 161,071 | 155,154 | (5,917) |
| Total Expenditures | 909,885 | 954,611 | 44,726 |
| Less Indirect Costs Receipts Offset - open GF | -27,122 | -42,350 | (15,228) |
| Total General Fund Direct | 882,763 | 912,261 | 29,498 |

State Government Finance FY 2012-13 All Funds Budget (Nov. Forecast)



| <u>Agency</u> | <u>FY 12-13</u> | |
|-------------------------------------|------------------|-------------|
| Revenue Dept | 284,158 | 20% |
| Military Affairs | 251,616 | 17% |
| Veterans Affairs | 201,347 | 14% |
| Administration Dept | 134,851 | 9% |
| Legislature | 132,866 | 9% |
| Pensions | 88,790 | 6% |
| Attorney General | 64,322 | 4% |
| MN Management & Budget (MMB) | 62,076 | 4% |
| Minnesota Historical Society | 57,648 | 4% |
| All Others | 179,360 | 12% |
| Total All Funds Expenditures | 1,457,034 | 100% |
| Indirect Costs | (45,870) | |
| Net expenditures / All funds | 1,411,164 | |

Note: Legacy Funds (Clean Water, Parks & Trails, Environment & Natural Resources, Outdoor Heritage, Arts & Cultural Funds) not reflected and tracked in Environment & Natural Resources Committee. State Airport, Trunk Highway and Highway User Fund (other than Dept of Revenue appropriation) are tracked in Transportation Committee

Note: all dollars in thousands

House State Government Finance Committee- All Funds

(all dollars in thousands)

| Agency | FY 2010 | FY 2011 | FY 10-11 | Forecast Base | | |
|---|---------------|---------------|----------------|---------------|---------------|----------------|
| | | | | FY 2012 | FY 2013 | FY 12-13 |
| <u>Legislature</u> | | | | | | |
| Senate | | | | | | |
| General Fund | 21,544 | 22,597 | 44,141 | 21,824 | 21,824 | 43,648 |
| House | | | | | | |
| General Fund | 29,122 | 31,622 | 60,744 | 29,341 | 29,341 | 58,682 |
| Gift Fund | 4 | - | 4 | - | - | - |
| Legislative Coordinating Commission | | | | | | |
| General Fund | 8,660 | 11,773 | 20,433 | 9,374 | 9,374 | 18,748 |
| General Fund transfer out | (7) | - | (7) | - | - | - |
| Health Care Access Fund | 1 | 355 | 356 | 178 | 178 | 356 |
| Special Revenue Fund | 111 | 100 | 211 | - | - | - |
| Federal Fund | 6 | 1 | 7 | - | - | - |
| Legislative Auditor | | | | | | |
| General Fund | 5,969 | 6,062 | 12,031 | 5,716 | 5,716 | 11,432 |
| Total for Legislature | 65,410 | 72,510 | 137,920 | 66,433 | 66,433 | 132,866 |
| <u>Constitutional Offices</u> | | | | | | |
| Governors Office | | | | | | |
| General Fund | 2,957 | 3,850 | 6,807 | 3,363 | 3,363 | 6,726 |
| Special Revenue Fund | 674 | 678 | 1,352 | 670 | 670 | 1,340 |
| Total for Governors Office | 3,631 | 4,528 | 8,159 | 4,033 | 4,033 | 8,066 |
| State Auditor | | | | | | |
| General Fund | 8,438 | 10,093 | 18,531 | 9,102 | 9,102 | 18,204 |
| Special Revenue Fund | 41 | 44 | 85 | 44 | 44 | 88 |
| Total for State Auditor | 8,479 | 10,137 | 18,616 | 9,146 | 9,146 | 18,292 |
| Attorney General | | | | | | |
| General Fund | 21,450 | 25,775 | 47,225 | 22,204 | 22,204 | 44,408 |
| General Fund transfer out | (14) | - | (14) | - | - | - |
| State Government Special Revenue Fund | 1,828 | 1,892 | 3,720 | 1,884 | 1,884 | 3,768 |
| Special Revenue Fund | 165 | 8,676 | 8,841 | 6,391 | 6,391 | 12,782 |
| Federal Fund | 1,068 | 1,291 | 2,359 | 1,287 | 1,287 | 2,574 |
| Environmental Fund | - | 145 | 145 | 145 | 145 | 290 |
| Remediation Fund | 134 | 250 | 384 | 250 | 250 | 500 |
| Total for Attorney General | 24,631 | 38,029 | 62,660 | 32,161 | 32,161 | 64,322 |
| Secretary of State | | | | | | |
| General Fund | 5,466 | 6,000 | 11,466 | 5,659 | 5,659 | 11,318 |
| General Fund transfer out | (62) | - | (62) | - | - | - |
| Special Revenue Fund | 6,603 | 7,554 | 14,157 | 3,389 | 2,572 | 5,961 |
| Federal Fund | 83 | - | 83 | - | - | - |
| Gift Fund | 57 | - | 57 | - | - | - |
| Total Secretary of State | 12,147 | 13,554 | 25,701 | 9,048 | 8,231 | 17,279 |
| <u>State Agencies</u> | | | | | | |
| Campaign Finance & Public Discl Bd | | | | | | |
| General Fund | 677 | 782 | 1,459 | 725 | 725 | 1,450 |
| Special Revenue Fund | 106 | 5,260 | 5,366 | 135 | 5,405 | 5,540 |
| Total Campaign Finance & Public Discl Bd | 783 | 6,042 | 6,825 | 860 | 6,130 | 6,990 |

