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GOVERNOR WENDELL R. ANDERSON

BUDGET ADDRESS

**To The
67th Session of the Legislature
January 27, 1971**



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Saint Paul . . . Minnesota

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STATE OF MINNESOTA**

BUDGET MESSAGE

Mr. Speaker, Mr. President, Members of the 67th Session of the Minnesota Legislature,

Three weeks ago at this same podium, in my Inaugural Address, I said that "whether we can meet, and justify, the expectations of those who sent us here will be the great test of these coming months."

"Our mandate is to make our government more responsive to the people and more imaginative in the service of their needs."

I repeat those words today because the clearest test of our responsiveness and our imagination will be our budget for state services for the coming biennium. That budget will proclaim our worthiness in deeds more eloquent than the words of any speech.

Let me suggest what we must do to fulfill and expand that mandate.

At the outset, we must recognize that our expressed goals cannot be separated from the way we choose to finance them. Our principles do not exist in a vacuum.

Not everyone is willing to accept that simple fact.

I served in our legislature for twelve years. I know that every member wants a better way of life for all Minnesotans. Every man of good will wants to provide enlightened help to the mentally retarded, the elderly, the handicapped, the disadvantaged. Nearly every member has publicly pledged to join the fight against drug abuse and to help check the pollution of our environment.

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But we do not survive in government on the quality of our intentions. We are here to face the facts of funding decent programs; that is the distinction between lip service and human services.

We will not progress until we face the basic truth that the price of progress is high.

In raising revenue we have few choices. We cannot reduce the total amount of taxes levied by the state. No thinking person that I know suggests that; the cost of present service and the demand for increased services is too great.

Nor can we announce that the state has all the revenue it needs, that we are going to hold the line and balance the budget with no increase in state taxes. Of course, we would all like to be able to do that. But we know that to "hold the line" in state spending would enormously increase property taxes everywhere in the state.

The reasons for this are clear. The state is presently furnishing only 43% of the maintenance costs for public secondary and primary education. If we "hold the line," that 43% would drop to 35%. And this would mean an automatic and unbearable increase in the property tax.

In my judgment, no one can argue in the year 1971, at this late hour, that the state has no responsibility for high real estate taxes simply because the state does not levy a mill rate.

Mr. Ted Kolderie of the Citizens League said in recent testimony to a legislative committee that, "What is coming clear

is that - by the way in which it now allocates revenue and revenue raising authority among the units and functions of local government - the Legislature has made relatively large increases in property taxes inevitable.

"How else can property tax increases be slowed except by a new arrangement which shifts such increasingly costly functions as education more onto other, nonproperty sources?

"And where else can that policy be set except in the Legislature."

When we fail to raise nonproperty taxes on the state level, we know real estate taxes must and do go up. If we want to reduce the tax burdens on our homes and on our real estate, then we must raise nonproperty taxes and return the money to local units of government.

It is hypocritical to state that property taxes are local and that they are not therefore the result of state action. The scandalous property taxes which today are literally driving Minnesotans from their homes are the direct result of legislative failure to properly fund education at the state level from non property sources.

It is dishonest to speak of two tax systems -- state and local -- as if each existed without effect on the other. Minnesota has a single tax system - and the taxes all come ultimately from one source - your pocketbook. We cannot look at any one tax source without looking at its effect on other sources -- at every level of our government.

If we continue to force local communities to bear most of the burden of financing education, we will in effect be increasing the property tax. I ask you to reduce, not to increase, the real estate tax in Minnesota.

I am concerned about high real estate taxes, about quality education, about the need to protect our environment, about drug abuse, about the handicapped, about the cost of government. Let me begin with school financing and our property taxes.

FAIR SCHOOL FINANCE FOR
CHILDREN AND TAXPAYERS

Section 1 of Article VIII of the Constitution of Minnesota proclaims that "The stability of a republican form of government depending mainly on the intelligence of the people, it shall be the duty of the legislature to establish a general and uniform system of public schools."

That is a duty State Government has never performed in Minnesota, a mandate it has never fulfilled.

How empty it is to speak of a general and uniform system in Minnesota! Last year the Anoka school district had to levy a tax of \$581 on a \$20,000 home to spend \$536 per pupil for school costs, while the Golden Valley school district nearby levied only \$369 on a similar home in order to spend \$837 per pupil.

Thirty percent more taxes on a home of the same value to provide 64 percent as much per pupil! Similar examples could be provided from school districts throughout our state. Our state aid system simply does not fulfill our constitutional mandate.

There is no more dramatic example of the failure of Minnesota's property tax as a revenue-raising system than the financing of Minnesota's public elementary and secondary schools.

There is no more dramatic example of the impossibility of separating state taxing from local taxing than the financing of Minnesota's public elementary and secondary schools.

The most significant part of my budget recommendation to you today is a program to provide fair school finance for the children and taxpayers of Minnesota.

I recommend that we shift more of the burden of financing public school maintenance away from the property tax to other state sources of income. I recommend that we change our basic assumption about financing public schools.

When the last legislature set the basic cost figure for educating a child in Minnesota's schools, it used a figure that it was willing to finance rather than the actual cost of maintaining the education of that child under the definition of state maintenance, which excludes capital outlay and debt service.

As a result the figure was set at \$404 for the current year rather than the \$730 real estimate of cost per child. Local school districts were left with the responsibility of making up the difference, and they had only one source on which they could rely--the property tax.

The net effect of that method of financing was that the state financed 43 percent of the maintenance cost of educating Minnesota public school students in the current year. The legislature hoped to finance 50 percent, but rapidly increasing costs increased the share local property taxes had to provide.

What I propose to do under the state budget for this biennium is to start with the facts--that it will cost 780 real dollars per student under the pupil unit formula to educate each Minnesota school child next year. For the second year of our biennium we will use the estimate of \$819 per pupil unit.

Then we propose to set a uniform mill levy statewide that in our judgment is the absolute maximum that property taxes can bear in paying for public school maintenance costs. We propose to raise the rest of the money from non-property state sources of income.

In this budget we provide \$390 million of additional funds from state non-property sources to finance this plan. That is a great deal of money. But it is also a great deal of property tax relief for Minnesota homeowners.

Here is what it will mean to the children and taxpayers of the state, according to estimates of the Department of Education:

The Minneapolis school district, instead of receiving \$8.5 million next year, if the present method were continued, will receive \$15.1 million next year--and more the following year as the mill rate lowers.

The St. Paul school district, instead of \$7.3 million under the present formula, would receive \$11 million next year and more the following year.

The Grove City school district, instead of receiving \$95,000 next year under the present formula, would receive \$163,000 next year and more the following year.

The Burnsville School district, instead of \$1.7 million, would receive \$2.9 million next year, and more as the mill rate lowers the following year.

That is 70 percent more state aid under our formula than under the present formula for Burnsville next year. That is \$6.6 million more dollars for Minneapolis, \$3.7 million more dollars for St. Paul in just the first year.

The State Planning Agency has prepared estimates of the effect of this plan on levies for school maintenance costs, excluding debt service, capital outlay, and transportation.

The estimated savings in property tax dollars on homesteads in Minnesota school districts are just as dramatic.

In St. Paul, the State Planning Agency estimates that the average property tax levy for school purposes on an

\$18,000 home would be \$167 by the end of the biennium if the present formula continues. Under our proposal the levy would be \$99 in that year, a decrease of \$68.

In Akeley, the levy would decline from the estimated \$366 under the present formula to an estimated \$108, just under one-third of the levy for this year.

In Alexandria, the levy would decline from the estimated \$232 under the current formula to \$112, just slightly less than half of what the same homestead is paying on the average in Alexandria this year.

These are real dollars we are talking about--real costs of education and real savings in property taxes. They come about because we deliberately set out to limit the amount to be raised from property taxes, and assume the rest of the burden from state non-property sources. What happens at present is just the opposite--we decide how much the state will pay in advance, and leave the burden on the local property tax.

With the new formula, which is included in the printed text of the message being placed on your desks in your offices, we raise, by the second year of the biennium, 70 percent of maintenance funds directly from non-property state sources. We raise the remainder through a uniform state mill rate, set by the legislature under this formula.

School districts would continue to use the property tax as a source of revenue for capital outlay and debt service. And school districts could levy property taxes to meet cost of living increases and whatever special levies are approved by referendum.

By the end of the biennium, property revenues will be raising just 30 percent of the maintenance costs of public education in Minnesota compared to the 57% they are raising this year. That 30 percent will be raised through a uniform state-wide property tax which is set by the legislature but collected and spent at the local level of government.

Through this school financing plan, the state can provide for quality education and still reduce the tax burdens on our homes.

We can and do provide real property tax relief to Minnesota homeowners under this plan.

We can and do reduce disparities throughout the state and place on the state a greater share of the responsibility for financing education under this plan.

I promised that I would find a way to keep local government units from steadily increasing the tax pressure on local property. This plan does that.

