Employment & Economic Development — Project Funding Summary ($ in Thousands)

Project Title	Agency Priority	Funding Source	Agency Request 2006	Agency Request 2008	Agency Request 2010	Governor's Rec 2006	Governor's Planning Estimates 2008	Governor's Planning Estimates 2010
Redevelopment Grant Program	1	GO	$20,000	$20,000	$20,000	$13,000	$13,000	$13,000
Bioscience Business Dev. Public Infras. Grant Program	2	GO	10,000	10,000	10,000	10,000	10,000	10,000
Greater MN Business Dev. Public Infras. Grant Pro	3	GO	15,000	15,000	15,000	7,500	7,500	7,500
Wastewater Infrastructure Fund	4	GF	300	300	300	300	300	300
		GO	15,000	15,000	15,000	15,000	15,000	15,000
US EPA Drinking Water/Wastewater Capitalization	5	GO	38,800	38,800	38,800	38,800	38,800	38,800
North Minneapolis WFC Repair	6	GO	1,994	0	0	600	0	0

	2006	2008	2010	Governor's Rec 2006	2008	2010
Project Total	$101,094	$99,100	$99,100	$85,200	$84,600	$84,600
General Obligation Bonding (GO)	$100,794	$98,800	$98,800	$84,900	$84,300	$84,300
General Fund Projects (GF)	$300	$300	$300	$300	$300	$300

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

Operating Environment. Through economic peaks and valleys, Minnesota continues to be a strong performer, with a broad industry base.

- Minnesota's 18 Fortune 500 firms represent a variety of industries, including but not limited to, health care, banking, food processing, and industrial products.
- Minnesota's economy is picking up speed. In 2004, businesses added more than 23,000 jobs - a 1.1% growth. Preliminary data point to even faster growth in 2005 with some notable strength in the goods-producing and professional services sectors.
- The state has enjoyed widespread business investment with seven greater Minnesota cities among the top 100 U.S. micropolitan areas in the number of new and expanded corporate projects in 2004.

Performance. DEED continually monitors its programs for impact, effectiveness, and efficiency.

- As of late September 2005, JOBZ partners closed 188 business deals, resulting in $183 million in projected capital investment, 5,600 retained jobs and 2,700 projected new jobs. (See www.deed.state.mn.us/bizdev/pdfs/jobzdeals.pdf for updated information.)
- In 2004, DEED assisted over 86,656 Minnesotans to prepare for, find or retain employment, with 52,668 being placed in a job.
- As of March 2005, the employer customer satisfaction index for the Minnesota Workforce Center system was 77.1, comparable to the 73.1 average American Customer Satisfaction Index (ASCI) rating for private sector companies. The Minnesota Jobseeker ACSI rating for the same period was 73.4.

Agency Purpose

The Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improve the quality of the state's workforce. These actions support the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth.

Most of the statutory authority for this agency resides in M.S. Chapters 116J, 116L, 248, 268A, 446A, and 469. Federal law also provides authority for multiple specific programs; see program and budget activity narratives for specific citations.

Core Functions

The agency has three major functions:

- to support business creation, expansion, relocation, and retention in Minnesota through the resources and programs of the Business and Community Development Division;
- to stabilize and stimulate the economy in times of downturn and help business retain an available skilled workforce through the benefit payments administered by the Unemployment Insurance Division; and
- to support the workforce needs of Minnesota's businesses, workers, and communities through the activities of the Workforce Development Division.

Operations

The agency's diverse programs directly serve Minnesota's businesses, communities, and workers. In addition, DEED works with a wide range of partners on the federal, state, and local level to ensure the highest levels of program coordination and quality.

Business & Community Development programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. In addition, Minnesota communities can tap into the division's financial and technical assistance programs to help spur business growth while addressing important revitalization issues – for example, through tax-exempt Job Opportunity Building Zones. DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, and contaminated site cleanup.

Unemployment Insurance determines program tax rates for Minnesota businesses and collects those revenues for deposit into the Unemployment Insurance Trust Fund. This trust fund supplies weekly benefit payments to eligible individuals. Primarily through internet and phone-based systems, DEED staff computes benefit entitlements for applicants, pays benefits as appropriate, and provides impartial due process hearings for applicants and employers

Workforce Development supports Minnesota's workforce needs and serves customer populations stretching from businesses to job seekers to persons with disabilities. The major service delivery mechanism for this division is the WorkForce Center System, a unique partnership of employment and training organizations reflecting the needs of each community. In addition to the wide range of specific services offered to workers, businesses, students, and those looking for work, each WorkForce Center also houses a Resource Area (similar to a public library) equipped with computers, fax machines, literature, and other aids that will assist job seekers minimize the time they are unemployed.

