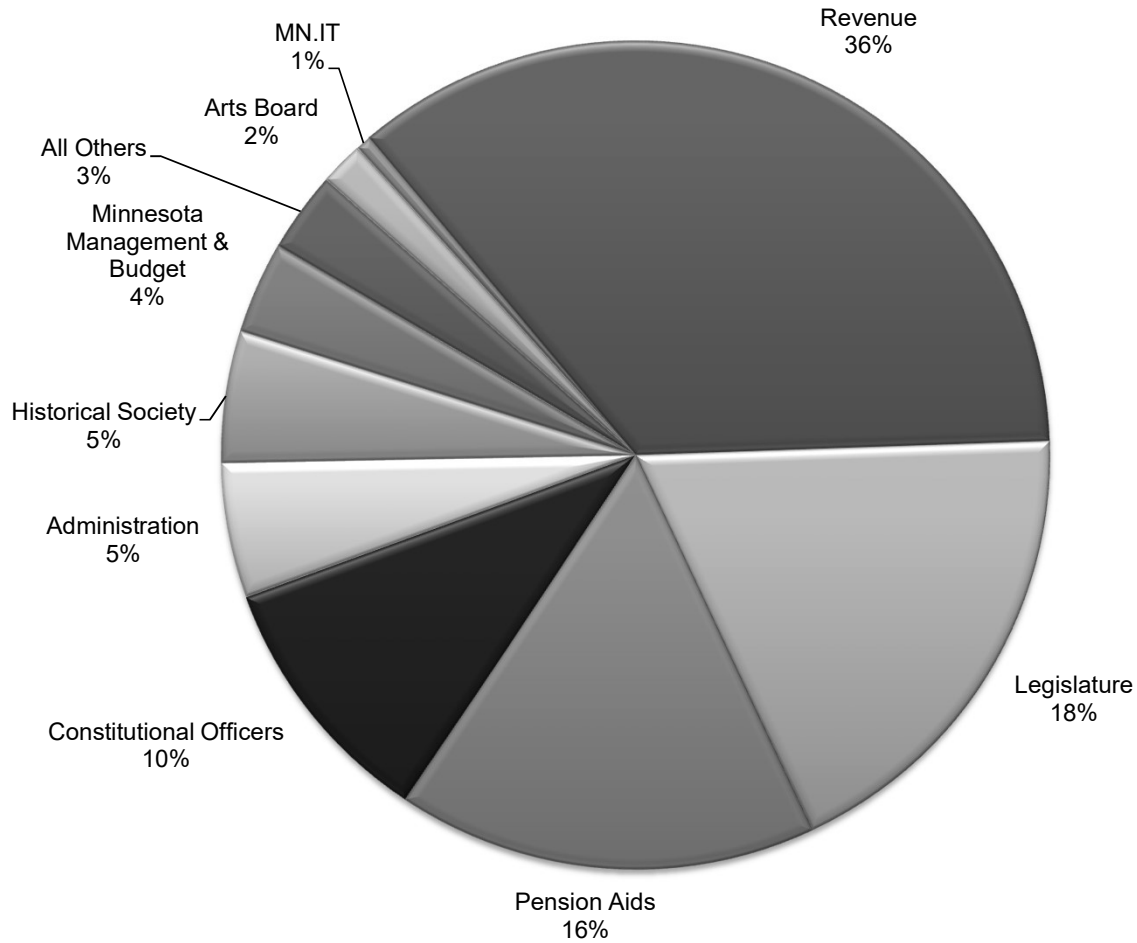


State Government Finance

FY 2020-21 General Fund Budget (Nov. Forecast)



	FY 20-21 Forecast Base	% of total
Revenue	314,868	36%
Legislature	163,990	19%
Pension Aids	145,460	16%
Constitutional Officers	88,870	10%
Administration	46,477	5%
Historical Society	45,636	5%
Minnesota Management & Budget	31,686	4%
All Others	27,872	3%
Arts Board	15,082	2%
MN.IT	5,358	1%
Total Net General Fund Expenditures	885,299	100%

Note: dollars in thousands

House State Government Finance Committee
General Fund Budget Expenditures - November 2018 Forecast

(all dollars in thousands)