House State Government Finance Committee- All Funds

(all dollars in thousands)

| Agency | FY 2010 | FY 2011 | FY 10-11 | Forecast Base | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | FY 2012 | FY 2013 | FY 12-13 |
| Campaign Financing Checkoff Subsidy | | | | | | |
| General Fund | 182 | 3,370 | 3,552 | 150 | 3,370 | 3,520 |
| General Fund transfer out | (182) | (3,370) | (3,552) | (150) | (3,370) | (3,520) |
| Investment Board | | | | | | |
| General Fund | 149 | 146 | 295 | 146 | 146 | 292 |
| Special Revenue Fund | 3,110 | 3,127 | 6,237 | 3,127 | 3,127 | 6,254 |
| Total Investment Board | 3,259 | 3,273 | 6,532 | 3,273 | 3,273 | 6,546 |
| Administrative Hearings | | | | | | |
| General Fund | 347 | 316 | 663 | 397 | 267 | 664 |
| Workers Compensation Special Fund | 6,914 | 7,586 | 14,500 | 7,250 | 7,250 | 14,500 |
| Total Administrative Hearings | 7,261 | 7,902 | 15,163 | 7,647 | 7,517 | 15,164 |
| Office of Enterprise Technology (OET) | | | | | | |
| General Fund | 4,843 | 6,128 | 10,971 | 5,454 | 5,454 | 10,908 |
| General Fund transfer out | (10) | - | (10) | - | - | - |
| Special Revenue Fund | 5,957 | 8,354 | 14,311 | 5,663 | 5,814 | 11,477 |
| Federal Fund | - | 290 | 290 | 510 | - | 510 |
| Total Office of Enterprise Technology | 10,790 | 14,772 | 25,562 | 11,627 | 11,268 | 22,895 |
| Administration Dept | | | | | | |
| General Fund | 19,734 | 22,759 | 42,493 | 20,521 | 20,569 | 41,090 |
| General Fund transfer out | (199) | (305) | (504) | - | - | - |
| Special Revenue Fund | 37,744 | 47,138 | 84,882 | 42,486 | 43,950 | 86,436 |
| Federal Fund | 2,065 | 4,561 | 6,626 | 5,818 | 1,507 | 7,325 |
| Gift Fund | 66 | 3 | 69 | - | - | - |
| Total for Administration Dept | 59,410 | 74,156 | 133,566 | 68,825 | 66,026 | 134,851 |
| Capitol Area Architect & Planning Bd | | | | | | |
| General Fund | 348 | 342 | 690 | 342 | 342 | 684 |
| Special Revenue Fund | 10 | 6 | 16 | 6 | 6 | 12 |
| Total for Capitol Area Architect & Planning Bd | 358 | 348 | 706 | 348 | 348 | 696 |
| MN Management & Budget (MMB) | | | | | | |
| General Fund | 22,068 | 23,541 | 45,609 | 28,107 | 28,108 | 56,215 |
| General Fund transfer out | (2,838) | (3,074) | (5,912) | (8,968) | (8,969) | (17,937) |
| Special Revenue Fund | 6,611 | 7,421 | 14,032 | 11,684 | 12,114 | 23,798 |
| Total for MMB | 25,841 | 27,888 | 53,729 | 30,823 | 31,253 | 62,076 |
| MMB Non-Operating | | | | | | |
| General Fund | 4,155 | 3,596 | 7,751 | 4,366 | 4,366 | 8,732 |
| General Fund transfer out | (4,191) | (4,366) | (8,557) | (4,366) | (4,366) | (8,732) |
| Special Revenue Fund | 417 | - | 417 | - | - | - |
| Federal Fund | 9,459 | 9,308 | 18,767 | 9,308 | 9,308 | 18,616 |
| Total for MMB Non-Operating | 9,840 | 8,538 | 18,378 | 9,308 | 9,308 | 18,616 |
| Indirect Costs | | | | | | |
| General Fund | (13,472) | (13,650) | (27,122) | (21,950) | (20,400) | (42,350) |
| Revenue Dept | | | | | | |
| General Fund | 116,998 | 142,713 | 259,711 | 136,448 | 136,550 | 272,998 |
| General Fund transfer out | (689) | (769) | (1,458) | (2,250) | (2,252) | (4,502) |
| Health Care Access Fund | 1,733 | 1,777 | 3,510 | 1,749 | 1,749 | 3,498 |
| Special Revenue Fund | 4,147 | 10,042 | 14,189 | 3,596 | 3,596 | 7,192 |
| Highway Users Tax Distribution Fund | 2,067 | 2,329 | 4,396 | 2,183 | 2,183 | 4,366 |
| Environmental Fund | 301 | 305 | 606 | 303 | 303 | 606 |
| Total for Revenue Dept | 124,557 | 156,397 | 280,954 | 142,029 | 142,129 | 284,158 |