Budget

For FY 2006, DEED manages an approximately $568 million budget covering over 1,600 FTE's spread across the state. This includes about $176 million the Public Facilities Authority will contract out to Minnesota communities to improve their core infrastructure. It does *not* include the over $1 billion in Unemployment Insurance transactions each year, which run through a federal trust fund.

Of the $568 million, $268 million (or 47%) comes from federal sources such as the U.S. Department of Labor, U.S. Department of Education, U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture. Another $43 million (8%) comes from the Dedicated Workforce Development Fund. Only $38 million (7%) comes from the state's General Fund. The remainder is primarily Public Facilities Authority money.

Contact

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At A Glance: Agency Long-Range Strategic Goals

The mission of the Department of Employment & Economic Development is to support the economic success of individuals, businesses, and communities by improving opportunities for growth.

While no government agency can boast the power to grow a state's economy, the Department of Employment and Economic Development (DEED) believes it can influence the fundamental forces that lie beneath the economy. By ensuring an appropriate operating environment, DEED can maximize the chances that private businesses and other economic factors will flourish.

DEED has adopted the following six strategies to achieve its overarching goal of economic growth:

- Enhance Minnesota's environment for business growth and expansion.
- Promote small business growth.
- Meet the workforce needs of Minnesota businesses.
- Promote Minnesota as a destination – for businesses, workers, families, and tourists.
- Provide easier access to state government services for Minnesota businesses.
- Increase community capacity to partner with the state for long-term economic vitality.

Minnesota WorkForce Center System
The primary goal of the Minnesota WorkForce Center system is to ensure that businesses can find a qualified workforce on a timely basis. The means for doing so is through community-owned and operated place-based franchises with system-wide performance expectations that share infrastructure. The Minnesota WorkForce Centers represent a unique partnership of employment and training organizations that reflect the needs of each community.

Community Development Programs
DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, contaminated site clean-up, and bioscience development.

Public Facilities Authority
The Minnesota Public Facilities Authority (PFA) is an interagency organization established under M.S. 446A. Its primary mission is to manage three revolving funds (Water Pollution Control Revolving Fund, Drinking Water Revolving Fund, and the Transportation Revolving Loan Fund) and other assistance programs to provide low cost financing primarily to local governments to improve infrastructure related to water quality, drinking water, and transportation.

Trends, Policies, and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

North Minneapolis WorkForce Center
The 48 statewide WorkForce Centers are the key points of service delivery of the department's workforce development programs. The North Minneapolis WorkForce Center is one of two department-owned facilities that deliver those services. Site selection for WorkForce Centers is a location decision. The current north Minneapolis location is the only viable location in that area that meets the needs of the program. Repairs at the facility are desperately needed. If the facility is not repaired, the department would eventually have to close the WorkForce Center, which would adversely affect the delivery of services in the Minneapolis Workforce Service Area.

Community Development Programs
Redevelopment: The Redevelopment Grant Program provides gap financing to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. The program's goal is to assist in the recycling of land, provide an incentive to develop on in-fill sites, and to assist in the revitalization and blight removal of the developed cities. The program is delivered via competitive grant cycles. To date, the program has been over-subscribed, reinforcing the need for the gap financing this program provides.

Because the cost of developing on formerly used sites is very high, developers target vacant agricultural land for new subdivisions, industrial parks, and commercial centers. This trend has resulted in significant sprawl. The effect has negatively impacted the tax base and redevelopment prospects in the state's developed cities. Job creation, housing development, and necessary tax base revitalization in our core cities is jeopardized by sprawl. The Redevelopment Grant Program provides financing to level the playing field between formerly used sites and vacant land, providing an incentive for the development community to recycle in-fill sites.

Public Infrastructure: The goal of the Greater Minnesota and Bioscience Business Development Public Infrastructure Programs is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city.

DEED currently delivers the Great Minnesota program to greater Minnesota communities (those outside of the seven-county metropolitan area) on an open application basis. The program utilizes state funds along with private/local resources to install expensive infrastructure and stimulate private investment in greater Minnesota neighborhoods and communities by providing up to 50% of the capital costs of the public infrastructure necessary to expand or retain jobs in an area, increase the tax base, or to expand or create new economic development. Providing infrastructure within undeveloped industrial development parks is critical to maintaining healthy, vital communities throughout greater Minnesota. In FY 2004, the bonding bill allocation of $7.5 million dollars was committed within a period of seven months to 27 projects creating 478 additional jobs. In FY 2005, the bonding bill allocation was $10 million. Those funds were committed within a period of six months, funding 31 applications and creating more than 1,000 jobs. Even though the program is currently out of funds, DEED staff continues to receive inquiries about the program.