It meets these commitments for a price. The price is \$390 million of new state revenue from non-property sources during the coming biennium. It is a price I can recommend because it fulfills the state's constitutional obligation to finance public schools and because it shifts the burden of money-raising from property sources to more equitable sources.

There is a sense in which this could be called \$390 million of property tax relief for Minnesota homeowners,

financed from better sources. We would have to raise the \$390 million in any case to finance public education for the next two years. This system simply collects and distributes that \$390 million more fairly than local property taxation can achieve.

Several features of this school finance plan deserve further explanation.

The plan proposes that local districts levy cost-of-living increases for school maintenance without approval of the voters of the districts, but that voter approval is required beyond those limits.

We take this step because it is a principle of the proposed system that more of the costs of public education should be shifted to non-property state revenues and away from local taxes on property.

The plan will gradually bring low expenditure districts to a higher level, without prohibiting high-expenditure districts from moving beyond that level if they have voter approval. This gradual equalization of school spending across the state will offer educational opportunity to young people in communities which do not presently provide adequate funds for public education.

The plan takes effect over a two-year period, because levies for school purposes for 1971 have already been certified. Those levies will be reflected in the property tax notices Minnesota citizens soon will receive. Those notices must contain better news next year, and they will--if this school financing proposal is adopted.

We do increase the funds available for state aids to levels that support the full average costs and distribute them according to a special formula. It provides 64 percent of school maintenance funding from state non-property sources.

The plan takes full effect the second year, after local districts have an opportunity to adjust their own budgets and levies to the new plan.

Our proposal is realistic, I believe, because it tells the truth about real school costs and finances them responsibly.

For the 1971-1972 school year, my plan accepts the State Department of Education estimate that the average maintenance cost per pupil unit in average daily attendance will be \$780. This is an 8 percent increase over the actual cost per pupil unit of the current year. For the following school year, it estimates a 5 percent increase to a level of \$819. If the legislature changes the definition of pupil units from average daily attendance to average daily membership, which I recommend, the formula can easily be adjusted within the same framework of total expenditures.

For districts that are spending the 1971-1972 figures, or more, this year, the formula will use the \$780 base. For districts spending less than that amount, the formula will use actual expenditures plus one-sixth of the difference between that figure and the \$780 estimate. Local effort of 40 mills times the adjusted evaluation of the district for school purposes will be adjusted in a like manner.

Both the formula for 1971-1972, and the formula to become permanent in 1972-1973, are reproduced in the printed text of this message.

They show that in 1972-1973 the local effort millage will reduce to 33 and one-third mills on the adjusted evaluation. The differences between actual expenditures and the \$819 estimate will be adjusted in the same way as in 1971-1972 using one-third rather than one-sixth as the adjustment in order to move low-expenditure districts further toward equality.

Because of the special demands on government services in cities of the first class, as well as the special economic and demographic makeup of schools in those cities, the formula for Minneapolis, St. Paul, and Duluth is modified to provide for a mandatory local level of 28 and one-third mills rather than 33 and one-third mills. Otherwise the formula will be exactly the same. The result will be a greater proportional state effort in the financing of the school needs of those cities.

Several points in this plan deserve special emphasis.

First, the plan does not increase total spending on elementary and secondary education beyond present estimates of those costs for the next two years. Instead, it develops a system to finance those costs that does not rely so heavily on property taxes. Within the cost estimates, state expenditures increase; total expenditures do not exceed those estimates.

Second the plan does change the mix of taxes used to pay for public education, moving substantially away from the property tax to other taxes collected by the state.

Third, the plan places realistic and proper restraints on increased spending at the local level by requiring local voter approval of school district budgets that increase beyond the requirements of increased cost of living. Without such restraints, total school spending could rise even beyond our present projections.

Fourth, the plan gradually increases the total school maintenance expenditures in low-expenditure districts as well as the local effort required in some of those districts, through a mixture of state aids and local taxing requirements.

Fifth, the plan provides adjustment factors for districts with expenditures that are currently above the state average.

In my complete set of proposals for financing state government, additional efforts are made to reduce property taxes for those to whom they are the most unfair. This combination of fair school financing and adjustments in property taxes carries through our public commitment to halt increases in the unfair property taxes in Minnesota.

STATE SCHOOL FINANCE FORMULAS

First Year--Basic Formula

\$780 times Pupil Units minus 40 mills on adjusted evaluation
or

\$215 per pupil unit, whichever is largest = \$ State Aid

Adjusted First Year Formula for Districts below \$780 maintenance cost:

a = Average per pupil maintenance cost of \$780

b = Actual 1970-1971 maintenance cost per pupil unit

.040 = mill levy on EARC current adjusted assessed valuation

$$[b + \frac{1}{6}(a-b)] \text{ times P.U.A.D.A.} - \left[\frac{[b + \frac{1}{6}(a-b)] \text{ times } .040 \text{ EARC}}{a} \right] = \text{State Aid}$$

Second Year--Basic Formula

\$819 times Pupil Units - 33 1/3 mills EARC* = \$ State Aid

Cities of First Class:

\$819 times Pupil Units - 28 1/3 mills EARC = \$ State Aid

Adjusted Formula for Districts below \$819 maintenance cost:

a = Average per pupil maintenance cost of \$819

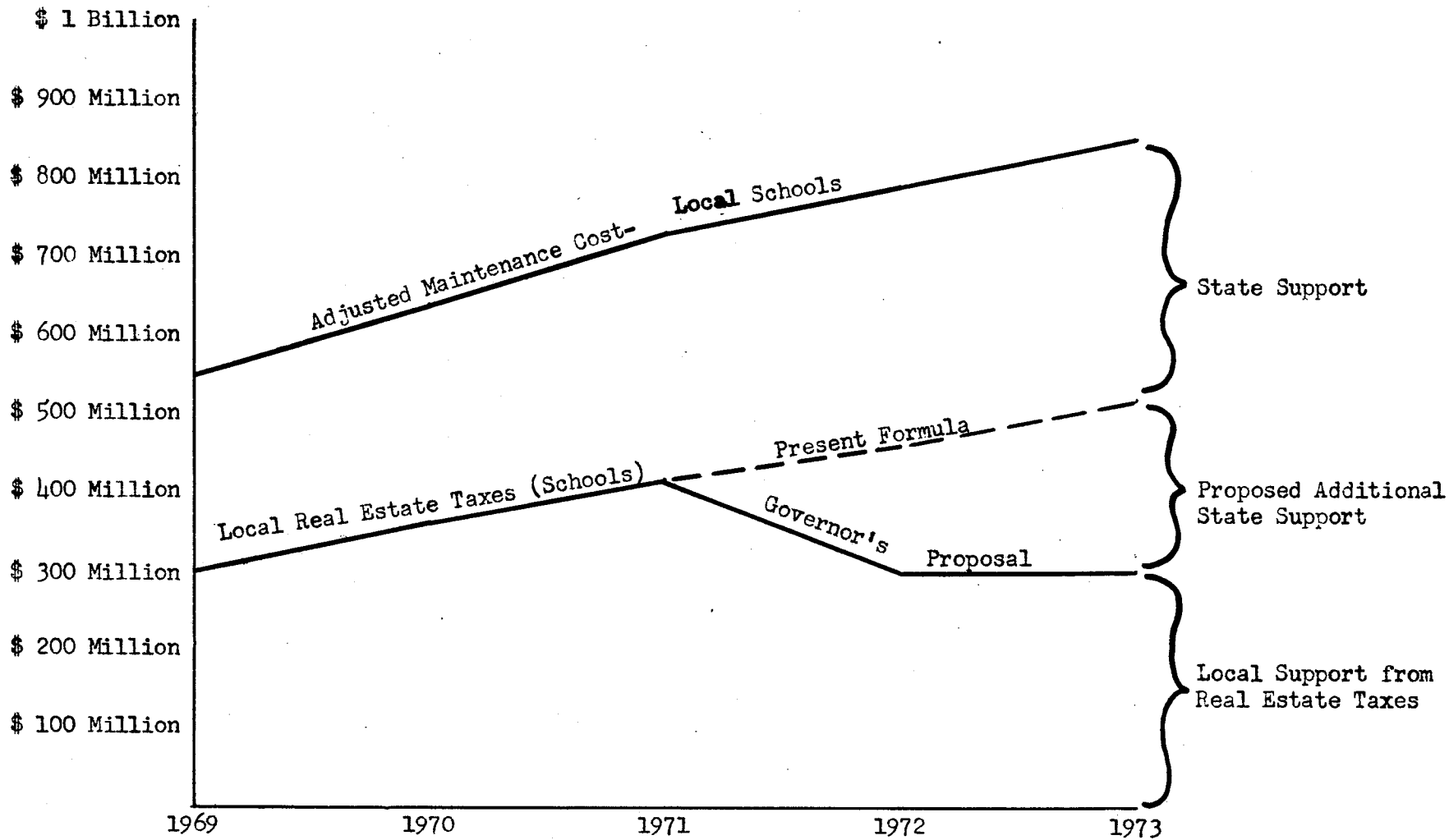
b = Actual 1971-1972 per pupil maintenance cost

