

Fiscal Note – 2011-12 Session

Bill #: H0299-2E **Complete Date:** 04/11/11

Chief Author: SENJEM, DAVID

Title: SAVI PROGRAM ESTABLISHED

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

Agency Name: Minnesota Management & Budget

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY11	FY12	FY13	FY14	FY15
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY11	FY12	FY13	FY14	FY15
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

House file 299 as amended establishes the State Agency Value Initiative (SAVI), under which 50 percent of an agency's unspent operating funds at the end of a biennium may be carried forward into the next biennium, to be spent on projects approved by a peer review panel within the agency. (Under current law, operating money not spent at the end of a biennium lapses, and returns to the fund from which the money was appropriated. These amounts are generally referred to as cancellations). An amendment specifically states that the unspent funds are from special efforts over and above cancellations that normally occur. This section is effective June 30, 2013, and first applies to funds to be carried forward from the biennium ending June 30, 2013 to the biennium starting July 1, 2013.

Assumptions

- The provision applies only to the operating, non-grant portion of agency budgets.
- State-wide carry-forward policies and processes would be changed to reflect this initiative, replacing current level of effort by agencies.
- All amounts are over and above current cancellation estimates included in the forecast (\$7.5 million in 2011)

Expenditure and/or Revenue Formula

Assuming that only funds unspent through specific efforts to participate in the initiative are eligible for consideration, there are no state costs.

Long-Term Fiscal Considerations

Assuming that only funds unspent through specific efforts to participate in the initiative are eligible for consideration, there are no long-term fiscal considerations.

Local Government Costs

References/Sources

None

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EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

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