The Bioscience Business Development Public Infrastructure Grant Program would provide for needed financing for public infrastructure development to assist communities to attract and accommodate private development in the bioscience and biotechnology industries.

Public Facilities Authority

Clean Water: The Minnesota Pollution Control Agency (MPCA) estimates that projects needed to maintain and improve wastewater treatment throughout the state over the next five years will exceed $1.6 billion. These needs are being driven by three key factors: 1) increased population and economic growth statewide has placed many systems at their maximum capacity; 2) systems built with state and federal grants 20-30 years ago are reaching the end of their design lives and need major rehabilitation; and 3) more stringent state and local requirements for individual septic systems have generated a critical and growing demand for municipal wastewater service in many unsewered communities and lakeshore areas.

The Clean Water State Revolving Fund (SRF) program is the primary source of funding for municipal wastewater projects. Although it is expected to receive federal funding through federal fiscal year (FFY) 2008, federal funds were cut by 19% in 2005 and will be cut by an additional 17% for 2006 (to $16.4 million). States are required to provide a minimum $1 state match for every $5 of federal funding.

Wastewater: The Wastewater Infrastructure Funding (WIF) program provides grants and loans to help small communities deal with the high cost of wastewater construction. WIF makes up about 10% of the total state assistance for wastewater, but the demand has been growing significantly in recent years as communities try to resolve problems with septic systems.

Drinking Water: The 2006 Minnesota Department of Health (MDH) Project Priority List identifies a total of $205 million in public drinking water system improvement needs over the next five years. Threats to drinking water can come from contamination such as bacteria, viruses or nitrates from animal or human activities, naturally occurring inorganic chemicals such as arsenic, or radioactive elements such as radon.

The Drinking Water SRF is expected to receive federal funding through FFY 2011, although Minnesota's share for FFY 2006 is expected to be cut by 8.6% to $15.0 million. States are required to provide a $1 state match for every $5 of federal funding.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

North Minneapolis WorkForce Center

The current WorkForce Center facility is the only viable location for the delivery of services in the north Minneapolis area. The moisture infiltration through the walls is the most critical deficiency of the building. An upgrade of the HVAC and other infrastructure will increase office efficiency, space utilization, and provide improved services to the community.

Community Development Programs

DEED does not own or operate facilities covered by this request. This request is for programs to assist communities with infrastructure and redevelopment activities.

Public Facilities Authority

The PFA does not own or operate facilities covered by this request. This request is for programs to assist communities with clean and waste water infrastructure needs. All facilities are owned and operated by local units of government. Critical water infrastructure, transportation capacity, and redevelopment activities are essential for economic growth. The programs are popular throughout Minnesota communities because they protect the environment and public health of the community, and provide the infrastructure capacity and development land necessary for growth.

Agency Process Used to Arrive at These Capital Requests

North Minneapolis WorkForce Center

DEED, working with the Department of Administration, hired an engineering firm in 2002 to assess the moisture infiltration that was occurring in the north Minneapolis building. The repair estimates were updated in 2005, and estimates for needed infrastructure upgrades were added.

Community Development Programs

To determine the amount of this capital request for the Redevelopment Grant Program, DEED considered grant requests from past funding cycles. Need has been demonstrated in past grant applications for the use of bond proceeds to finance costs such as public infrastructure to help support new primarily private development.

To determine the amount of funding for FY 2006, the amount of requests received the past two funding cycles and how quickly program funds were committed within that time period were taken into consideration. In the past two years the need for financial assistance provided by the program has dramatically outweighed the available resources to address the costly public infrastructure required for expanding economic development in greater Minnesota.

Financing by the Greater Minnesota Business Development Public Infrastructure Grant Program has and will continue to play an important role in assisting greater Minnesota cities finance expensive infrastructure necessary to compete for businesses that create jobs, increase the tax base, and expand economic development opportunities.

Public Facilities Authority

For the state match funding and WIF program requests, the PFA sought and obtained input from the MPCA, MDH, the U.S. Department of Agriculture – Rural Development (USDA RD), and the U.S. Environmental Protection Agency. The state match amounts requested for the SRF programs were calculated based on the state's estimated share of federal appropriations for 2007 and 2008. For the Clean Water SRF, the PFA's request is for a 1 to 1 match of the estimated federal grants due to the growing demand for loans and the declining federal funding. The request for Drinking Water SRF is for the minimum required 1 to 5 match. The WIF request is an estimate of what will be needed to match RD grants for high priority wastewater projects, and provide funds to other eligible high priority projects in 2007 and 2008. The WIF funds will allow RD to maximize the availability of federal funds for Minnesota communities. The capital budget request was approved by the PFA Board at a publicly held meeting in June 2005.