House State Government Finance Committee- All Funds

(all dollars in thousands)

| Agency | FY 2010 | FY 2011 | FY 10-11 | Forecast Base | | |
|---|--------------|--------------|---------------|---------------|--------------|---------------|
| | | | | FY 2012 | FY 2013 | FY 12-13 |
| Amateur Sports Commission | | | | | | |
| General Fund | 266 | 261 | 527 | 261 | 261 | 522 |
| Special Revenue Fund | 120 | 98 | 218 | 65 | 65 | 130 |
| Gift Fund | 13 | 4 | 17 | | | - |
| Total for Amateur Sports | 399 | 363 | 762 | 326 | 326 | 652 |
| Black Minnesotans Council | | | | | | |
| General Fund | 308 | 310 | 618 | 307 | 307 | 614 |
| Special Revenue Fund | 292 | 551 | 843 | 150 | | 150 |
| Gift Fund | 22 | 17 | 39 | 17 | 22 | 39 |
| Total for Black Minnesotans Council | 622 | 878 | 1,500 | 474 | 329 | 803 |
| Chicano Latino Affairs Council | | | | | | |
| General Fund | 271 | 310 | 581 | 289 | 289 | 578 |
| Special Revenue Fund | 8 | 28 | 36 | | | - |
| Total for Chicano Latino Affairs Council | 279 | 338 | 617 | 289 | 289 | 578 |
| Asian-Pacific Council | | | | | | |
| General Fund | 266 | 271 | 537 | 267 | 267 | 534 |
| Special Revenue Fund | 50 | 33 | 83 | 9 | 9 | 18 |
| Gift Fund | 8 | 13 | 21 | 13 | 13 | 26 |
| Total for Asian-Pacific Council | 324 | 317 | 641 | 289 | 289 | 578 |
| Indian Affairs Council | | | | | | |
| General Fund | 436 | 541 | 977 | 486 | 486 | 972 |
| Special Revenue Fund | - | 120 | 120 | - | - | - |
| Federal Fund | 57 | 150 | 207 | 60 | 60 | 120 |
| Total for Indian Affairs Council | 493 | 811 | 1,304 | 546 | 546 | 1,092 |
| Gambling Control Board | | | | | | |
| Special Revenue Fund | 2,799 | 2,705 | 5,504 | 2,715 | 2,430 | 5,145 |
| Racing Commission | | | | | | |
| Special Revenue Fund | 1,708 | 1,996 | 3,704 | 2,025 | 2,025 | 4,050 |
| Public Broadcasting | | | | | | |
| General Fund | 2,015 | 1,866 | 3,881 | 1,932 | 1,932 | 3,864 |
| Public Facilities Authority (PFA) | | | | | | |
| General Fund | 82 | 131 | 213 | 86 | 86 | 172 |
| General Fund transfer out | - | (45) | (45) | - | - | - |
| Special Revenue Fund | 92 | 142 | 234 | 54 | 54 | 108 |
| Total for PFA | 174 | 228 | 402 | 140 | 140 | 280 |
| Arts Board | | | | | | |
| General Fund | 8,219 | 8,486 | 16,705 | 8,340 | 8,340 | 16,680 |
| Special Revenue Fund | 4 | - | 4 | 4 | 4 | 8 |
| Gift Fund | 40 | 40 | 80 | 40 | 40 | 80 |
| Federal Fund | 955 | 1,242 | 2,197 | 893 | 893 | 1,786 |
| Total for Arts Board | 9,218 | 9,768 | 18,986 | 9,277 | 9,277 | 18,554 |
| Humanities Commission | | | | | | |
| General Fund | 250 | 250 | 500 | 250 | 250 | 500 |