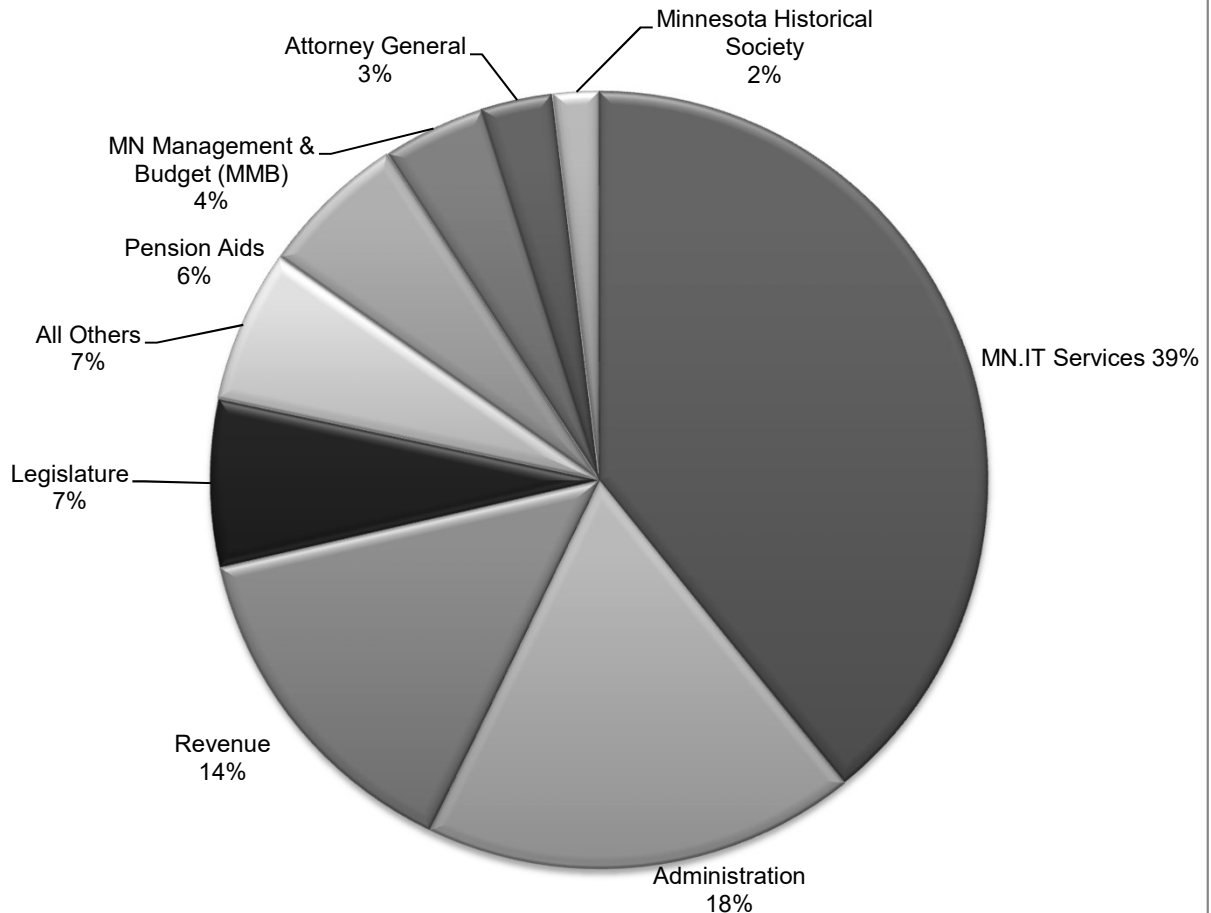
	Forecast FY 18-19	Forecast FY 20-21	\$ Change FY 18-19 to FY 20-21
Legislature			
Senate	70,110	64,210	(5,900)
House	68,596	64,766	(3,830)
Legislative Coordinating Cmsn (Inc. Legislative Auditor)	39,611	35,014	(4,597)
Legislative Carryforward	8,090		
Legislature	186,407	163,990	(22,417)
Constitutional Officers			
Governor	7,216	7,244	28
State Auditor	19,805	20,158	353
Attorney General	44,171	44,396	225
Secretary of State	20,382	13,308	(7,074)
Presidential Primary (open)		3,764	
Constitutional Officers	91,574	88,870	(2,704)
Boards, Commissions, Councils			
Amateur Sports Commission (MASC)	608	612	4
Capitol Area Architecture & Planning Board	710	702	(8)
Campaign Finance Board	2,082	2,096	14
Campaign subsidy - open	2,535	2,508	(27)
Investment Board	278	278	-
Admin Hearings	797	800	3
Minnesotans of African Heritage Council	809	814	5
Latino Affairs - Minnesota Council	971	990	19
Asian Pacific Minnesotans Council	922	930	8
Council on Indian Affairs	1,165	1,172	7
Boards, Commissions, Councils	10,877	10,902	25
Occupational Licensing Boards			
Board of Accountancy	1,295	1,302	7
Board of Architecture, Engineering etc.	1,604	1,612	8
Board of Cosmetologist Examiners	5,549	5,586	37
Board of Barber Examiners	684	686	2
Occupational Licensing Boards	9,132	9,186	54
Retirement Funds			
MSRS - legislators & constitutional officers -open	18,032	18,644	612
MSRS - judges retirement plan	12,000	12,000	-
PERA - Police and Fire	4,500	13,500	
PERA / Mpls Employees Retirement Fund (MERF) - open	32,000	12,000	(20,000)
TRA / Mpls. Teachers Retirement Aids	59,662	59,662	-
St. Paul Teacher Retirement Assoc. - open	24,654	29,654	5,000
Retirement Funds	150,848	145,460	(5,388)
Other			
Contingent Accounts	500	500	-
Tort Claims / Claims Bill	572	322	(250)
Other	1,072	822	(250)