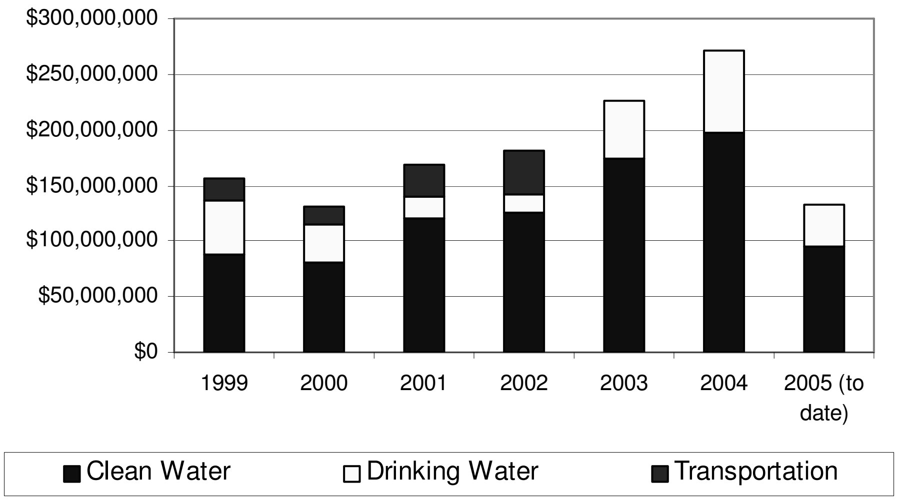
Major Capital Projects Authorized in 2004 and 2005

Community Development Programs

The Redevelopment Grant Program received $15 million in bond proceeds from the 2005 Legislature. There were three specific projects that had funds earmarked leaving $8.4 million to administer through the program. This is the first year the program has received bonding dollars. In FY 1999, 2000, and 2001, DEED received a total of $13 million. In that period, DEED completed six funding rounds and received a total of 95 applications requesting nearly $38 million. DEED approved 43 grants, which are on track to create $9.5 million in new tax base, 7,386 jobs, and 1,172 new housing units. Approximately half of the applications included bond eligible activities.

Public Facilities Authority
In FY 2004 and 2005, the PFA made 35 wastewater (clean water) loans for $293 million and 43 drinking water loans for $113 million. In addition, the PFA made five WIF grants for $5.7 million, and provided $4 million for nonpoint source loan programs. As indicated in the chart below, clean water and drinking water loans declined in 2005 due to state and federal funding uncertainties.

MN Public Facilities Authority
$ Amount of Loans by State Fiscal Year
1999-2005 (as of June 10, 2005)



2006 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 1 of 6

PROJECT LOCATION: Statewide

Project At A Glance

- **Redevelopment Grants** help local authorities renew obsolete or abandoned properties for industrial, commercial, and residential uses.

Project Description

The Department of Employment and Economic Development (DEED) requests $20 million to make grants for the redevelopment of obsolete or abandoned properties. The purpose of the program is to provide financial assistance to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. The program can be used with bond proceeds to make public improvements on public land in support of private sector redevelopment projects. Program funds consisting of bond proceeds, would limit the eligible uses of the funds to public infrastructure improvements, acquisition, and other eligible uses that are conducted on publicly owned land. The program will be implemented statewide on a competitive basis with priority given to greater Minnesota projects.

The redevelopment of previously developed land is critical to sustaining private and public investments in our communities and providing additional economic development opportunities. Left to their own devices, businesses and housing developers will usually select project sites that are available, accessible, and relatively inexpensive. Because redevelopment sites are located in the developed areas of our communities, the sites are accessible. However, because there is still obsolete or abandoned development on the site, and because the cost of removing the existing development is very high, the sites are neither available nor inexpensive. The Redevelopment Grant Program will use state funds to clear previous development, install updated infrastructure and stimulate private reinvestment in existing Minnesota neighborhoods and communities. Recycling existing properties relieves development pressure on the urban fringe and utilizes existing municipal facilities and systems such as schools, fire and police protection, streets and highways, and water and wastewater systems.

Impact on Agency Operating Budgets (Facilities Notes)

DEED would administer the Redevelopment Program with existing program staff. Non-bond funds would be used for this activity. All operation and maintenance activities will be conducted by the local communities.

Previous Appropriations for this Project

The Redevelopment Grant Program was created in statute by the 1998 legislature at M.S. 116J.561 to 116J.567. The program assisted both metro and greater Minnesota communities. The program received a General Fund appropriation of $4 million in 1999 and a $3 million General Fund appropriation in 2000. Six million in General Fund money was appropriated by the 2000 legislature for 2001. Fifteen million was appropriated by the 2005 legislature. To date, DEED has completed six funding rounds. For the six rounds, DEED received 95 applications requesting nearly $38 million. DEED was able to award 43 grants.