House State Government Finance Committee- All Funds

(all dollars in thousands)

| Agency | FY 2010 | FY 2011 | FY 10-11 | Forecast Base | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | FY 2012 | FY 2013 | FY 12-13 |
| Explore Minnesota Tourism | | | | | | |
| General Fund | 11,237 | 9,713 | 20,950 | 9,188 | 9,188 | 18,376 |
| Special Revenue Fund | 1,355 | 2,007 | 3,362 | 1,314 | 1,314 | 2,628 |
| Federal Fund | 36 | 20 | 56 | - | - | - |
| Total for Explore Minnesota Tourism | 12,628 | 11,740 | 24,368 | 10,502 | 10,502 | 21,004 |
| Minnesta Historical Society | | | | | | |
| General Fund | 22,659 | 22,931 | 45,590 | 26,905 | 28,035 | 54,940 |
| Special Revenue Fund | 1,058 | 945 | 2,003 | 957 | 955 | 1,912 |
| Federal Fund | - | 398 | 398 | 398 | 398 | 796 |
| Total for Explore Minnesota Tourism | 23,717 | 24,274 | 47,991 | 28,260 | 29,388 | 57,648 |
| Science Museum | | | | | | |
| General Fund | 1,187 | 1,187 | 2,374 | 1,187 | 1,187 | 2,374 |
| Contingent Accounts | | | | | | |
| General Fund | - | - | - | 500 | - | 500 |
| State Government Special Revenue Fund | - | 400 | 400 | 400 | 400 | 800 |
| Workers Compensation Special Fund | - | 100 | 100 | 100 | 100 | 200 |
| Total for Contingent Accounts | - | 500 | 500 | 1,000 | 500 | 1,500 |
| Tort Claims | | | | | | |
| General Fund | - | - | - | 161 | 161 | 322 |
| <u>Veterans / Military Affairs</u> | | | | | | |
| Military Affairs | | | | | | |
| General Fund | 21,637 | 22,427 | 44,064 | 19,498 | 19,498 | 38,996 |
| General Fund transfer out | (7) | (7) | (14) | - | - | - |
| Special Revenue Fund | 994 | 2,118 | 3,112 | 2,199 | 2,191 | 4,390 |
| Federal Fund | 55,512 | 104,115 | 159,627 | 104,115 | 104,115 | 208,230 |
| Total for Military Affairs | 78,136 | 128,653 | 206,789 | 125,812 | 125,804 | 251,616 |
| Veterans Affairs | | | | | | |
| General Fund | 57,431 | 59,576 | 117,007 | 58,044 | 58,114 | 116,158 |
| General Fund transfer out | (42,536) | (43,420) | (85,956) | (43,916) | (43,916) | (87,832) |
| Special Revenue Fund | 75,247 | 80,795 | 156,042 | 81,229 | 80,252 | 161,481 |
| Federal Fund | 30,526 | 17,421 | 47,947 | 9,914 | 355 | 10,269 |
| Gift Fund | 495 | 660 | 1,155 | 637 | 634 | 1,271 |
| Total for Veterans Affairs | 121,163 | 115,032 | 236,195 | 105,908 | 95,439 | 201,347 |
| <u>Pensions</u> | | | | | | |
| MN State Retirement System | | | | | | |
| General Fund | 2,636 | 2,899 | 5,535 | 2,988 | 3,048 | 6,036 |
| Public Employees Retirement (PERA)/MERF | | | | | | |
| General Fund | 9,000 | 9,000 | 18,000 | 22,750 | 22,750 | 45,500 |
| Teachers Retirement Assoc (TRA) | | | | | | |
| General Fund | 15,454 | 15,454 | 30,908 | 15,454 | 15,454 | - |
| Teachers Retirement Assoc (TRA) - St. Paul | | | | | | |
| General Fund | 2,827 | 2,827 | 5,654 | 2,827 | 2,827 | 5,654 |
| Teachers Retirement Assoc (TRA) - Duluth | | | | | | |
| General Fund | 346 | 346 | 692 | 346 | 346 | 692 |

