

August 5, 2013

Senate Majority Leader Thomas M. Bakk
226 Capitol

Senator Richard Cohen
121 Capitol

Senator Tom Saxhaug
328 Capitol

House Speaker Paul Thissen
463 State Office Building

Representative Lyndon Carlson, Sr.
479 State Office Building

Representative Mary Murphy
443 State Office Building

RE: Notification of FY 2013 Proposed Retained Savings under the State Agency Value Initiative (SAVI) program (M.S. § 15.76)

Dear Legislators,

The state established the State Agency Value Initiative (SAVI) during the 2012 legislative session. It authorizes state agencies to carry forward and retain half of the savings created through unanticipated innovations, efficiencies or creative cost savings. This is the first year that this new language is in effect.

The law, as amended in the 2013 legislative session, requires MMB to submit any approved initiatives to the Legislative Advisory Commission for review and comment.

Attached please find a proposal from the Department of Administration to retain FY 2013 savings under the SAVI program.

The Department of Administration identified savings of \$150,000 due to:

- Completion of a Lean Kaizen event redesigning and streamlining agency processes;
- Modification of agency hiring practices to emphasize entry level placements, where appropriate.

I have verified these savings and approve spending \$75,000 to support Administration's Enterprise Lean program as outlined in Part 2 of the proposal.

Please review the proposal and return any comments to Tara Barenok, Minnesota Management and Budget, 400 Centennial Office Building, or via email at Tara.Barenok@state.mn.us.

Should you have any questions on this request, please contact Micah Intermill, Executive Budget Officer at MMB, at Micah.Intermill@state.mn.us or (651) 201-8044.

Sincerely,



Jim Schowalter
Commissioner

c: Senate Minority Leader David Hann
House Minority Leader Kurt Daudt
Commissioner Spencer Cronk, Administration
Margaret Kelly, MMB
Bill Marx, House Fiscal Analysis
Eric Nauman, Senate Research & Fiscal Analysis

Mike Roelofs, MMB
Micah Intermill, MMB
Tara Barenok, MMB