



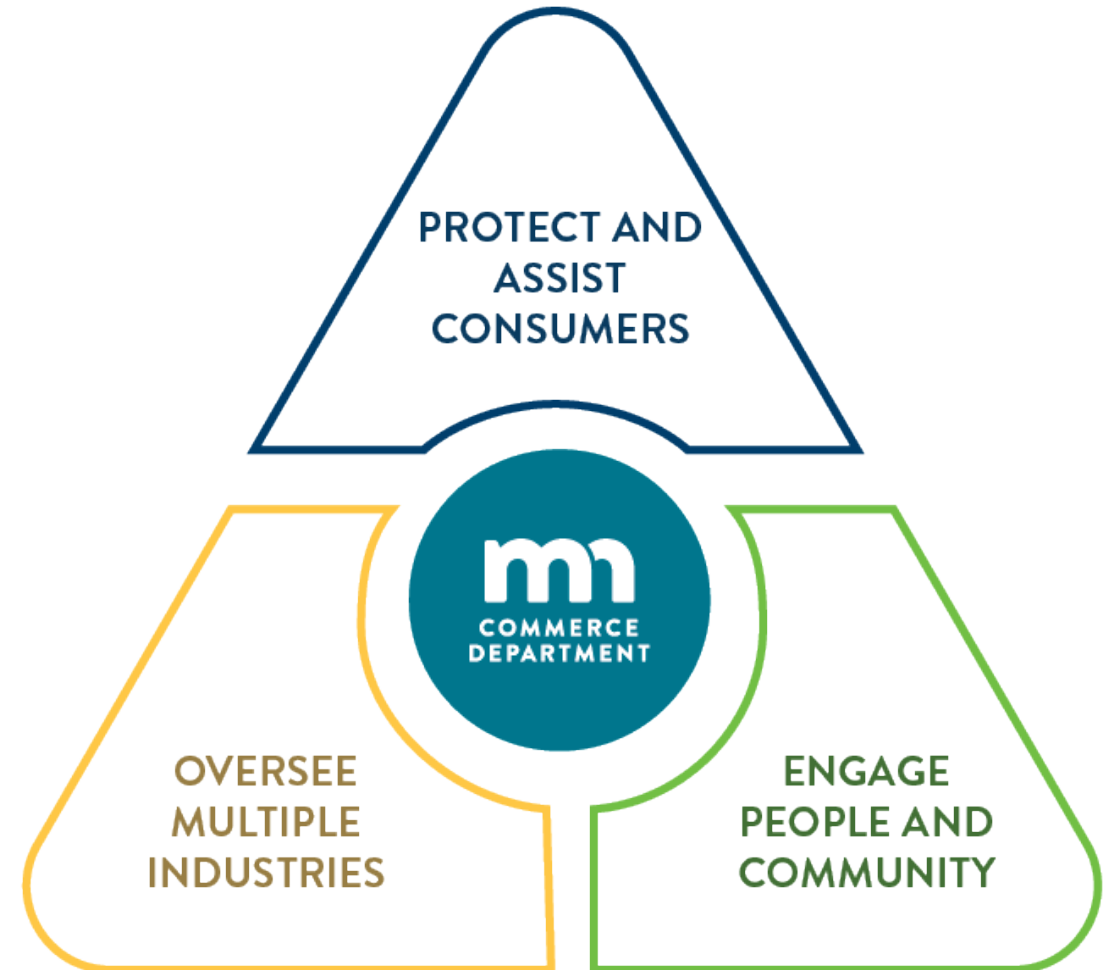
# Minnesota Department of Commerce

## 2023 Governor's Budget Recommendations

Grace Arnold, Commissioner

## Mission

- Protect and assist consumers
- Oversight: 40+ industry areas
- Engagement with all communities



# Strategic Priorities

<b>Protect the Public Interest</b>	Protect the public interest through consumer protection, consumer education, assistance to consumers, safety, health, and financial security, and lowering inequities.
<b>Trusted Resource</b>	Serve as a trusted public resource for consumers and businesses by listening and learning from the Minnesotans Commerce serves, being effective stewards of public resources, advocating for Minnesota consumers and developing a policy, programmatic, and regulatory environment that meets their needs.
<b>Reduce Economic Barriers</b>	Reduce economic barriers within Commerce regulatory oversight and reduce disparities within those of all races, ethnicities, religions, economic statuses, gender identities, sexual orientations, (dis)abilities, and zip codes.
<b>Climate Change Resilience</b>	Ensure all, especially historically disadvantaged Minnesotans are resilient to Minnesota's climate and engaged in advancing efforts to mitigate climate change.
<b>Strong, Competitive, Fair Marketplace</b>	Ensure a strong, competitive, and fair marketplace for Minnesotans.

# With You Every Day

Commerce is with you every day,  
whether you are ...