33 1/3 = Mill levy on EARC current adjusted assessed valuation

$$[b + \frac{1}{3}(a-b)] \text{ times P.U.A.D.A.} - \left[\frac{[b + \frac{1}{3}(a-b)] \text{ times } .033 \frac{1}{3} \text{ EARC}}{a} \right] = \text{State Aid}$$

* Current EARC Evaluation

Proposed Property Tax Relief
and School Financing



EXAMPLES OF IMPACT ON SCHOOL MAINTENANCE
PROPERTY TAX LEVIES UNDER PROPOSED PLAN
HOME OF \$18,000 MARKET VALUE

| <u>SCHOOL DISTRICT</u> | <u>YEAR</u> | <u>\$ EXISTING FORMULA</u> | <u>\$ PROPOSED FORMULA</u> | <u>\$ AMOUNT REDUCTION</u> |
|------------------------|-------------|----------------------------|----------------------------|----------------------------|
| Anoka | 1970-71 | 210 | - | - |
| | 1971-72 | 231 | 104 | 127 |
| Centennial | 1970-71 | 181 | - | - |
| | 1971-72 | 199 | 117 | 82 |
| Minneapolis | 1970-71 | 138 | - | - |
| | 1971-72 | 152 | 99 | 53 |
| St. Paul | 1970-71 | 152 | - | - |
| | 1971-72 | 167 | 99 | 68 |
| Robbinsdale | 1970-71 | 187 | - | - |
| | 1971-72 | 206 | 111 | 95 |
| Alexandria | 1970-71 | 211 | - | - |
| | 1971-72 | 232 | 112 | 120 |
| Hutchinson | 1970-71 | 181 | - | - |
| | 1971-72 | 199 | 109 | 90 |
| Hinckley | 1970-71 | 240 | - | - |
| | 1971-72 | 263 | 95 | 168 |
| Akeley | 1970-71 | 333 | - | - |
| | 1971-72 | 366 | 108 | 258 |
| Wheaton | 1970-71 | 179 | - | - |
| | 1971-72 | 197 | 113 | 84 |

Note: School maintenance levies do not include capital outlay and debt service. The portion of the property tax levy for other local government units such as municipalities and counties is not included in the table above. Property taxes for 1970-71 have already been levied. Prepared by State Planning Agency.

DIRECTLY REDUCING THE PROPERTY
TAX BURDEN OF THE HOMEOWNER

At the present time, taxes on homesteaded property are reduced by 35 percent of the property tax due, exclusive of the levy for bonded indebtedness, up to a maximum reduction of \$250.

I recommend that the levy for bonded indebtedness become eligible for the 35 percent homestead reduction in property tax due.

I do not propose to change the maximum reduction of \$250. But excluding the levy for bonded indebtedness from that reduction is administratively inequitable. It also discriminates against homeowners in rapid growth communities, where the levy for bonded indebtedness is a substantial portion of the property tax.

Homeowners in areas of great demand for new and expanded facilities bear a heavy tax burden for school and government services to begin with, and there is a most urgent need for relief of some of their property taxes. Fewer than half of the homesteads in Minnesota are presently receiving the full \$250 allowable reduction. This measure will cost \$27 million, and further reduces the property taxes paid on homes. In the metropolitan area, for example, property taxes on an \$18,000 home would be reduced \$30.

RETROACTIVE INCREASE IN SENIOR CITIZENS
INCOME TAX CREDIT LIMITATION

Another way to help balance the proportion of tax burden is to reduce the tax liability for those least able to pay it.

Elderly persons in our state on fixed incomes are engaged in an exhausting struggle to remain independent. They have watched their limited income resources eroded by the forces of inflation and increased local property taxes during the past two years.

In order to provide at least some relief for these hard pressed citizens, I recommend that the state expand its current \$3,500 limitation for qualification for the Senior Citizens income tax credit to \$5,000, and increase the schedule of relief substantially.

This credit will bring approximately \$8.5 million of additional state income tax relief to senior citizens during the biennium.

The elderly, among others, will also experience some relief through the expanded homestead exemption already described, and the doubled rent credit which is described next.

But I believe that the need for tax relief for senior citizens is so severe, and the impact of impending huge property tax bills so tragic, that I ask the legislature

to enact this new expanded senior citizens tax credit at once, and to make the schedule effective at once, on the income tax returns to be filed this year. The administrative difficulties of making the change effective immediately are small compared to the good we do. I urge the legislature to act on this proposal at once. This immediate step will cost an additional \$3,400,000.

DOUBLING OF RENTERS' INCOME TAX CREDIT

We are justifiably concerned for the homeowner. But the renter also shares in the increased property tax burden through higher rent payments.

A national survey recently revealed that apartment dwellers in Minneapolis and St. Paul also pay property taxes, since 23.4 percent of gross income from those apartment dwellings goes to pay property taxes. The same principle affects all who rent homes. Furthermore, renters do not have the homeowner's advantage of deducting interest on mortgage payments from their federal and state income when they fill out their tax returns.

I therefore recommend that the current renters income tax credit be doubled from 3 3/4 percent to 7 1/2 percent of rent payments. I also recommend increasing the present maximum credit from \$45 to \$90. This credit, as you know,

is a direct credit against the tax to be paid, not a deduction from taxable income.

What this means to the renter is that as much as \$7.50 of each month's rent can be credited against his income tax, compared to \$3.75 under the current law. In total, this will mean \$13.9 million in tax relief to renters.

PROGRAM RECOMMENDATIONS

Since I have devoted a considerable portion of these remarks to major recommendations for financing public schools and revising our property tax, I will not attempt to describe every program recommendation here. The documents attached to this address identify all of those recommendations, and my staff and the staffs of the executive agencies will discuss them in detail and answer any questions members of the legislature may have.

I would, however, like to highlight a few of the special new efforts we have recommended and some of the specific recommendations of most immediate interest.

AID TO PRIVATE AND PAROCHIAL SCHOOLS

This budget has sought to place the highest possible priority on providing assistance to public primary and secondary schools in Minnesota. I do not feel that our state can afford to ignore the plight of private and parochial schools either.

The Governor has a Constitutional duty, with which I heartily concur, to maintain our historic and necessary separation of church and state in Minnesota. I am most sensitive to that duty.

But I do not think that we depart from the spirit of that tradition when we recognize that private and parochial schools in Minnesota today are facing a fiscal crisis of unprecedented scope. No principle is served by closing our eyes to a situation which, if unaltered, may well place very large burdens upon our public school system.

So I am recommending today that the state provide \$100 per pupil aid for the basic educational expenses of Minnesota children enrolled in private and parochial schools. We have provided \$27 million in this budget to finance this program.

I am aware that this proposal may raise questions of Constitutional interpretation. It is appropriate that any such question be determined by the courts, and surely we should welcome such determination.

TRANSPORTATION AIDS FOR CITY SCHOOLS

I believe that school transportation assistance should be expanded to all elementary and secondary school students. The benefits provided from this program should be available on a state-wide level. Accordingly, I have included a recommendation for the necessary funding of \$6 million.

HIGHER EDUCATION OPPORTUNITY

In examining higher education budget requests, I have followed the principle that we must maintain the ability of public higher education in Minnesota to meet its present commitments in the face of rapidly rising costs. We have not been able to recommend substantial new programs except in a few highly critical, specific cases.

I have made special efforts in these recommendations to provide assistance to needy college and university students.

I am recommending the Higher Education Coordinating Commission's requests for increases in the state scholarship and state grant-in-aid programs for entering college students from Minnesota. This recommendation totals \$11,317,700 for biennium, which more than triples the amount available. This request includes support for entering students from Minnesota families in both private and public colleges, a continuation of the state's present policy.

Emphasis will also be placed on employment of student help in the colleges and universities to maximize the opportunities for self-help available to college and university students.

I am recommending increases in scholarship funds for Indian students and children from families receiving Aid to

Families of Dependent Children. The recommended increase for the Indian student scholarship program is \$75,000, increasing it to a level of \$230,000. The recommended increase for scholarships for children of AFDC families is \$25,000, to a level of \$500,000.

I believe that my total recommendations for budgets in higher education accomplish the goals of maintaining quality in the systems, strengthening the role of the Higher Education Coordinating Commission in the state's higher education structure, and providing badly needed assistance for students in all of our public and private colleges.

CARE OF THE HANDICAPPED

By making judicious use of available federal funds and providing increases in state support, we can provide vocational rehabilitation to more of the disabled who need it.

I recommend to the legislature that we add 35 staff positions to the state complement for the program in vocational training of the disabled. We will be able to fund most of these positions from federal matching funds that are available to us.

I also recommend an overall increase of state support for this program of \$1 million for the biennium, bringing total state support from its present level of \$2.9 million to slightly over \$3.9 million.