House State Government Finance Committee
General Fund Budget Expenditures - November 2018 Forecast

(all dollars in thousands)

	Forecast FY 18-19	Forecast FY 20-21	\$ Change FY 18-19 to FY 20-21
Executive Branch Agencies			
Administration	44,178	46,477	2,299
Arts Board	15,074	15,082	8
MN Management & Budget	54,188	51,892	(2,296)
MMB non-operating	72,196	-20,206	
MN.IT Services	8,710	5,358	(3,352)
Revenue	310,418	314,868	4,450
Executive Branch Agencies	504,764	413,471	(91,293)
Quasi-State Agencies / Other			
Historical Society	52,762	45,636	(7,126)
Humanities Commission	1,900	1,400	(500)
Public Broadcasting (grants through Admin)	5,638	5,562	(76)
Quasi-state agencies / other:	60,300	52,598	(7,702)
Total Net General Fund Expenditures	1,014,974	885,299	(129,675)

State Government Finance FY 2020-21 All Funds Budget (Nov. Forecast)



Agency	FY 20-21	
MN.IT Services	931,886	39%
Administration	429,001	18%
Revenue	338,046	14%
Legislature	165,221	7%
All Others	151,348	6%
Pension Aids	145,460	6%
MN Management & Budget (MMB)	101,792	4%
Attorney General	70,800	3%
Minnesota Historical Society	45,636	2%
Total All Funds Expenditures	2,379,190	100%

Note: all dollars in thousands

House State Government Finance - All Funds Expenditures

(all dollars in thousands)

Agency	Forecast FY 20-21
<u>Legislature</u>	
Senate	
General Fund	64,210
Miscellaneous Agency Funds	326
House	
General Fund	64,766
Health Care Access Fund	
Miscellaneous Agency Funds	326
Legislative Coordinating Commission	
General Fund	35,014
Health Care Access Fund	256
Special Revenue Fund	323
Total Legislature	165,221
<u>Constitutional Offices</u>	
Governors Office	
General Fund	7,244
Special Revenue Fund	4,227
Total Governors Office	11,471
State Auditor	
General Fund	20,158
Special Revenue Fund	1,587
Total State Auditor	21,745
Attorney General	
General Fund	44,396
State Government Special Revenue Fund	4,820
Special Revenue Fund	18,326
Federal Fund	2,468
Environmental Fund	290
Remediation Fund	500
Total Attorney General	70,800
Secretary of State	
General Fund	17,072
Special Revenue Fund	13,979
Total Secretary of State	31,051

House State Government Finance - All Funds Expenditures

(all dollars in thousands)

Agency	Forecast FY 20-21
State Agencies	
Campaign Finance & Public Discl Bd	
General Fund	2,096
Campaign Financing Checkoff Subsidy	
General Fund	2,508
Investment Board	
General Fund	278
Special Revenue Fund	13,858
Total Investment Board	14,136
Administrative Hearings	
General Fund	800
Workers Compensation Special Fund	15,644
Administrative Hearings Internal Service Fund	5,886
Total Administrative Hearings	22,330
MN.IT Services	
General Fund	5,358
Special Revenue Fund	507,098
Master Lease	18,300
MN.IT Services Fund	401,130
Total Office of Enterprise Technology	931,886
Administration Dept	
General Fund	46,477
Enterprise & Internal Service Funds	282,249
Special Revenue Fund	92,353
Federal Fund	6,709
Endowment & Permanent School Fund	600
Gift Fund	613
Total for Administration Dept	429,001
Capitol Area Architect & Planning Bd	
General Fund	702
Special Revenue Fund	27
Total for Capitol Area Architect & Planning Bd	729