Other Considerations

Gap financing provided by the Redevelopment Grant Program is an important element in helping communities finance expensive redevelopment projects, allowing communities to remain economically competitive. DEED continues to receive calls on the program and inquires of needed funding.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $13 million for this program. Also included are budget planning estimates of $13 million in 2008 and $13 million in 2010.

Redevelopment Grant Program | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	26,000	40,000	40,000	40,000	146,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**26,000**	**40,000**	**40,000**	**40,000**	**146,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,000	20,000	20,000	20,000	73,000
State Funds Subtotal	13,000	20,000	20,000	20,000	73,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	13,000	20,000	20,000	20,000	73,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**26,000**	**40,000**	**40,000**	**40,000**	**146,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

2006 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 6

PROJECT LOCATION:

Project At A Glance

The program would provide financing for public infrastructure development to assist communities to attract and accommodate private development in the bioscience and biotechnology industries.

Project Description

The Bioscience industry is projected to grow at a rate that is 13% greater than all other sectors of the U.S. economy. Minnesota has been noted as having strength in the biosciences and recognized as having one of the strongest life sciences-based economies in the country. In addition, Minnesota continues to invest in the use of renewable fuels, including ethanol and biodiesel.

The 2003 Legislature created a Biotechnology and Health Sciences Tax Free Zone (Bioscience Zone) program, which is administered by Department of Employment and Economic Development (DEED) and the Department of Revenue. Sub-zones are located in the cities of Minneapolis, St. Paul, and Rochester. The goal for the program was to help facilitate technology transfer, company formation, and increased corporate partnerships with Minnesota's major research institutions, the University of Minnesota and the Mayo Clinic.

The Bioscience Zones have worked well to help concentrate bioscience related companies near the University of Minnesota and the Mayo Clinic campus'. However, bioscience business activity has not been solely focused on the Bioscience Zone cities. For instance, the city of Worthington is home to four bioscience companies that employ over 250 people.

In greater Minnesota, many of the areas that are planned for high-technology company growth are in either greenfield sites or in areas that lack the appropriate infrastructure needed to support this type of industry. In order to fulfill the vision of Minnesota being one of the leading states in biosciences, additional state of Minnesota investment is required.

Impact on Agency Operating Budgets (Facilities Notes)

DEED would administer this program with existing program staff. Non-bond funds would be used for this activity.

Previous Appropriations for this Project

The 2005 bonding bill appropriated $18.5 million for bioscience development; $2.5 million of this was allocated to the city of Worthington. The remaining appropriation has not been allocated for lack of specific authorization.

Other Considerations

DEED currently has two programs that focus on building public infrastructure, the Redevelopment program and the Greater Minnesota Infrastructure Program, and this program would augment these programs to meet the challenges and needs of growing Minnesota's bioscience industry. DEED is proposing the creation of the Bioscience Business Development Public Infrastructure Grant Program which would serve as a funding resource for bioscience related public infrastructure.

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Governor's Recommendations

The Governor recommends general obligation bonding of $10 million for this program, of which $8 million is recommended for public infrastructure for the Rochester Bioscience Development Center. Also included are budget planning estimates of $10 million in 2008 and $10 million in 2010.

Bioscience Business Dev. Public Infras. Grant Program — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	10,000	10,000	10,000	30,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**10,000**	**10,000**	**10,000**	**30,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	10,000	10,000	30,000
State Funds Subtotal	0	10,000	10,000	10,000	30,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**10,000**	**10,000**	**10,000**	**30,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

2006 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 3 of 6

PROJECT LOCATION: Greater MN Communities

Project At A Glance

- The program provides infrastructure grants to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city.

Project Description

The Department of Employment and Economic Development (DEED) requests $15 million to provide grants to cities for complex and costly public infrastructure development projects for industrial development parks and to facilitate business expansions that might not occur without public financial assistance. The goal of the program is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city.

The program can be used to pay for up to 50% of the costs, not to exceed $1 million per grant, for public infrastructure improvements on public land in support of private sector economic development or industrial park projects. DEED will deliver the Program to greater Minnesota communities, (those outside of the seven county metropolitan area), on an open application basis.

Providing infrastructure for undeveloped industrial development parks is critical to maintaining healthy, vital communities throughout greater Minnesota. The Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI) will use state funds to install infrastructure and stimulate private investment in greater Minnesota neighborhoods and communities. The program provides grants to cities, on an open application basis, up to 50% of the capital costs of the public infrastructure necessary to expand or retain jobs in the area, increase the tax base, and/or to expand or create new economic development. Eligible applicants are statutory or home rule cities outside of the seven-county metropolitan area. Eligible project activities include publicly owned infrastructure-including wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets which support economic development projects including manufacturing, technology, warehousing and distribution, research and development, and agricultural processing. Retail developments and office space development other than incidental office space are ineligible for funding.