I further recommend an increase of more than 85 percent in state support for long-term sheltered workshops for the disabled. This program, first instituted in 1965, currently provides about 700 subsidized workstations for the physically handicapped through a program in the State Department of Education. The recommended increase of \$300,000, to a level of \$650,000 for the biennium, should permit continued support and a modest increase in the number of available workstations.

I also recommend that the legislature approve the program of over \$2 million for the education of retarded children, as requested by the Department of Education.

This request, which more than doubles the amount to be spent on this program in the coming biennium, reflects the growing number of classes for retarded children in Minnesota's public schools as well as the need to make special education for the trainable retarded mandatory in 1973.

I am pleased to identify these efforts as priority considerations for the legislature in this biennium. Together they help us move forward substantially in caring for the handicapped and helping to make them self-supporting where that is possible.

The highest test of a society is the treatment afforded to its disadvantaged citizens.

MEDICAL TRAINING

Perhaps no other problem in our state is felt with the particular despair with which most Minnesotans regard the shortage of trained medical personnel. Throughout the state, and in many areas most critically, we face a shortage of doctors, dentists, and other health care personnel.

It is impossible to measure the loss or the dread which we experience by not having medical care available when it is needed.

The state must play a major role in reversing this trend. We must work to achieve a condition where no family need fear that medical help will arrive too late.

The state can exercise perhaps its greatest impact at the level of medical training. We should seek to orient our training programs to emphasize opportunities for service

outside as well as inside the urban areas; and we should seek to encourage training that will allow medical personnel, should they so choose, to practice family medicine and thereby help to serve the needs of a large geographic area.

Accordingly, our budget provides full funding of the following requests for state support:

At the University of Minnesota-- Twin Cities, increased support for the Family Practice and Community Health Program in the University of Minnesota Medical School, to continue and expand a program that prepares doctors specially trained to work on the health problems of families.

In Hennepin County General Hospital and St. Paul Ramsey Hospital, under the Affiliated Hospitals program of the University of Minnesota Medical School, support for a program of undergraduate instruction and graduate residencies in medicine with emphasis on family practice, using hospital facilities.

At the University of Minnesota Medical School, support of the Board of Regents request for a special appropriation for the Rural Health Physicians Associate Program, which attempts to interest medical students in rural or small town practice. This program gives advanced medical students an opportunity to study with doctors throughout the state as part of their medical training, and work alongside them as well.

At the University of Minnesota--Duluth, a basic sciences program for medical training as requested by the Board of Regents, to begin actual training of medical students in the program planned under an appropriation from the 1969 legislature.

I am also supporting the establishment of a new medical school located at the Mayo Clinic at Rochester. Such a school could provide a most vital extension of what is perhaps the most celebrated institution in our state. I ask the legislature to favorably consider this project which can be of immense benefit to every area of our state.

The Northern Association for Medical Education (N.A.M.E.) has made interesting and innovative proposals relative to the training of family physicians. These concepts and the future role of NAME are also worthy of careful study.

REGIONAL COOPERATION

It should be noted that Minnesota is not isolated, but exists as part of a larger region. This fact has been recognized by a committee of legislators and others from the four states of North Dakota, South Dakota, Iowa, and Minnesota, who have been working together for the past year and one-half in an effort to expand medical education and improve health care delivery in the Upper Midwest.

Legislation, H.F. #210, has been introduced which will provide the vehicle for Minnesota's cooperation in this venture.

I support this measure and urge its passage.

DRUG ABUSE

In support of a special message on drug abuse, we allocate \$2 million in addition to strengthening agency budget recommendations, in order to finance necessary new efforts at coordination and education which that message will contain

POLLUTION AND ENVIRONMENT

I will shortly be forwarding to the legislature a special message on control of pollution and improvements of our natural environment. I recommend that the legislature approve substantially all of the Pollution Control Agency's request for staff and resources so that they might fulfill their public charge.

STATE ARTS COUNCIL

There is no more false economy than to deprive our people of access to the arts. The State Arts Council

has embarked upon an excellent program to help insure that our cultural resources can be shared and enjoyed by people in every part of this state. I am supporting the State Arts Council request of \$565,000, which is more than a doubling of its appropriation for the present biennium.

HOUSING

In my Inaugural Address, I indicated that I will propose a state housing policy and program in a special message to the legislature.

Much of what will be proposed has little budget implication during this biennium, but there will be some costs. Without detailing the proposal in this message, I recommend to the legislature that it plan to spend approximately \$500,000 during the current biennium to:

- implement, publicize, and supervise a mandatory building code for state buildings;

- provide a small starting budget for a code and certification program for manufactured housing, an effort which will be self-supporting on the basis of a fee system;

- create a State Housing Finance Authority, which will be largely self-supporting as it develops its program.

Although the amount of state funds proposed here is small, the importance of this cautious first step is great. I look forward to the legislative discussion of the proposal that will emerge in my special message.

SALARIES OF STATE EMPLOYEES

Because their salary formulas were set at the beginning of a period of rapid inflation, most state employees have suffered significant losses in earning power over the past biennium. We must catch up with the inflation of the last two years and keep the state salaries competitive.

For that reason, I recommend that the Legislature adopt the formula recommended by the State Civil Service Commission in its entirety. Under this plan, salaries will be increased by 12 percent on July, 1971, and by an additional 6 percent on July 1, 1972. These recommendations apply to Civil Service employees of both the State of Minnesota and the University of Minnesota.

Although many faculty members of our state junior colleges, state colleges, and University have also suffered a loss of real income in the inflation of the past two years, their salary increases have been larger on the average than those of the civil service staff.

I am recommending salary increases for faculty members in all three public systems of higher education to average eight percent for 1970-71 and seven percent for 1971-72, with the expectation that the systems will consider questions of merit and market competition in the allocation of individual salaries.

In making this recommendation, I also want to point out that we are recommending only minimum increases in new positions in state government, our colleges, and the University. We have chosen to emphasize paying present employees as well as we can, recognizing at the same time that we are unable to relieve present heavy workloads where they exist and unable to allow adequately for new workloads that will develop.

I am recommending new college and university teaching positions at the formula level used by the 1969 legislature, but they will be stated as an overall percentage of the new ratios established by the three public systems of higher education through the Higher Education Coordinating Commission.

Careful work has been done in specifying different ratios of students to faculty members at different levels

of instruction. I am pleased that the systems have been able to agree for the first time on what these ratios should be. I accept both the principle and the ratios established. But the state, in my judgment, is simply unable to afford all of the additional staff that would be required to meet those ratios.

In addition, since appropriations for new positions are based on enrollments, I am recommending that a method be developed to adjust these appropriations to actual audited credit hour loads at our public colleges and university, rather than numbers of students. This step would help to avoid overfunding and underfunding of individual institutions and will encourage accurate estimation of workloads.

FINANCING THE NEEDS OF THE STATE

And now, where do we get the money?

I've noticed in my 12 years in the legislature that when the time comes to pass an appropriations bill providing more money for education -- for the University, our state colleges, junior colleges; more money for the handicapped -- the retarded, blind, physically disabled; more money for conservation -- parks, recreation; these bills normally pass by an overwhelming majority of votes. Almost everyone votes for these spending bills.

And the groups which ask for more of the taxpayers' money crowd the halls when we pass those appropriations bills. They are normally well pleased with us. We feel good. Letters come congratulating us -- some we even display during our campaigns.

Then the hour arrives when we have to pass a tax bill to provide the funds for all the programs described in the appropriations bill.

A strange phenomenon occurs. Regardless of which political party is in control, it's often almost impossible to pass a tax bill that raises taxes substantially. Legislators who wouldn't miss a chance to vote for an appropriations bill -- vote against the tax bill which funds the appropriations bill.

I have suffered from the same malady as most of you. (I've voted for some appropriations bill and not a tax bill - I'm not proud of that.)

Another strange phenomenon -- in 12 years in the legislature I have never received a letter, phone call, or word of encouragement -- not once in 12 years -- from a University professor -- or anyone else involved in education, saying:

"Dear Wendy: I just noticed in the morning paper that you voted to raise my taxes by voting for the governor's tax program. I'm so pleased you voted to raise my taxes because I know the additional money raised is critically needed. I know you'll be subjected to much criticism from your constituents and political opponents. But I'm proud of you because without the tax bill, the quality of education would suffer. I will be over in the next campaign giving you a little extra help, and by the way, a contribution is enclosed, as I know you'll really need it now."

In 12 years I have never received such a letter or word of support from anyone seeking the state's financial support -- no educator -- or mother or father of a retarded child -- or environmentalist -- no one.

Elected officials have always had to walk the plank alone when it came time to raise taxes. And the plank was long and narrow. That's scandalous. It must not happen again.

I've told every individual or group that wants to spend the state's money, whether it is the friends of the University, or the friends of the retarded, that they must do more than convince the governor and the legislature. I expect those who want more money to tour the state -- explaining to the people of Minnesota why it is they deserve and why they need this additional money.

Everybody in the state should know, when taxes go up, that it's not because of a wild spending legislature and governor -- but because there are needs of immediate concern that are not and cannot be met by the private sector.