House State Government Finance Committee- All Funds

(all dollars in thousands)

| Agency | FY 2010 | FY 2011 | FY 10-11 | Forecast Base | | |
|---|----------------|----------------|------------------|----------------|----------------|------------------|
| | | | | FY 2012 | FY 2013 | FY 12-13 |
| TOTAL BY FUND | | | | | | |
| General Fund | 416,162 | 466,601 | 882,763 | 453,355 | 458,906 | 912,261 |
| General Fund transfer out | (50,735) | (55,356) | (106,091) | (59,650) | (62,873) | (122,523) |
| Health Care Access Fund | 1,734 | 2,132 | 3,866 | 1,927 | 1,927 | 3,854 |
| Special Revenue Fund | 149,423 | 189,938 | 339,361 | 167,912 | 172,988 | 340,900 |
| Federal Fund | 99,767 | 138,797 | 238,564 | 132,303 | 117,923 | 250,226 |
| Gift Fund | 705 | 737 | 1,442 | 707 | 709 | 1,416 |
| State Government Special Revenue Fund | 1,828 | 2,292 | 4,120 | 2,284 | 2,284 | 4,568 |
| Environmental Fund | 301 | 450 | 751 | 448 | 448 | 896 |
| Remediation Fund | 134 | 250 | 384 | 250 | 250 | 500 |
| Highway Users Tax Distribution Fund | 2,067 | 2,329 | 4,396 | 2,183 | 2,183 | 4,366 |
| Workers Compensation Special Fund | 6,914 | 7,686 | 14,600 | 7,350 | 7,350 | 14,700 |
| TOTAL ALL FUNDS STATE GOVERNMENT | 628,300 | 755,856 | 1,384,156 | 709,069 | 702,095 | 1,411,164 |

State Government Finance - Agency Billings & Internal Service Funds

(dollars in thousands)

Examples of Internal Service Funds in State Govt. Finance Agencies:

| Administration | <u>FY 12-13 Base</u> |
|--|-----------------------------|
| Risk Management | 26,021 |
| Plant Management | 94,212 |
| Documents & Publications | 2,753 |
| Central Motor Pool | 35,843 |
| Materials Distribution | 29,506 |
| Central Mailing | 18,525 |
| subtotal Admin: | 206,860 |
| Office of Enterprise Technologies | |
| Enterprise Technologies Fund | 189,042 |
| Minnesota Management & Budget | |
| State Employees Insurance Fund | 1,662,888 |

Other Examples

State auditor - Reimbursement from local governments for audits offsets General Fund appropriation

Governor's Office - Inter-Agency Agreements for Government Relations Staff

Attorney General - Partner Agency Agreements

Administrative Hearings - charges to agencies/local govts. for administrative law judges

Investment Board - fees assessed against the assets of the funds SBI invests

Sources of Information on Agencies Budgets

Agency Profile Pages on MMB Website: brief overviews of an agency's business, outlining the agency's purpose and strategies, and basic information about the agency's operations and budget,

www.finance.state.mn.us/narratives-11-30-2010

Agency Performance Information: information on the progress of state agencies toward specific goals, primarily for cabinet level agencies.

