

# One Minnesota Budget



## 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.

Minnesota Management and Budget (MMB) plays a key role in that effort, providing essential, centralized services that are foundational to state government operations and to sound, transparent management of state employee and financial resources.

MMB works collaboratively throughout the state enterprise to enhance security, efficiency, and capacity and to ensure the continuity and effectiveness of state services for Minnesota’s people, businesses, and communities.

### AT A GLANCE

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

## SECURING & MAINTAINING FOUNDATIONAL SERVICES, SUPPORTS

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

### **Secure and Sustain the State's ERP Systems**

MMB maintains and operates the enterprise resource planning (ERP) systems that every agency and all three branches of government use for accounting, human resources, financial reporting, and employee development. MMB does not have a funding source to adequately maintain, operate, secure and enhance these systems. We have reached a critical funding cliff; without additional funding, MMB will need to reduce maintenance and operations below current, already insufficient levels. The Governor and the Lieutenant Governor recommend general fund resources to maintain and enhance the ERP systems, as well as elimination of a statutory cap on the amount that MMB can bill agencies for these systems beginning in FY 2026. This funding will not only allow for current levels of operations and maintenance to continue, but also will allow for increased frequency of updates, enhanced security and a transition of these systems to the cloud.

### **Maintain Current Service Levels**

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like IT and legal services, also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year. The Governor and Lieutenant Governor recommend additional funding to support maintaining the delivery of current services at MMB.

## PROVIDING STRATEGIC LEADERSHIP TO EVERY AGENCY

*Strong governance and oversight maximizes investments, resources and business continuity safeguards.*

### **Expanded Financial Leadership and Oversight Capacity**

MMB provides critical centralized financial leadership, measurement, and oversight capacity for the enterprise. MMB has experienced growing demand on statewide financial functions due to the increasing complexity of state and federally funded programs and financial regulations. The recommendation funds 17 FTE on an ongoing basis for statewide federal funds coordination, budget analysis and monitoring, state investment and program evaluations, banking and payroll services, debt management and regulatory compliance activities.

### **Enterprise Continuity Capacity Investment**

MMB coordinates continuity of operations planning for all executive branch agencies. Governor Walz and Lieutenant Governor Flanagan recommend expanding the executive branch's business continuity capacity by implementing a comprehensive business continuity software solution and a centralized mass notification system, and by providing enhanced support across the enterprise for workplace violence prevention and continuity of operations planning. This recommendation includes three FTE to support these activities.

## **Establish a Statewide Internal Audit Office**

This recommendation adds five FTEs to MMB's Internal Control and Accountability team to establish and operate a Statewide Internal Audit Office. The new office would focus on protecting taxpayer dollars and ensuring that state government works as efficiently and effectively as possible to improve the lives of Minnesotans.

## **Sustainable Children's Cabinet**

Governor Walz and Lieutenant Governor Flanagan recommend establishing dedicated funding for the Children's Cabinet for administration and staffing. This dedicated funding model aligns with funding practices in other states. The Children's Cabinet provides coordination among agencies and engagement with Minnesotans to drive action on issues impacting children, including education from birth onward, child care access and workforce, mental health, older youth, and other family and community supports.

## **BUILDING PEOPLE-CENTERED GOVERNMENT**

*Strategic leadership and collaboration provide good-government solutions and deliver on a commitment to Minnesota's children, youth, and families.*

## **Enhance Statewide Planning, Strategy, and Performance Management**

This proposal establishes an Enterprise Strategy and Performance team within MMB. This new unit would be the central coordinator for strategic planning efforts, cross-agency policy analysis, and planning around core long term problems facing all Minnesotans.

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

Governor Walz and Lieutenant Governor Flanagan propose a new Department of Children, Youth, and Families that reimagines state government structures to elevate child, youth, and family priorities and funding needs by providing focused leadership in our executive branch and with the legislature. The One Minnesota Budget proposes a process, lead by MMB, for transitioning to the new agency and obtaining authority and resources to support the creation, alignment, and launch of a two-year process of moving core child, youth, and family support divisions beginning July 2024.