Those who are unwilling to subject their request to full public scrutiny need not call on me for help.

If the public is made aware of the spending needs, they will better understand the tax problems and the need to raise and pass a tax bill.

Ten years ago perhaps we could tolerate letting legislators vote yes on spending and no on the tax bill. A legislator who feels he must vote against the tax bill should be consistent. He should vote against the spending bills.

I'll listen to any legislator who tells me to cut more spending -- if he starts by showing where I can make further cuts in the programs of the junior college, University branch, or state college in his community. I'll listen when he tells me that we can cut a program close to his heart or the hearts of his constituents.

Any legislator, governor, editorial writer, civic group or lobbyist who demands more money for any state service without showing the same concern and support for passing a tax bill to pay for it is a hypocrite, and should be exposed for what he is.

And now let me describe our tax proposals.

I recommend that we raise \$762,000,000 of new revenue at the state level completely from nonproperty sources.

ELIMINATION OF FEDERAL INCOME TAX DEDUCTIBILITY

First, I propose the elimination of the Federal income tax deduction on State individual and corporate income tax returns, effective January 1, 1971. This step will increase state revenues by \$499 million for the 1971-73 biennium.

This is an effective and fair method of raising state revenues and keeping them in Minnesota for state and local needs.

If Federal deductibility is eliminated, an individual or corporation's state income tax payment will increase. Since state income taxes are deductible from Federal income, the increase at the State level will reduce the Federal income tax bill for the taxpayer.

In effect, the State will retain some revenue for state and local priorities that would otherwise have gone to pay Federal income taxes.

From a family of four in the \$15,000 bracket, the resulting increase in state income tax paid will be \$160. For the taxpayer, there will be partial compensation of \$35 from decreased Federal income tax liability. From a family of four in the \$50,000 bracket, the increase in state income tax will be \$1,234, partly compensated to the taxpayer by a \$555 decrease in his Federal income tax liability. The net tax increases of \$125 for the taxpayer in the \$15,000 bracket and \$679 for the taxpayer in the \$50,000 bracket reflect the progressive nature of the proposal, which acts consistently through all income brackets.

When elimination of federal deductibility is combined with further proposals, already noted, that affect individuals in lower income brackets, these individuals will experience net reductions in their income liabilities. A

typical family of four, paying rent of \$100 or more per month, will have to have gross income of more than \$7,000 in order to pay additional state income taxes under this proposal. Tens of thousands of moderate and low income families will experience reduced total taxes under this proposal.

I want to make clear that this recommendation will be effective January 1, 1971, and there will be a resulting gain in revenue from the 1969-1971 biennium to be spent in the 1971-1973 biennium. This windfall of approximately \$80 million in the first year of the biennium is used for current expenditure. In light of predicted economic growth and the growing demand for revenue sharing, such allocation is justified.

HIGHER TAX RATE FOR HIGHER INCOMES

As a second change in the state income tax structure, I propose an increased tax rate on a progressive basis for those persons with net income in excess of \$10,000 per year which raises an additional \$73 million in state revenue.

The increase would add 1 percent to the rates for persons in the \$10,000 to \$15,000 net income brackets; 2 percent to the rates for persons in the \$15,000 to \$17,500 bracket; and 3 percent beyond.

In addition, I propose that the corporate income tax rate be increased by one percent to raise an additional \$27 million in revenue.

INCREASED TAXATION OF CAPITAL GAINS

I also recommend that Minnesota change its treatment of capital gains under Minnesota Income Tax law.

By eliminating the preferential treatment of capital gains under the state income tax, we provide \$42 million in increased revenue to the state over the biennium.

CIGARETTE AND LIQUOR TAXES

I recommend a nine cents a package increase in the state cigarette tax and a 25 percent increase in state liquor taxes.

I hope we can agree that neither of these items falls into the classification of necessities, and that they are reasonable sources of increased income for a state government faced with financing needs of the magnitude of ours.

These proposals would provide additional revenue of \$72.2 million during the biennium from cigarette sales, \$16.3 million from liquor sales, for a total of \$88.5 million.

SALES TAX FOR AIRLINES, RAILROADS, TACONITE, TELEPHONE COMPANIES

I also recommend the extension of the 3 percent general sales tax to all those firms now exempt, including the airlines, railroads, taconite, and telephone companies.

Extension of the sales tax to all companies now excluded would produce \$13 million in new revenue.

GROSS EARNINGS TAX INCREASE

I further recommend that the legislature add 1 percent to the gross earning rates assessed against companies taxed by this method in Minnesota. This increase will result in additional revenue of \$7 million during the biennium.

INHERITANCE AND GIFT TAX

I also recommend that the inheritance and gift taxes, which have remained substantially unchanged for many years, be increased by 20 percent. This will raise \$8 million in new revenue.

ELIMINATING FEDERAL DEDUCTIBILITY ON BANK EXCISE TAX

In eliminating federal deductibility, I also recommend to the legislature that it end federal deductibility and raise the tax rate 1 percent on the bank excise tax, which provides revenue to local government and the state by taxing transactions of banks.

The major effect of this step will be to produce \$13 million over the biennium for local government needs in Minnesota, as the receipts of this tax are now divided. This step will also reduce the amount local units of government must now levy against property.

In addition, this change in the bank excise tax will provide \$4 million of additional revenue to state government.

ELIMINATING INEQUITIES IN PROPERTY TAX RELIEF

My fourth revenue recommendation is a reduction in the amount of personal property tax relief granted to business under the provisions of the Tax Reform and Relief Act of 1967, keeping total relief only for farm livestock and farm machinery.

As I have pointed out many times, the personal property tax relief now extended to business is characterized by gross inequalities, with relief varying in amount from 100 percent to 50 percent, down to zero in the case of many small business and service enterprises.

I recommend a uniform 20 percent reduction in taxes on Class 3 business personal property. This would extend relief to thousands of small businesses which do not benefit from present laws. Business property should also be assessed on a current basis, so that reimbursement is no longer tied to the outmoded 1966 assessed value.

This proposal will result in preventing an unnecessary drain on state finances of \$66.8 million during the biennium. Those businesses not now provided relief from their personal property taxes will receive relief amounting to \$14 million.

President Franklin Roosevelt once said that "the test of our progress is not in whether we add to the abundance of those who have much but in whether we provide for those who have little." Our revenue plans meet this test.

REVENUE SHARING

I listened to the President's revenue sharing proposals with great interest and considerable approval.

The President is entirely correct when he says that we simply must have significant revenue sharing, and have it soon. No one who has been close to the needs of state government will argue with the President's plea to "let us put the money where the needs are. And let us put the power to spend it where the people are...Let us share our resources to rescue the states and localities from the brink of financial crisis, and to give homeowners and wage earners a chance to escape from ever-higher property taxes and sales taxes."

I intend to be second to none in bringing every resource to bear upon the Congress to enact significant revenue sharing proposals.

Those proposals raise the question of whether, in our budget for the coming biennium, we can plan on receiving any part of the figures recommended by the President.

It seems to me that at this time we should not include anticipated revenue based on the President's speech.

If later in the session we have more specific information or if the Congress actually enacts revenue sharing, as I hope it will, then we will alter our budget to accommodate the new source of revenue. Let us hope that this will prove to be the case.

* * *

I would like to thank the Commissioner of Administration, Dick Brubacher, and also Budget Director, Tom LaVelle, for the tremendous amount of work they put into the preparation of this budget. Without their cooperation, it would not have been possible for us to present the budget at this time.

In 1967, Governor Harold LeVander recommended the first \$1 billion budget to the legislature. In 1969 Governor LeVander recommended the first \$2 billion budget for the State of Minnesota.

Today it is my responsibility to recommend the first \$3 billion state budget. \$1,866,365,154 or 62% of this budget is returned directly to the local units of government. \$633,293,372 of the \$762,100,000 increase of this budget is returned directly to the local units of government, representing 83% of the increase.

We are concerned about holding the line on unnecessary spending. The University of Minnesota, for example, asked for over 500 new teaching positions for the next biennium. We have recommended only 38.5 new positions and this for the second year of the biennium. We reduced the University's budget request by over \$50 million.

The Welfare Department asked for 673 new positions. 18 new positions were necessary to meet federal requirements. 3 new positions had already been approved by the LAC. Beyond that we have recommended only 18 new positions, half of which will be used at the Faribault Hospital to improve the treatment of the severely retarded.

The Welfare Department asked for \$128 million in additional revenue. We have recommended an increase of less than \$100 million. Of this increase, \$64 million is required by existing federal or state laws. \$9.4 million reflects a current deficit in the department. \$19.5 million will be

required to fund the Civil Service pay bill, which the Civil Service board has recommended and which we support. \$92.9 million or 93% of the increase is represented just by these three items. In addition, \$2 million is required to fund increased food allotments at our state institutions from \$.75 a day to \$1.00 a day. We also recommend a \$1.2 million increase for mental health centers, and \$1 million for day care centers, and \$247,485 for the blind. These few items represent \$97.3 million or an increase of 99.7%.