<http://www.accountability.state.mn.us/>

Detailed Tracking Sheet (Coming Soon)

<http://www.house.leg.state.mn.us/fiscal/tracking.htm>

Additional Detail from Biennial Budget System (Available through fiscal analysts)

Legislative Auditor Reports

<http://www.auditor.leg.state.mn.us/>

State Government Terms

AGO - acronym for the Attorney General's Office.

AMPERS - Association of Minnesota Public Educational Radio Stations. AMPERS represents independently licensed, noncommercial radio stations that are not part of the Minnesota Public Radio (MPR) network. AMPERS stations receive some state grant funds through the department of Administration.

CAAPB, Capitol Area Architectural Planning Board - responsible for architecture and comprehensive land use planning in the Capitol area of St. Paul. CAAPB exercises zoning authority and controls redevelopment of the north Capitol area.

Campaign Finance and Public Disclosure Board Administers the requirements of the Ethics in Government Act ([M.S. 10A](#)). The Board's four major programs are campaign finance registration and disclosure, public subsidy administration, lobbyist registration and disclosure, and economic interest disclosure by public officials. The Board has six members, appointed by the Governor on a bi-partisan basis for staggered four-year terms.

Contingent Accounts - Contingent accounts are appropriations made from several state funds to provide supplemental funding for emergencies and other legally authorized purposes. The release and expenditure of this funding requires the approval of the governor after consultation with the Legislative Advisory Commission (LAC).

DOER - acronym for former Department of Employee Relations. DOER was abolished in July 2008, and most of its functions transferred to the Department of Finance (now called Minnesota Management & Budget). DOER directed and coordinated personnel management and labor relations programs for state agencies.

EAP, Employee Assistance Program - provides training, diagnostic, and referral services for state employees and their dependents. EAP is part of the State Employee Group Insurance program.

EGS, Electronic Government Services - term used to describe efforts to allow citizens to conduct government business electronically. Examples include on-line license applications, and electronic payments.

Enterprise Technology Revolving Fund - the internal service fund managed by the Office of Enterprise Technology. The ETRF provides the core computer operations organization for state agencies, including mainframe operations and telecommunications.

EQB, Environmental Quality Board - consists of five citizens and the heads of nine state agencies that play a key role in Minnesota's environment. The board develops policy, creates long-range plans and reviews proposed projects that would significantly influence Minnesota's environment. The EQB is housed in the Department of Administration.

Explore Minnesota Tourism (EMT) - The lead state agency in promoting the tourism sector of the state's economy. EMT markets Minnesota as a travel destination, and leads tourism policy and product development. In addition to its main St. Paul office, EMT serves the tourism industry through its regional offices.

Finance, Department of - (See Minnesota Management & Budget).

Gambling Control Board - state agency that regulates lawful gambling in Minnesota.

IA Warehouse - Information Access Warehouse. A statewide data warehouse operated by the Department of Finance. The IA warehouse integrates data from MAPS (the accounting and procurement system) and SEMA-4 (the payroll and human resources system). Authorized users (including legislative staff) may access the warehouse to compile data and generate reports. (See SWIFT)

In-Lieu-of-Rent - direct appropriation to the Department of Administration for space costs not covered by lease agreements with state agencies. The in-lieu-of-rent appropriation covers ceremonial space in the Capitol, and space occupied in the Capitol and SOB by the legislative branch and chartered veterans service organizations.

Internal Service Funds - Funds internal to the operation of state government that provide a variety of services to state agencies, such as telecommunications and computer services, plant management, office supplies and surplus services. The funds must recover the full costs of services provided through billing back state agencies.

LAC, Legislative Advisory Commission - *see [General Terms](#) section.*

LCC, Legislative Coordinating Commission - The LCC serves as the umbrella organization for legislative commissions, joint agencies, and other boards. All joint agency budgets are reviewed and approved by the commission. Six House members and six Senate members sit on the LCC.

LCPR, Legislative Commission on Pensions and Retirement (*usually referred to as the Pension Commission*) - provides legislative oversight for Minnesota's system of public employee pension plans by reviewing proposed public pension legislation, conducting research on pension policy issues and assessing the sufficiency of current public pension plan funding. Five House members and five Senate members sit on the LCPR.

LMIC, Land Management Information Center (See MnGEO).