... Filling up on gas

... Purchasing a home

... Working to reduce your energy use

... Rebuilding after a disaster



# 2023 Governor's Budget for Commerce

## Commerce priorities

- Insurance Division Staffing and Operations - \$3.6 million GF for FY 2024-25
- Continued Coverage of Preventative Services - \$68 thousand GF for FY 2024-25
- Standardized Plans - \$272 thousand GF for FY 2024-25
- Free Primary Care for Minnesotans - \$636 thousand GF for FY 2024-25
- CFB Body Worn Cameras - \$62 thousand GF for FY 2024-25
- Enforcement Division Staffing Realignment - \$496 thousand GF for FY 2024-25
- Senior Safe - Fraud Prevention Program Staffing - \$498 thousand GF for FY 2024-25
- Strengthening Minnesota Homes - \$32 million GF for FY 2024-25
- CSBS Money Transmitter Model Act – (\$12) SRF FY24 (One Time)
- Maintain Current Service Levels - \$3.27 million GF for FY 2024-25

# Insurance Division Staffing and Operations

- \$1.8 million in FY2024 and ongoing from the General Fund to both maintain current Insurance Division staffing levels and add additional staff to support processing and reviewing company licensing and financial review of insurance companies.
- This proposal includes the continuation of the \$504,000 per year funding appropriated in 2021 Session that ends in FY 2023.
- This proposal will help the department to continue to protect the public interest by ensuring that insurance companies are adequately regulated, solvent and monitored, while also allowing the department to continue to be a trusted resource by being able to respond to industry questions and requests in a timely manner.



## Standardized Plans

- \$136 thousand per fiscal year ongoing from General Fund for staff in the Insurance Division.
- The additional staff person will work to advance Commerce's efforts toward making health insurance simpler and easier for Minnesotans to understand and use.
- This proposal would provide Commerce more ability to react in a systemic way to specific complaints or concerns we receive relating to individuals' health insurance

# Continued Coverage of Preventative Services

## Continued Coverage of Preventive Services

- \$34 thousand in FY2024 and ongoing from General Fund for codifying Section 2713 of the ACA into state statute.
- This statutory change will result in a slight increase in staff work at the Department.
- This will ensure that health insurers regulated by state law will be required to provide preventive services at no cost to enrollees absent a federal requirement to do so.





# Free Primary Care for Minnesotans

## Free Primary Care for Minnesotans

- One-time funds of \$318,000 from the General Fund per year in FY2024 and FY2025 to conduct a feasibility study and fund staffing for contract management on a proposal to offer free primary care to Minnesotans.
  - Study cost of \$500,000 which will provide guidance on how the proposal to offer free primary care could be structured.
  - \$136,000 is for staffing for contract management.



# CFB Body Worn Cameras

## CFB Body Worn Cameras

- \$41,000 in FY2024 and \$21,000 per fiscal year in ongoing funding from General Fund for Body Worn Camera's/Personal Recording Devices.
- With this funding, Commerce's Fraud Bureau agents will be aligned with other state and local law enforcement entities that have body worn cameras assigned to their sworn personnel.
- This will increase organizational transparency with the public while providing protection for Commerce Fraud Bureau agents.

# Enforcement Division Staffing Realignment

## Enforcement Division Staffing Realignment

- \$248,000 in FY2024 and ongoing from the General Fund for the Enforcement Division.
- This will fund the reallocation and reorganization within the division and one additional consumer support position.

## • New position

- Consumer Aide Senior:  
(1) (Consumer Care Team)

## • Reallocations:

- CA3 to Management Analyst 4: (1)
- Commerce Analyst 3 to Senior Investigator: (1)
- Investigator Senior to Investigations Supervisor: (2) (Creates Senior Directors for Insurance Investigations and Enforcement Services)

# Strengthening Minnesota Homes

## Building resilience

- \$32.4M FY24-25 and \$1.23M ongoing starting in FY2026 from General Fund.
- Grants to protect homes against extreme weather events
- Modeled after successful programs in other states.
- Save Minnesotans money on homeowner insurance premiums and prevent damage from storms and extreme weather.



# Senior Safe - Fraud Prevention Program Staffing

## Senior Safe - Fraud Prevention Program Staffing

- \$249,000 in FY2024 and ongoing to fully staff the Senior Financial Fraud Prevention Program for two (2) FTE.
- Additional staff resources will ensure that it can accomplish the program's goal of helping those 65 or older or vulnerable adults over 18 as well as their families who may be susceptible to financial exploitation and protected by the provisions of Minn. Stat. Chapter 45A by helping them directly or through outreach activities.
- Commerce will be able to reach out even further to communities in Greater Minnesota, groups representing people of color, and other diverse groups.



# CSBS Money Transmitter Model Act

**Conference of State Bank Supervisors (CSBS) Money Transmitter Model Act:** Provides tools needed to regulate money transmitters of all sizes, including those that operate globally or small businesses operating locally. The bill would standardize the following areas in state statute:

- Definitions applicable to money transmitters, eliminating technical differences between states that make compliance difficult for companies operating in multiple states.
- Exemptions from money transmitter licensing to promote consistency among states.
- The licensing process, including standardized determinations of who is in control of a licensee and the vetting process.
- Safety and soundness requirements, including net worth, bonding, and permissible investments.
- The bill would also enable Multistate licensing and enhanced Multistate supervision as well as the facilitation of the development of technology and data analytics necessary to supervise money transmitters at scale with local accountability

# Maintain Current Service Levels



- \$1.056M in FY 2024 and \$2.069M in each subsequent year from the general fund.
- \$20,000 in FY 2024 and \$41,000 in each subsequent year from the Petrofund.
- \$27,000 in FY2024 and \$54,000 in each subsequent year from the Workers Compensation Fund.
- Funding will maintain the current level of service delivery at the Minnesota Department of Commerce.

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# Questions?

Jon Kelly

Director, Government Affairs

651-539-1440

[Jon.Kelly@state.mn.us](mailto:Jon.Kelly@state.mn.us)