I believe this demonstrates the difficulty of making further cuts. We believe we have been careful and cautious in recommending new expenditures and we believe our budget is worthy of your support. I intend to fight as vigorously as I know how to obtain your support of these programs.

But I know that no budget--and certainly no Governor--is perfect. If any member of the Legislature is aware of any waste that is permitted by these proposals, or by state government, or any unnecessary service which is being offered, or of any further source where we can obtain new revenue, then it should be brought to our attention so that we might improve and strengthen this budget.

In 1970, I said that I would insist that the tax bill of this Legislature provide effective property tax relief to every community in this state. This budget provides for that.

I want to work closely with you. I will listen to what you have to say. I will keep an open mind.

But I would remind you that I have promised the people of this state that I will not approve a tax bill unless it provides substantial property tax relief in every part of this state. I intend to keep my commitment.

In the practice of politics, in the functioning of government, in all activity, the touchstone of integrity is the value of a man's word. I have given my word, and I am going to keep it.

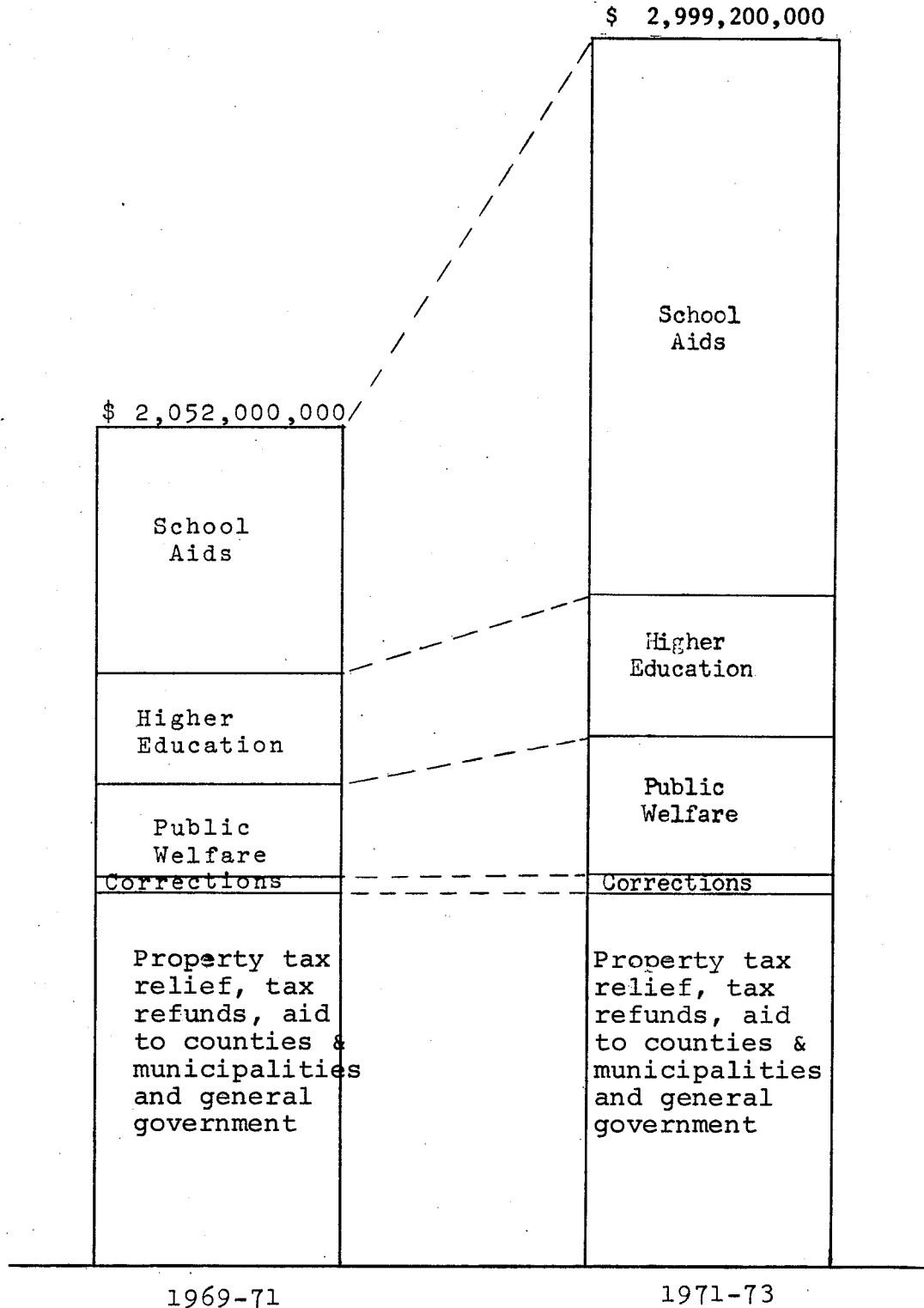
I know that you will give this budget the closest scrutiny. I welcome that. And once that has been done, if you are dissatisfied with this recommendation, it will be your duty to publicly present an alternative.

In conclusion, let me say that if we have the courage to put our fiscal house in order, then we will indeed have made "our government more responsive to the people and more imaginative in the service of their needs."

General Fund
Resources
1969-71 and 1971-73

| | | |
|-----------------------|-------------------------|-------------------------|
| Difference | | \$ 3,016,335,360 |
| \$ 824,869,192 | | Balance Forward |
| Tax Relief | | All Other Sources |
| 447,900,000 | | Liquor & Beer |
| Net Tax Increase | | Gross Earnings |
| 314,200,000 | | Cigarette Tax |
| Tax Growth | \$ 2,191,466,168 | Corporate Income Tax |
| | Balance Forward | Sales Tax |
| | All Other Sources | Individual Income Tax |
| | Liquor & Beer | |
| | Gross Earnings | |
| | Cigarette Tax | |
| | Corporate Income Tax | |
| | Sales Tax | |
| | Individual Income Tax | |
| 1969-71 | | 1971-73 |

General Fund
Appropriations, 1969-71
Requested Appropriations, 1971-73



**FUND STATEMENTS,
GRANTS-IN-AID SUMMARY,
AND CHARTS**

THE BUDGET DOCUMENTS

The 1971-73 Biennial Budget is presented in four parts: the "Budget Address", the "Detailed Estimates", the "Program Budget Supplement", and the Capital Outlay Budget.

The large document containing the detailed estimates is intended as a work book primarily for the use of the Senate Finance and House appropriations Committees. It includes the Governor's budget recommendations for each account requiring a "direct appropriation." A direct appropriation is defined as one made for a definite amount and period of time. An "open appropriation", on the other hand, continues in force until repealed and usually does not state a definite amount. Open appropriations include such items as property tax relief fund distributions, income tax refunds, school census aid and aid to fire departments. Since they do not require legislative action, detailed estimates are not included in the budget document, but the total expenditures of open appropriations are included in the Fund Statements.

The "Budget Address" contains a statement for each fund or group of funds. The total of receipts and expenditures from all funds is presented in the "Summary of Fund Statements".

The charts and tables included in the "Budget Message" present the highlights of the budget. They provide a comparison of the 1971 recommendations and the 1969 appropriations on the more significant items.

The program budget supplement accompanying the main budget document contain the budgets for four state departments expressed in terms of services provided. It is the beginning of a new system of budgeting for the state. The budgets, along with the accompanying report have been prepared to illustrate to the legislature the results of such a budget system. The requests in their budgets reconcile to the amounts requested in the main budget document.

The comparisons of Grants-in-Aid shown on pages 31, 32 and 33 indicate that aid from direct appropriations increased from \$702,230,707 in 1969-71 to \$826,419,318 in 1971-73. The total grants-in-aid increased from \$1,353,641,069 in 1969-71 to \$1,683,714,913 in 1971-73.

Generally the Legislative and Executive branches of government are most concerned with the direct appropriations. The chart on page 34 compares the relative size of open and direct appropriations and clearly demonstrates that open appropriations which are not subject to periodic legislative review and analysis, comprise 63.5% of the total expenditures as compared to 36.5% for direct appropriations.