Impact on Agency Operating Budgets (Facilities Notes)

DEED currently has staff available through the Small Cities Development Program to oversee the program administration. Administrative costs are funded in the operating budget. All operation and maintenance activities will be conducted by the local communities.

Previous Appropriations for this Project

This program was created by statute M.S. 116J.431 in 2003.

Funding was first received SFY 2004, in the amount of $7.5 million. Those funds were committed in a period of seven months to 27 projects creating 478 additional jobs. In FY 2005, the bonding bill allocation was $10 million. Those funds were committed within a period of six months, funding 26 applications, creating more than 1,000 jobs.

	SFY 2003	SFY 2004	SFY 2005
Number of projects	NA	27	26
Number of jobs created	NA	478	1,000

Other Considerations

Financing by the BDPI is an important element in helping greater Minnesota cities finance infrastructure necessary to compete for businesses that create jobs, increase the tax base and expand economic development opportunities.

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Governor's Recommendations

The Governor recommends general obligation bonding of $7.5 million for this program. Also included are budget planning estimates of $7.5 million in 2008 and $7.5 million in 2010.

Greater MN Business Dev. Public Infras. Grant Pro | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	35,000	30,000	30,000	30,000	125,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**35,000**	**30,000**	**30,000**	**30,000**	**125,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	17,500	15,000	15,000	15,000	62,500
State Funds Subtotal	17,500	15,000	15,000	15,000	62,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	17,500	15,000	15,000	15,000	62,500
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**35,000**	**30,000**	**30,000**	**30,000**	**125,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	15,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2011

2006 STATE APPROPRIATION REQUEST: $15,300,000

AGENCY PROJECT PRIORITY: 4 of 6

PROJECT LOCATION: Statewide

Project At A Glance

- The Wastewater Infrastructure Fund (WIF) provides supplemental grant and loan funding to high priority municipal wastewater projects with high cost needs.

Project Description

The Public Facilities Authority (PFA) is seeking $15.3 million for the Wastewater Infrastructure Funding (WIF) program. For high cost projects, WIF monies are used either as 0% loans for up to 40 years to supplement loans from the Water Pollution Control Revolving Fund (Clean Water State Revolving Fund (SRF)), or as grants to match grant assistance provided by the U.S. Department of Agriculture (USDA) Rural Development. The first priority for the requested funds would be to match grants from Rural Development's FY 2007 funds, which would be available starting in October 2006. The WIF grant match helps the Minnesota Rural Development office obligate all of its grant and loan dollars, making it eligible to go to the national pool for additional funds for Minnesota communities.

For USDA Rural Development projects, the WIF program provides 50% of the grant eligible amount determined by Rural Development. Rural Development's grant calculations are determined by first looking at the amount of debt service and operation and maintenance costs a city can afford to pay based on a figure of 1.7% of its median household income, with the total grant then providing for 100% of construction costs above that level. For projects that do not receive Rural Development grants, the WIF program provides a zero interest loan for up to 40 years for eligible project costs that exceed 5% of the market value of the project area.

WIF funds are directed to the highest priority projects, based on their environmental and public health needs as determined by the Minnesota Pollution Control Agency (MPCA). The WIF program gives small communities the opportunity to build a strong economic base by addressing their wastewater problems while keeping costs affordable for their residents.

Impact on Agency Operating Budgets (Facilities Notes)

The requested amount includes $300,000 in General Fund appropriations for the cost of the MPCAs administration of the WIF program. The amount requested for the MPCA provides substantial oversight, including technical and environmental review, prioritizing projects, and permitting.

Previous Appropriations for this Project

Previous WIF appropriations for projects total $96.6 million, which the Public Facilities Authority (PFA) has awarded or reserved for WIF grants and loans to 74 projects. An additional $29.3 million was appropriated for projects in the 2005 bonding bill (plus an additional $600,000 for program implementation), which the PFA expects to commit to projects by 12-01-06.

Other Considerations

The WIF program was designed to be a gap-financing tool used in conjunction with the Water Pollution Control Revolving Fund and the USDA's Rural Development grant program for wastewater. Communities are required to seek grant assistance from other sources before becoming eligible for either WIF or the USDA Rural Development grant program. The unique state/federal partnership with Rural Development was designed to coordinate assistance to communities to keep the systems affordable and make it easier for many of the smaller communities to access funding.

