

# Budget for One Minnesota



## Governor's Budget Recommendations: Minnesota Department of Commerce



# The Governor's Budget for One Minnesota

## Invest in Students Across Minnesota

- Governor Walz is committed to making Minnesota the “Education State.” He believes every child deserves a high-quality education, regardless of their race or zip code.

## Increase Access to Affordable, Comprehensive Health Coverage

- Every Minnesotan deserves access to quality health care at a price they can afford. That’s why Governor Walz’s budget includes funding to extend low-cost coverage to thousands of farmers, small business owners, and entrepreneurs.

## Empower Our Communities with the Tools They Need to Succeed

- Governor Walz wants to ensure every community thrives across Minnesota. His budget expands access to affordable child care and housing, invests in infrastructure and broadband internet, and gives local leaders the tools they need to succeed.

## Make Smart Choices for a Fair and Balanced Budget

- Governor Walz’s budget makes smart choices to maintain what we have and to invest in the future, while maintaining a fair and balanced budget.

# Commerce Department Mission

- Protect the public interest.
- Advocate for Minnesota consumers.
- Ensure a strong, competitive, and fair marketplace.
- Strengthen Minnesota's economic future.
- Serve as a trusted public resource for consumers and businesses.

# What The Commerce Department Does

- Regulates over 22 industries
- Licenses approximately 350,000 professionals and businesses
- Provides consumer assistance
- Conducts fraud investigations
- Advocates for the public interest before regulatory bodies
- Delivers federal and state energy and telecommunications programs
- Ensures equitable commercial and financial transactions and reliable utility services

# Commerce Department Leadership

## Commissioner: Steve Kelley

### Deputy Commissioners:

- Anne O'Connor, Chief of Staff
- Fred Andersen (Acting), Insurance
- Joe Sullivan, Energy Resources
- Max Zappia, Financial Institutions

### Chief Financial Officer:

Tim Jahnke

### Assistant Commissioners:

- Katherine Blauvelt, Energy Resources
- Peter Brickwedde, Government and External Affairs
- Marty Fleischhacker, Enforcement

### General Counsel:

Kathleen Finnegan

# Minnesota Department of Commerce

FY 2020-21 Biennial Budget Change Items

# Agency Operating Budget Adjustment

## Recommendation

- The Governor recommends \$1,332,000 in FY2020 and \$1,604,000 in ongoing funding to support the core functions of the Department of Commerce.

## Benefit

- This change item will allow the Department to maintain the delivery of current services including:
  - Stabilizing basic infrastructure
  - Covering costs for salary and rent increases over the past several years
  - Addressing consumer and business concerns and inquiries
  - Processing license applications and renewals
  - Continuing outreach efforts around the state
  - Staffing open positions

# Commerce System Modernization

## Recommendation

- The Governor recommends \$416,000 in FY20, FY21, and FY22 to support the Commerce IT System Modernization project.

## Benefit

- Commerce has over 40 specialized IT applications used on a regular basis to carry out its mission.
- Many of these applications are in legacy languages, on obsolete hardware, do not meet current security requirements and are on unsupported operating systems/platforms.
- Developers will begin to replace:
  - Access 1997 and 2003 Databases
  - eDockets, eFiling and eAssessment which are tools used by both the public and utilities to review and upload documents and make payments as part of regulatory proceedings.



# Senior Financial Fraud Prevention

## Recommendation

- The Governor recommends \$250,000 in FY20 and FY21 to continue the Senior Financial Fraud Prevention Education and Outreach campaign.

## Benefit

- This change item will help protect older Minnesotans against financial fraud and exploitation.
- Currently, over 800,000 Minnesotans are age 65 or older – about 15% of the state's population
- Nationally, one out of every five Americans over age 65 has been victimized by financial fraud
- Older Americans are defrauded out of as much as \$37 billion each year.
- Since November of 2017, the campaign distributed over 32,000 senior fraud prevention toolkits, and held 109 outreach presentations and trainings in 33 counties across Minnesota.

# Unclaimed Property Operating System Modernization & Cybersecurity Upgrade

## Recommendation

- The Governor recommends \$475,000 in FY 2020 and \$350,000 per year in ongoing funding to modernize the state's unclaimed property operating system.

## Benefit

- This change item will put the Unclaimed Property Program on a sustainable path to serve Minnesota consumers and businesses with unclaimed property and:
  - Ease the process for consumers to claim unclaimed property and for businesses to report unclaimed property to the State.
  - Improve the customer service experience and process for Minnesotans.
  - Mitigate cybersecurity and legal risks to the State resulting from Minnesota's out-of-date operating system.

# Unclaimed Property Policy Modernization and Operations

## Recommendation

- The Governor recommends \$368,000 in FY20 and \$702,000 in FY21, FY22, and FY23 to modernize the state's unclaimed property program and statutes to better serve Minnesota consumers and businesses.
- Beginning in FY21, this change item is expected to facilitate approximately \$30.2 million in property transferred to the State and \$16.5 million returned to Minnesotans annually.

## Benefit

- Statutory updates will bring Minnesota's unclaimed property law into the 21<sup>st</sup> Century.
- Keeping more property where consumers intended for it to be by recognizing how people maintain contact with their property.
- Augmenting old notification requirements like returned mail with modern means of communication.
- Reducing claims processing times for consumers so they get property faster.
- Funding seven new unclaimed property staff to work with Minnesota consumers and businesses.
- Bringing State law into compliance with recent Supreme Court rulings.

# Minnesota Premium Security Plan Transfer

## Recommendation

- The Governor recommends transferring approximately \$281.4 million remaining in the Premium Security Plan Account in FY2021 to the Health Care Access Fund.

## Benefit

- This change item supports the Governor's Budget proposal to increase access to affordable health insurance coverage and health care services.

# Litigation Expenses

## Recommendation

- The Governor recommends \$1,485,000 in FY20 for litigation costs.

## Benefit

- This change item will allow the State to pay court-ordered legal fees without compromising core services.

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