SUMMARY OF ACTUAL DEBT ACTIVITY 1968-70

| | Outstanding 6-30-68 | Year Ending 6-30-69 | | Outstanding 6-30-69 | Year Ending 6-30-70 | | Outstanding 6-30-70 |
|---|------------------------|----------------------------------|-------------------|------------------------|----------------------------------|-------------------|------------------------|
| | | Bonds and Certificates Issued | Retired | | Bonds and Certificates Issued | Retired | |
| <u>Payable from General Fund:</u> | | | | | | | |
| Minnesota State Building | | | | | | | |
| Laws 1957, E.S.C. 2 | 10,814,000 | | 2,756,000 | 8,058,000 | | 2,756,000 | 5,302,000 |
| Laws 1959, E.S.C. 90 | 28,012,000 | | 2,601,000 | 25,411,000 | | 2,601,000 | 22,810,000 |
| Capital Improvement Bonds ('61 x -72, '63 - 1) | 22,021,000 | | 1,468,000 | 20,553,000 | | 1,468,000 | 19,085,000 |
| School Loan 1967, (C. 583) | | | | | 2,800,000 | | 2,800,000 |
| State Building Refunding of (1963, C. 677) | 34,180,000 | | 2,140,000 | 32,040,000 | | 2,140,000 | 29,900,000 |
| School Loan of 1963, (C. 601) | 19,800,000 | | | 19,800,000 | | | 19,800,000 |
| Minn. State Building 1963, (C.839) | 26,830,000 | | 1,790,000 | 25,040,000 | | 1,790,000 | 23,250,000 |
| Minn. State Building 1965, (C.882) | 49,010,000 | | 2,890,000 | 46,120,000 | | 2,890,000 | 43,230,000 |
| School Loan of 1965, (C. 875) | 10,400,000 | | | 10,400,000 | | | 10,400,000 |
| Minn. State Building 1967, (X-8) | 30,000,000 | | | 30,000,000 | | | 62,214,000 |
| School Loan 1969 (C. 1056) | | | | | 33,794,000 | 1,580,000 | 10,200,000 |
| St. College Bonds 69 (C. 1157) | | | | | 4,500,000 | | 4,500,000 |
| Minn. State Building 69 (C.1159) | | | | | 48,206,000 | | 48,206,000 |
| TOTALS | 231,067,000 | | 13,645,000 | 217,422,000 | 99,500,000 | 15,225,000 | 301,697,000 |
| <u>Payable from Dedicated Receipts:</u> | | | | | | | |
| Minnesota Aeronautics | | | | | | | |
| Laws 1963, C.791 (Bonds) | 5,650,000 | | 310,000 | 5,340,000 | | 310,000 | 5,030,000 |
| Employment and Security Building Laws 1965, C. 532 (Bonds) | 3,000,000 | | | 3,000,000 | | 175,000 | 2,825,000 |
| Employment and Security Building Laws ('67 X C.8) Bonds | | 300,000 | | 300,000 | | | 300,000 |
| TOTALS | 8,650,000 | 300,000 | 310,000 | 8,640,000 | | 485,000 | 8,155,000 |
| <u>Payable from Motor Vehicle Taxes:</u> | | | | | | | |
| Trunk Highway Bridges and Approaches, Laws 1955, C.748 | 10,850,000 | | 1,350,000 | 9,500,000 | | 1,450,000 | 8,050,000 |
| Right of Way Acquisition Laws 1957, C. 750 | 11,250,000 | | 1,350,000 | 9,900,000 | | 1,350,000 | 8,550,000 |
| City of St. Paul Laws 1959, C. 538 | 6,910,000 | | 350,000 | 6,560,000 | | 350,000 | 6,210,000 |
| Public Highway System 1967, C. 878 | 20,000,000 | 20,000,000 | | 40,000,000 | 21,000,000 | | 61,000,000 |
| TOTALS | 49,010,000 | 20,000,000 | 3,050,000 | 65,960,000 | 21,000,000 | 3,150,000 | 83,810,000 |
| GRAND TOTAL | 288,727,000 | 20,300,000 | 17,005,000 | 292,022,000 | 120,500,000 | 18,860,000 | 393,662,000 |

SUMMARY OF ESTIMATED DEBT ACTIVITY 1971-73

| | Fiscal Year 1971 | | Outstanding 6-30-71 | Fiscal Year 1972 | | Outstanding 6-30-72 | Fiscal Year 1973 | | Outstanding 6-30-73 |
|--|----------------------------------|-------------------|------------------------|----------------------------------|--------------------|------------------------|----------------------------------|---------|------------------------|
| | Bonds and Certificates Issued | Retired | | Bonds and Certificates Issued | Retired | | Bonds and Certificates Issued | Retired | |
| <u>Payable from General Fund:</u> | | | | | | | | | |
| Minnesota State Building | | | | | | | | | |
| Laws 1957, E.S.C. 2 | | 956,000 | 4,346,000 | 956,000 | 3,390,000 | 956,000 | 2,434,000 | | |
| Laws 1959, E.S.C. 90 | 2,601,000 | | 20,209,000 | 2,601,000 | 17,608,000 | 2,601,000 | 15,007,000 | | |
| Capital Improvement Bonds | | | | | | | | | |
| ('61 X -72, '63-1) | 1,468,000 | | 17,617,000 | 1,468,000 | 16,149,000 | 1,468,000 | 14,681,000 | | |
| School Loan of 1967, (C. 583) | | | 2,800,000 | | 2,800,000 | | 2,800,000 | | |
| State Building Refunding of | | | | | | | | | |
| (1963, C. 677) | 2,140,000 | | 27,760,000 | 2,140,000 | 25,620,000 | 2,140,000 | 23,480,000 | | |
| School Loan of 1963, (C. 601) | | | 19,800,000 | | 19,800,000 | | 19,800,000 | | |
| Minn. State Building 1963, (C.839) | 1,790,000 | | 21,460,000 | 1,790,000 | 19,670,000 | 1,790,000 | 17,880,000 | | |
| Minn. State Building 1965, (C.882) | 2,890,000 | | 40,340,000 | 2,890,000 | 37,450,000 | 2,890,000 | 34,560,000 | | |
| School Loan of 1965, (C.875) | | | 10,400,000 | | 10,400,000 | | 10,400,000 | | |
| Minn. State Building 1967, (X-8) | 1,580,000 | | 60,634,000 | 1,580,000 | 59,054,000 | 3,468,556 | 55,585,444 | | |
| School Loan Bonds 69 (C. 1056) | | | 10,200,000 | | 10,200,000 | | 10,200,000 | | |
| State College Bonds 69 (C. 1157) | 7,500,000 | 150,000 | 11,850,000 | 165,000 | 11,685,000 | 180,000 | 11,505,000 | | |
| Minn. State Building 69 (C. 1159) | 99,986,000 | 600,000 | 147,592,000 | 5,200,000 | 142,392,000 | 7,211,444 | 135,180,556 | | |
| TOTALS | 107,486,000 | 14,175,000 | 395,008,000 | 18,790,000 | 376,218,000 | 22,705,000 | 353,513,000 | | |
| <u>Payable from Dedicated Receipts:</u> | | | | | | | | | |
| Minnesota Aeronautics | | | | | | | | | |
| Laws 1963, C.791 (Bonds) | 320,000 | | 4,710,000 | 330,000 | 4,380,000 | 340,000 | 4,040,000 | | |
| Employment and Security Building | | | | | | | | | |
| Law 1965, C. 532 (Bonds) | 175,000 | | 2,650,000 | 175,000 | 2,475,000 | 175,000 | 2,300,000 | | |
| Employment and Security Building | | | | | | | | | |
| Laws ('67 X C.8) Bonds | | | 300,000 | 15,000 | 285,000 | 15,000 | 270,000 | | |
| TOTALS | 495,000 | | 7,660,000 | 520,000 | 7,140,000 | 530,000 | 6,610,000 | | |
| <u>Payable from Motor Vehicle Taxes:</u> | | | | | | | | | |
| Trunk Highway Bridges and | | | | | | | | | |
| Approaches, Laws 1955, C.748 | 1,550,000 | | 6,500,000 | 1,150,000 | 5,350,000 | 1,150,000 | 4,200,000 | | |
| Right of Way Acquisition | | | | | | | | | |
| Laws 1957, C. 750 | 1,350,000 | | 7,200,000 | 1,250,000 | 5,950,000 | 1,250,000 | 4,700,000 | | |
| City of St. Paul Laws 1959, C. 538 | | 360,000 | 5,850,000 | 390,000 | 5,460,000 | 420,000 | 5,040,000 | | |
| Public Highway System 1967, C. 873 | 39,000,000 | 1,000,000 | 99,000,000 | 2,000,000 | 97,000,000 | 2,000,000 | 95,000,000 | | |
| TOTALS | 39,000,000 | 4,260,000 | 118,550,000 | 4,790,000 | 113,760,000 | 4,820,000 | 108,940,000 | | |
| GRAND TOTAL | 146,486,000 | 18,930,000 | 521,218,000 | 24,100,000 | 497,118,000 | 28,055,000 | 469,063,000 | | |