The MPCA is proposing amendments to their project priority system rules, which are expected to be effective in fall 2005. The proposed amendments will put greater priority on helping cities replace aging infrastructure, will focus more directly on existing environmental and public health needs in unsewered areas, and will put increased priority on needs related to addressing impaired waters. The new rules are expected to give some currently low ranked but badly needed projects a better chance to receive funding. The PFA's next report on WIF needs is due to the appropriate legislative committees by 2-01-06.

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Governor's Recommendations

The Governor recommends general obligation bonding of $15 million for this program, with a general fund appropriation of $300,000 to administer the program. Also included are budget planning estimates of $15.3 million in 2008 and $15.3 million in 2010.

Wastewater Infrastructure Fund ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	300	300	300	900
5. Construction Costs	297,624	15,000	15,000	15,000	342,624
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**297,624**	**15,300**	**15,300**	**15,300**	**343,524**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	120,111	15,000	15,000	15,000	165,111
General Fund Projects	1,700	300	300	300	2,600
General	3,000	0	0	0	3,000
Infrastructure Dev	1,101	0	0	0	1,101
State Funds Subtotal	125,912	15,300	15,300	15,300	171,812
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	59,173	0	0	0	59,173
Local Government Funds	9,434	0	0	0	9,434
Private Funds	0	0	0	0	0
Other	103,105	0	0	0	103,105
TOTAL	**297,624**	**15,300**	**15,300**	**15,300**	**343,524**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	15,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

2006 STATE APPROPRIATION REQUEST: $38,800,000

AGENCY PROJECT PRIORITY: 5 of 6

PROJECT LOCATION: Statewide

Project At A Glance

- State Matching Funds for U.S. Environmental Protection Agency (EPA) Capitalization Grants.

Project Description

The Public Facilities Authority (PFA) is seeking $38.8 million in state funds to match expected EPA funds for federal FY 2007-08 at the rate of 1:1 for the Water Pollution Control Revolving Fund (Clean Water State Revolving Fund (SRF)) and at the minimum required rate of 1:5 for the Drinking Water Revolving Fund (Drinking Water SRF). These funds will be used to leverage PFA revenue bonds to provide low interest loans for drinking water and wastewater projects. In both programs, the state matching funds are used only for municipal, publicly owned improvements.

2006 Legislative Session Request ($ in thousands): $38,800

	Clean Water		**Drinking Water**	
FY	**Fed. Cap. Grant**	**State Match**	**Fed. Cap. Grant**	**State Match**
2007	$16,400	$16,400	$15,000	$3,000
2008	16,400	16,400	15,000	3,000
Total	$32,800	**$32,800**	$30,000	**$6,000**

Impact on Agency Operating Budgets (Facilities Notes)

PFA operates on federal administrative funds and special revenues generated from fees on loan repayments, and provides for costs incurred by the Department of Employment and Economic Development (DEED), Minnesota Pollution Control Agency (MPCA), and the Department of Health.

Previous Appropriations for this Project

Previous state match appropriations total $126.32 million to match federal grants from 1989–2005, and the expected federal grants for FY 2006.

Other Considerations

Low-cost financing under the PFAs water and wastewater loan programs is an important element in helping Minnesota communities contain costs and remain economically competitive, while providing essential infrastructure. Through FY 2005, the PFA has made below market rate SRF loans in excess of $1.7 billion, which will result in interest savings to local taxpayers of over $480 million compared to market rate financing.

Demand for wastewater loans through the Water Pollution Control Revolving Fund has grown to $250-300 million per year, more than three times the average annual long-term lending capacity of the fund. Growth in demand has been driven by economic growth and population shifts in the state, the need to replace aging facilities, and more stringent regulation of individual septic systems. Demand will continue to increase as pressure to meet Clean Water Act requirements for impaired waters puts greater emphasis on stormwater infrastructure needs in addition to wastewater needs. The focus on impaired waters will also increase demand for funds for nonpoint source pollution loan programs, where the PFA has provided over $73 million since 1995. Despite growing needs nationwide, federal clean water funds were cut by 33% over the past two years. Therefore, an increase in state matching funds to a 1:1 level is critical in order for the fund to continue to finance high priority projects.

Federal funds for drinking water have not had the significant cuts as clean water funds, and demand for drinking water loans, while strong, has not grown as fast relative to the long-term lending capacity. The request for drinking water matching funds remains at the minimum 20% necessary to access the federal funds. This should be sufficient for the drinking water fund to continue to finance high priority projects.

To date federal and state funds have been leveraged more than one and one-half times through revenue bonds issued by the PFA. Overall, each dollar of state matching funds has generated over $15 in project construction. It should be noted that every $1 spent on municipal water and wastewater construction generates approximately 4.6 cents in General Fund revenues directly from the income tax, corporate income tax, and sales tax. The interest rate savings from reduced debt service costs have saved local taxpayers more than $3 for every $1 of state matching funds.