MAD, Management Analysis Division - a fee for service management consulting group within the Minnesota Management & Budget.

MAPS, Minnesota Accounting and Procurement System - information system used by all state agencies to enter and track accounting and procurement transactions. MAPS is supported by the Department of Finance, and is used in the preparation of statewide financial statements. (See SWIFT below).

MASC - acronym for the Minnesota Amateur Sports Commission.

Master Lease - a lease-purchase financing option for equipment purchases, available only through the Department of Administration.

Materials Management – division in the Dept. of Administration responsible for purchasing, contracts, professional/technical services, and all other aspects of buying goods and services for state agencies.

MHS - Acronym for the Minnesota Historical Society.

Minnesota Advantage – name of the health insurance plan for state employees. Minnesota Advantage is the largest component of the State Employees Insurance Program (SEGIP).

Minnesota Milestones – a set of state-wide performance goals and indicators established through a citizen-based planning process in the 1990's. The last update on these Milestones was in 2002.

MMB, Minnesota Management & Budget – The agency with broad powers to administer the financial affairs of the state, among them the responsibility to develop and present the

Governor's budget, produce forecasts of state revenues, expenditures, and debt capacity, to prepare and oversee fiscal notes, and to manage the state's capital indebtedness and capital bonding. The Commissioner of MMB is designated in statute as the state's chief accounting officer, principal financial officer and the state controller. (Formerly the Department of Finance / Department of Employee Relations).

MNET – Minnesota's Network for Enterprise Technology. Administered by the Office of Enterprise Technology, MNET is the state's primary network that connects public entities throughout the state by transporting voice, data, video, and Internet transmissions over a shared infrastructure.

MnGEO – Minnesota Geospatial Information Office. Established in 2009 as the successor to the Land Management Information Center (LMIC). MnGEO is housed in the Department of Administration, and is responsible for coordinating GIS (geographic information systems) within Minnesota.

Northstar - the state's central web portal and on-line information center, located on at www.state.mn.us.

OAH - acronym for the Office of Administrative Hearings. OAH is an independent state agency charged with providing a fair, prompt and impartial hearing process for citizens who disagree with actions taken by government. OAH judges hear cases in four areas: Administrative Procedure Act state agency contested cases; rulemaking hearings; local government licensing and personnel cases; and Workers Compensation benefit hearings.

OET, Minnesota Office of Enterprise Technology - OET is charged with providing statewide leadership and direction for information and communication technology policy. OET is also responsible for managing the state's information and telecommunications systems. The

OET director serves as the state's Chief Information Officer.

OLA, Office of the Legislative Auditor – the nonpartisan audit and evaluation office within the legislative branch of Minnesota state government. The office focuses primarily on state agencies and programs, but also audits three metropolitan agencies and selectively reviews programs that are administered locally. Financial audits of local units of government are the responsibility of the [State Auditor](#).

Pension Systems:

- < DTRFA - Duluth Teachers Retirement Fund Association.
- < IRAP - Individual Retirement Account Plan, defined contribution plan primarily covering many recently hired state university, community college, and technical college personnel.
- < MSRS - Minnesota State Retirement System, administers various pension plans that cover state employees. Includes the MSRS General Plan for most executive branch employees, the MSRS Unclassified Plan for legislative staff and unclassified executive branch employees, the Correctional Plan for employees in state correctional institutions that have sufficient inmate contact, the State Patrol Plan for state peace officers, and legislators' and constitutional officers' plans.
- < MTRFA - Minneapolis Teachers Retirement Fund Association. MTRFA was merged with the statewide Teachers Retirement Association on July 1, 2006.
- < PERA - Public Employees Retirement Association, administers pension plans that covers local, county, and school district non-teaching employees.
- < PERA Police and Fire - provides coverage for many local police officers and paid firefighters.

- < StPTRFA - St. Paul Teachers Retirement Fund Association.
- < TRA - Teachers Retirement Association, provides coverage for public school teachers throughout the state, except for teachers in St. Paul and Duluth, and some teachers in community colleges, state universities, and technical colleges.