House State Government Finance - All Funds Expenditures

(all dollars in thousands)

Agency	Forecast FY 20-21
MN Management & Budget (MMB)	
General Fund	51,892
Management Analysis Division	25,349
Special Revenue Fund	24,551
Total for MMB	101,792
MMB Non-Operating	
General Fund	(20,206)
Federal Fund	14,184
Total for MMB Non-Operating	(6,022)
Revenue Dept	
General Fund	314,868
Health Care Access Fund	3,520
Special Revenue Fund	14,658
Highway Users Tax Distribution Fund	4,390
Environmental Fund	610
Total for Revenue Dept	338,046
Amateur Sports Commission	
General Fund	612
Special Revenue Fund	162
Total for Amateur Sports	774
Council for Minnesotans of African Heritage	
General Fund	814
Council on Latino Affairs	
General Fund	990
Special Revenue Fund	-
Total for Chicano Latino Affairs Council	990
Council on Asian-Pacific Minnesotans	
General Fund	930
Special Revenue Fund	40
Gift Fund	-
Total for Asian-Pacific Council	970

House State Government Finance - All Funds Expenditures

(all dollars in thousands)

Agency	Forecast FY 20-21
Indian Affairs Council	
General Fund	1,172
Gift	20
Special Revenue	-
Total for Indian Affairs Council	1,192
Public Broadcasting	
General Fund	5,562
Arts Board	
General Fund	15,082
Special Revenue Fund	-
Gift Fund	-
Federal Fund	1,566
Total for Arts Board	16,648
Humanities Commission	
General Fund	1,400
Minnesota Historical Society	
General Fund	45,636
Special Revenue Fund	-
Total for MN Historical Society	45,636
Contingent Accounts	
General Fund	500
State Government Special Revenue Fund	800
Workers Compensation Special Fund	200
Total for Contingent Accounts	1,500
Tort Claims	
General Fund	322
<u>Occupational Licensing Boards</u>	
Accountancy Board	
General Fund	1,302
Architecture, Engineering etc Board	
General Fund	1,612
Barbers Examiners Board	
General Fund	686

House State Government Finance - All Funds Expenditures

(all dollars in thousands)

Agency	Forecast FY 20-21
Cosmetologists Examiners Board	
General Fund	5,586
<u>Gambling Related Agencies</u>	
Gambling Control Board	
Special Revenue Fund	5,944
Racing Commission	
Special Revenue Fund	6,002
<u>Pensions</u>	
MN State Retirement System	
General Fund	30,644
Public Employees Retirement (PERA)	
General Fund	25,500
Teachers Retirement Assoc (TRA)	
General Fund	59,662
St. Paul Teachers Retirement	
General Fund	29,654
<i>TOTAL BY FUND</i>	
General Fund	885,299
Health Care Access Fund	3,776
Special Revenue Fund	703,135
Federal Fund	24,927
Miscellaneous Agency Funds	652
Admin Enterprise / Internal Fund	282,249
MN.IT Services Fund & Master Lease	419,430
Other Agency Enterprise / Internal Service Funds	31,235
Endowment & Permanent School Fund	600
Gift Fund	633
State Government Special Revenue Fund	5,620
Environmental Fund	900
Remediation Fund	500
Highway Users Tax Distribution Fund	4,390
Workers Compensation Special Fund	15,844
TOTAL ALL FUNDS STATE GOVERNMENT	2,379,190

Source: MMB Consolidated Fund Statement, and Budget Planning & Analysis System

House State Government Finance

Agency Billings & Internal Service Funds

(dollars in thousands)

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

Administration		<u>FY 20-21 Forecast</u>
MN Bookstore		2,634
Cooperative Purchasing		55,125
Surplus Property		2,950
Master Lease		38,015
Fleet Services		19,006
Central Mail		19,076
Risk Management		27,317
Plant Management		118,126
subtotal Admin:		282,249
MN.IT Services		
MN.IT Services Fund		401,130
Minnesota Management & Budget		
Statewide Insurance Programs (SEGIP & PEIP)		1,633,111
<i>(not included in all funds pie chart)</i>		

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 State Agency Budgets

Agency Profile Pages on MMB Website: Background on an agency's mission and services, and base budget information. These will be updated with the Governor's budget recommendations.
mn.gov/mmb/budget/current-budget/governors-budget-recommendations/base-budget-books.jsp

Detailed Tracking Sheet (Coming Soon)
www.house.leg.state.mn.us/Fiscal/Home/TrackingSheets

Additional Detail from Budget Planning and Analysis System (BPAS) - Available through fiscal analysts

Legislative Auditor Reports
www.auditor.leg.state.mn.us/

Questions???
Helen Roberts, House Fiscal Analysis Department
296-4117
helen.roberts@house.mn

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 state grant funds through the department of Administration.