Clean Water and Drinking Water SRFs have shown considerable financial strength to finance municipal water and wastewater projects. The AAA/AAA/Aaa ratings of the PFAs Water Pollution and Drinking Water Bonds by Standard and Poors Rating Group, Fitch Ratings, and Moody's Investor Services reflects financial strength of the funds, the credit quality of Minnesota communities, and the sound financial management of the programs.

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Governor's Recommendations

The Governor recommends general obligation bonding of $38.8 million for this program. Also included are budget planning estimates of $38.8 million in 2008 and $38.8 million in 2010.

US EPA Drinking Water/Wastewater Capitalization | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	1,878,957	101,600	101,600	101,600	2,183,757
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**1,878,957**	**101,600**	**101,600**	**101,600**	**2,183,757**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	82,273	38,800	38,800	38,800	198,673
General Fund Projects	24,000	0	0	0	24,000
General	4,444	0	0	0	4,444
Infrastructure Dev	15,600	0	0	0	15,600
State Funds Subtotal	126,317	38,800	38,800	38,800	242,717
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	591,003	62,800	62,800	62,800	779,403
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	1,161,637	0	0	0	1,161,637
TOTAL	**1,878,957**	**101,600**	**101,600**	**101,600**	**2,183,757**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	38,800	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

2006 STATE APPROPRIATION REQUEST: $1,994,000

AGENCY PROJECT PRIORITY: 6 of 6

PROJECT LOCATION: North Minneapolis WorkForce Center

Project At A Glance

- Seek construction funds of $1.994 million for the North Minneapolis WorkForce Center to repair and renovate the building exterior for ongoing water damage.
- Provide Heating, Ventilating and Air Conditioning (HVAC), electrical, plumbing, interior upgrades, and site improvements.

Project Description

The WorkForce Center at 1200 Plymouth Avenue North, Minneapolis, Minnesota, is a one-story, stand-alone building of steel and masonry construction.

Over the past few years, moisture infiltration has become a severe issue on all four exterior walls. Much of the problem stems from the expansion and contraction of the steel structure in relation to the concrete block wall. The resulting horizontal and vertical cracks have let water seep in. Also contributing to the problem are a deteriorating parapet, and the nature of the exterior paint (which acts as a vapor barrier).

The agency has undertaken small-scale repairs (e.g., tuck pointing); but such measures are losing effectiveness and mold has developed within the structure. Further dollars spent on such patchwork maintenance are a waste of state dollars. A long-term solution is necessary.

In 2005 the building was assessed and the department has determined that the work required to repair and upgrade the building can be divided into three subprojects:

♦ water and mold remediation	$.675 million
♦ HVAC and other interior upgrades	$1.287 million
♦ site improvements	$.032 million

Water and mold remediation: Water and mold remediation must be done if the department is to continue to occupy the building. The mold is becoming a health and safety issue for employees and customers. Without such remediation, the department will have to abandon the site, which provides critical workforce services to the citizens of North Minneapolis. Because of continued deterioration and the onset of mold, the repair costs for this subproject have escalated from $293,000 two years ago to $675,000 today. Further delay in this project will result in higher repair costs, or the need to abandon the site.

HVAC and other interior upgrades: The building was constructed in 1989. The mechanical systems can no longer accommodate changes in office technology. The electrical system cannot adequately handle the load added by desktop computers, monitors, printers, and the other modern day office equipment. The HVAC system was not designed to handle the cooling needs necessitated by the heat produced by the office equipment, and the additional staff and office renovations that have occurred over the years. The plumbing system has experienced back-up problems that need to be addressed with a systematic solution. Also, the restrooms must be brought into full Americans with Disabilities Act (ADA) compliance. These modifications will provide an opportunity to address and reconfigure, as needed, staff and interior wall locations, bringing the WorkForce Center within WorkForce Center standards.

Site improvements: Repairs to the exterior grounds of the building include providing the parking lots with additional lighting and fencing for the safety of staff and visitors, and resurfacing and striping.

Impact on Agency Operating Budgets (Facilities Notes)

There is no anticipated impact on agency operating budget.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

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Governor's Recommendations

The Governor recommends general obligation bonding of $600,000 for the water and mold remediation portions of this project.

North Minneapolis WFC Repair | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,994	0	0	1,994
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**1,994**	**0**	**0**	**1,994**

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,994	0	0	1,994
State Funds Subtotal	0	1,994	0	0	1,994
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**1,994**	**0**	**0**	**1,994**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,994	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2011