Pension Terms:

- < Actuary - professional trained in mathematics, statistics and economic techniques that allow them to put a financial value on future events. The actuarial work for most Minnesota defined benefit plans is prepared by a consulting actuarial firm retained jointly by the seven largest retirement systems.
- < Actuarial Report - a study performed annually by the actuary to examine whether the contributions made to a defined benefit plan are likely to be adequate, given the benefits offered, the mortality and other demographic factors of the membership and pension fund investment performance.
- < Contribution Sufficiency / Deficiency - a comparison of required contributions to statutory contributions indicating that current contribution rates are / are not sufficient to cover expenses, normal cost, and necessary payments to retire the unfunded accrued liability by the full funding date.
- < Defined Benefit Plan - system providing an eventual pension benefit determined by a formula based on age, service credit and final salary. Most Minnesota public pension plans are defined benefit plans.
- < Defined Contribution Plan - system providing a pension benefit equal to the combined employee and employer benefits plus investment earnings. No particular level of benefit is guaranteed. The MSRS unclassified plan is an example of a defined contribution plan.
- < Full Funding Date - the target date established for paying off a plan's unfunded

accrued liability, usually June 30, 2020 for Minnesota public pension plans.

- < Normal Cost - the amount of money that must be contributed each year to pay for the benefits that members have earned that year. Normal cost is usually expressed as a percentage of payroll.
- < Post Fund: The fund which receives the fully funded actuarial reserves for a new retiree's pension benefit at the time of retirement from the plan's active fund, and which generates the funding for and pays post-retirement adjustments.
- < Required Contributions - the level of contributions, usually expressed as a percentage of covered salary, determined by the actuary to be necessary to fully fund a pension plan by the full funding date.
- < Statutory Contributions - contributions to be paid to a defined benefit plan, generally specified in statute.
- < Unfunded Accrued Liability - amount by which a fund's estimated benefit obligations exceed the assets projected to be available to pay those benefits.

Police State Aid - See [Taxes](#) section.

P/T Contracts, Professional and Technical Contracts - state contracts for professional or technical services that are intellectual in character, including consultation, analysis, evaluation, and planning, and result in the production of a report or the completion of a task. P/T contracts do not include the provision of supplies or materials except by the approval of the commissioner (of administration) or except as incidental to the provision of professional or technical services. ([M.S. 16C.08, Subd 1](#)).

Racing Commission - a regulatory agency created in 1983 to supervise and regulate the pari-mutuel horse racing industry in Minnesota.

Statewide Administrative Systems (formerly called Statewide Systems Project) - the executive

branch's statewide computerized business systems. The system is comprised of MAPS (the state's accounting and procurement system) and SEMA4 (the human resources management system). Reporting capabilities are provided through the Information Access Warehouse. The systems are administered by the Department of Finance.

SBI, State Board of Investment - constitutionally established to invest all state funds. Invests pension fund assets of TRA, MSRS, and PERA. Members include the governor, the state auditor, the secretary of state, and the attorney general.

SEGIS, State Employees Group Insurance Program - provides Minnesota state employees (as well as people employed by some quasi-state organizations) with employee/dependent group medical, dental and life insurance. Administered by Minnesota Management & Budget.

SEMA4, Statewide Employee Management System - the state's human resources and payroll processing system.

State Lottery Fund - fund containing all gross revenues of the lottery, except those deposited in the State Lottery Prize Fund (see below). Lottery operating costs are paid from this fund, but may not exceed nine percent of gross revenues.

State Lottery Net Proceeds - the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and the remaining 60 percent must be credited to the General Fund.

State Lottery Prize Fund - separate prize account funded by lottery receipts. The lottery director must deposit an amount sufficient to pay lottery prizes. After one year, unclaimed prize funds are transferred to the general fund.

Statewide Indirect Costs - all General Fund expenditures made by a state agency to provide

general support services to any other state agency. Agencies must allocate these costs to programs supported by non-General Fund sources (usually federal or fee-based programs), and reimburse the General Fund with the recoveries. Indirect cost recoveries ensure that general tax revenues do not pay a disproportionate share of administrative costs.

Surplus Services – program in the Department of Administration responsible for the acquisition, distribution and disposal of surplus property (other than real estate).

SWIFT – Statewide Integrated Financial Tools – New system at MMB that will integrate all of the administrative functions across state agencies, including financial, procurement, reporting and the current SEMA4 (human resources/payroll) system. SWIFT is schedule to go-live on July 1, 2011, and will replace the current accounting and procurement system (MAPS).