BPAS – Budget Planning & Analysis System – system managed by MMB used to collect and present current and projected budget data. BPAS is used to produce the Governor's proposed biennial budget.

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 ([Minn. Stat. § 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.

CAPM – acronym for the Council on Asian Pacific Minnesotans.

CMAH – acronym for the Council for Minnesotans of African Heritage.

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).

Demographic Center – provides demographic data and analysis, including annual population estimates, long-term projections and trend monitoring. Serves as the liaison to the US Census Bureau. Located in the Department of Administration.

DMA – Minnesota Department of Military Affairs - also known as the Minnesota National Guard.

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.

ETRF, Enterprise Technology Revolving Fund – the internal service fund managed by MN.IT. The ETRF provides the enterprise IT services for state agencies, including mainframe and server infrastructure, data center management and telecommunications.

Fleet Services – program in Department of Administration providing long-term vehicle leases, and assistance to state agencies in meeting the federal Energy Policy Act (EPAct) requirement for alternative fuel vehicle purchasing

Gambling Control Board - state agency that regulates lawful gambling in Minnesota. The lawful forms of gambling are paper pull-

tabs, raffles, bingo, paddlewheels, tipboards, electronic bingo and electronic pulltabs.

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 State Office Building by the legislative branch and chartered veterans service organizations.

Information and Telecommunications Account – Special Revenue account within MN.IT, authorized in MS 16E.21. The account is funded through state agency contributions and is used for projects and activities that create government efficiencies.

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.

IPAD – Information Policy Analysis Division – Unit in Department of Administration that provides education and assistance about the state's data practices act and open meeting law (MS Chapters 13 and 13D).

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. Seven House members and seven Senate members sit on the LCPR.

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

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.

MCLA – acronym for Minnesota Council on Latino Affairs

MDVA – acronym for the Minnesota Department of Veterans Affairs.

MIAC – acronym for the Minnesota Indian Affairs Council.

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.gov – web portal to Minnesota state government, located at mn.gov (replaces former Northstar portal)

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).

MNCI – Minnesota Office of Continuous Improvement – Office in the Department of Administration that provides training and resources to state agencies on continuous improvement principles.

MnGEO – Minnesota Geospatial Information Office. MnGEO is responsible for coordinating GIS data and services within the state. MnGEO is housed in MN.IT, and is a successor to the Land Management Information Center (LMIC).

MN.IT Services – Agency charged with providing statewide leadership and direction for information and communication technology policy. MN.IT is also responsible for managing the state's information and telecommunications systems. The MN.IT director serves as the state's Chief Information Officer.

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.

OGM – Office of Grants Management – provides policy direction and technical assistance on state grants management. Housed in the Department of Administration.

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](#).

OSA – Office of the State Archaeologist - Office in Department of Administration that manages the State's archaeological resources, including sites and data under provisions of MS [138.31-138.42](#) and MS [307.08](#). OSA's duties include identifying and preserving archaeological sites and data; identifying and protecting human burial sites; and licensing archaeological fieldwork conducted within the state.

Pension Systems / Plans:

- DTRFA – Duluth Teachers Retirement Fund Association. Effective June 30, 2015, the DTRFA was merged into TRA.
- 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 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.
- 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.
- 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.

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

Risk Management – program in the Department of Administration that operates the state government's insurance program, and the state workers' compensation and safety programs.

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.

SEIGIP – 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.

SER – Subcommittee on Employee Relations – subcommittee of the Legislative Coordinating Commission (LCC). Assists the legislature by providing interim consideration of negotiated agreements and compensation plans for employees in the executive branch. The SER also makes recommendations regarding certain state and local government salaries.

SHPO – State Historic Preservation Office – part of the Minnesota Historical Society, the SHPO oversees programs to identify, evaluate, and protect the state's historic and archaeological resources.

SMART – Small Agency Resource Team – unit within Department of Administration that offers human resource and financial management services to small agency clients in state government.

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 – The state's financial accounting, procurement, human resources and payroll system. SWIFT went live on July 1, 2011, and replaced the former accounting and procurement system (MAPS), and integrates with the human resources/payroll system (SEMA4).