SUMMARY OF FUND STATEMENTS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Balance Forward July 1 | 280,433,600 | 326,462,036 | 297,194,931 | 222,013,281 | 25,574,354 |
| Receipts by Funds | | | | | |
| General Fund - Non-Dedicated Receipts | 772,118,221 | 870,853,998 | 975,859,783 | 1,051,816,688 | 1,135,055,651 |
| General Fund - Dedicated | 62,861,654 | 78,513,064 | 80,746,933 | 89,859,839 | 95,647,120 |
| Building | 7,443,095 | 88,549,734 | 56,398,631 | 54,414,695 | 52,403,300 |
| Bond | 402,345 | 4,696,320 | 495,000 | 15,000 | 7,500 |
| Miscellaneous Special Revenue | 17,391,638 | 31,239,607 | 20,126,721 | 21,054,282 | 21,082,870 |
| Iron Range Resources & Rehabilitation | 584,140 | 601,064 | 600,819 | 583,302 | 467,914 |
| Game and Fish | 5,471,471 | 6,625,353 | 7,516,000 | 7,926,700 | 8,118,500 |
| Consolidated Conservation Areas | 230,833 | 200,264 | 231,860 | 238,760 | 231,760 |
| State Airports | 12,237,472 | 13,868,726 | 13,809,446 | 15,717,350 | 16,281,850 |
| Trunk Highway | 35,652,465 | 33,547,575 | 50,840,000 | 14,275,000 | 11,000,000 |
| Highway User Tax & County-Municipal Aid | 188,875,277 | 201,102,823 | 210,039,070 | 218,909,000 | 228,380,000 |
| Trust | 3,411,205 | 1,995,347 | 2,924,200 | 3,124,161 | 3,124,081 |
| Agency | 188,472,841 | 217,230,710 | 216,132,628 | 227,404,266 | 240,856,503 |
| Revolving | 8,523,306 | 9,036,848 | 13,199,496 | 16,067,422 | 17,820,517 |
| Prison Revolving | 2,472,342 | 2,124,280 | 2,163,600 | 2,089,700 | 1,715,700 |
| Federal | <u>285,503,773</u> | <u>328,121,565</u> | <u>384,437,041</u> | <u>436,523,848</u> | <u>481,382,087</u> |
| Receipts Subtotals | 1,591,652,078 | 1,888,307,278 | 2,035,521,228 | 2,160,020,013 | 2,313,575,353 |
| Appropriation & Receipts Transfers | <u>30,219,046</u> | <u>29,022,852</u> | <u>39,714,336</u> | <u>46,717,835</u> | <u>51,246,755</u> |
| TOTAL RESOURCES | 1,902,304,724 | 2,243,792,167 | 2,372,430,495 | 2,428,751,129 | 2,390,396,462 |

SUMMARY OF FUND STATEMENTS (Cont.)

| ACTUAL AND ESTIMATED EXPENDITURES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|
| Expenditures by Funds: | | | | | |
| General Fund - Non-Dedicated Receipts | 720,639,281 | 965,075,677 | 1,094,020,496 | 1,246,515,716 | 1,334,814,209 |
| General Fund - Dedicated | 62,861,654 | 78,513,064 | 80,746,933 | 89,859,839 | 95,647,120 |
| Building | 34,265,368 | 56,036,726 | 51,654,410 | 53,814,695 | 53,319,980 |
| Bond | 14,882,095 | 17,816,072 | 23,718,900 | 32,111,453 | 35,317,516 |
| Miscellaneous Special Revenues | 21,861,948 | 25,035,750 | 14,312,464 | 17,565,305 | 17,803,065 |
| Iron Range Resources & Rehabilitation | 954,588 | 1,022,305 | 753,498 | 624,391 | 514,539 |
| Game and Fish | 5,122,793 | 7,894,666 | 6,232,945 | 9,064,748 | 7,674,968 |
| Consolidated Conservation Areas | 225,124 | 120,646 | 105,877 | 121,930 | 125,380 |
| State Airports | 9,623,939 | 15,661,053 | 11,588,920 | 20,587,084 | 11,887,944 |
| Trunk Highway | 136,797,637 | 137,979,792 | 158,913,823 | 153,866,371 | 140,642,458 |
| Highway User & County-Municipal Aid | 77,295,428 | 78,829,537 | 83,429,750 | 87,181,658 | 90,138,703 |
| Trust | 3,337,508 | 1,825,751 | 2,691,119 | 2,979,519 | 3,074,774 |
| Agency | 186,722,710 | 213,727,912 | 215,182,690 | 229,325,875 | 240,812,094 |
| Revolving | 8,112,582 | 8,712,429 | 12,639,416 | 16,105,765 | 17,187,047 |
| Prison Revolving | 2,367,640 | 2,502,216 | 2,607,969 | 2,484,949 | 2,425,185 |
| Federal | <u>284,162,130</u> | <u>330,618,920</u> | <u>383,376,747</u> | <u>434,468,231</u> | <u>476,419,726</u> |
| Expenditures Subtotals | 1,569,232,425 | 1,941,372,516 | 2,141,975,957 | 2,396,677,529 | 2,527,804,708 |
| Appropriation and Receipts Transfers | 6,610,258 | 5,224,720 | 8,441,256 | 6,499,245 | 8,286,158 |
| Balance Forward June 30 | <u>326,462,036</u> | <u>297,194,931</u> | <u>222,013,281</u> | <u>25,574,354</u> | <u>(145,694,406)</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 1,902,304,724 | 2,243,792,167 | 2,372,430,495 | 2,428,751,129 | 2,390,396,462 |

Note: In most of the fund statements the detail will not add to the totals due to dropping of cents columns. Receipts and expenditures are net of temporary investment purchases, sales, and maturities.

GENERAL FUND - NONDEDICATED RECEIPTS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| FREE BALANCE FORWARD JULY 1 | 126,776,609 | 197,359,900 | 117,060,635 | 15,309,358 | (164,363,288) |
| Receipts: | | | | | |
| Gross Earnings | 28,971,574 | 31,631,009 | 33,908,000 | 37,108,000 | 39,208,000 |
| Insurance Gross Premium Tax | 18,152,613 | 23,686,955 | 22,000,000 | 24,200,000 | 26,620,000 |
| Iron Ore Occupation Tax | 10,872,203 | 9,542,109 | 7,650,000 | 7,650,000 | 7,650,000 |
| Iron Ore Royalty Tax | 1,589,012 | 1,690,981 | 900,000 | 900,000 | 900,000 |
| Taconite Taxes | 133,678 | 1,620,733 | 2,171,000 | 2,171,000 | 2,171,000 |
| Inheritance & Gift Taxes | 18,130,486 | 17,023,936 | 16,670,000 | 16,670,000 | 16,670,000 |
| Liquor & Beer Taxes | 22,266,152 | 27,555,224 | 30,286,103 | 31,861,083 | 33,529,054 |
| Cigarette Tax | 21,990,055 | 40,881,904 | 43,588,000 | 44,450,000 | 45,311,000 |
| Tobacco Products Tax | 950,628 | 1,980,040 | 2,075,000 | 2,180,000 | 2,290,000 |
| Grain Inspection Fees | 1,702,269 | 2,454,795 | 2,611,500 | 3,066,616 | 3,248,584 |
| Institutions-Care of Persons | 10,488,768 | 11,810,901 | 24,433,668 | 26,435,032 | 27,933,734 |
| University-Reimbursement from Counties | 1,269,676 | 1,254,002 | 1,744,844 | 1,241,007 | 1,283,622 |
| Bank Excise Tax | 1,942,706 | 2,273,996 | 2,500,000 | 2,300,000 | 2,300,000 |
| Oleomargarine Tax | 3,665,700 | 3,555,827 | 3,500,000 | 3,500,000 | 3,500,000 |
| Income Taxes | | | | | |
| Individual & Fiduciary | 359,800,117 | 401,496,940 | 473,000,000 | 519,000,000 | 570,000,000 |
| Corporation | 82,568,391 | 81,391,494 | 82,000,000 | 88,000,000 | 95,000,000 |
| Sales and Use Tax | 173,960,627 | 195,619,537 | 210,000,000 | 226,000,000 | 241,000,000 |
| Deed Tax | 2,724,938 | 2,563,526 | 2,820,000 | 3,100,000 | 3,400,000 |
| All Other Receipts | <u>10,938,621</u> | <u>12,820,080</u> | <u>14,001,668</u> | <u>11,983,950</u> | <u>13,040,657</u> |
| Receipts Subtotals | 772,118,221 | 870,853,998 | 975,859,783 | 1,051,816,688 | 1,135,055,651 |
| Transfers: | | | | | |
| Invested Treasurer's Cash | 14,805,498 | 10,335,820 | 10,000,000 | 10,000,000 | 10,000,000 |
| Attributable Costs | 610,701 | 1,061,844 | 1,230,240 | 1,302,900 | 1,312,350 |
| Motor Vehicle Transfer of Ownership | 245,375 | 975,591 | 952,031 | 760,982 | 774,389 |
| Gas Tax Collection Reimbursement | 1,045,391 | | 1,100,000 | | 1,300,000 |
| State Parks Receipts | 458,629 | 580,457 | 477,165 | 462,500 | 462,500 |
| All Other Transfers | <u>1,938,753</u> | <u>968,699</u> | <u>2,650,000</u> | <u>2,500,000</u> | <u>2,500,000</u> |
| Transfer Subtotals | 19,104,350 | 13,922,413 | 16,409,436 | 15,026,382 | 16,349,239 |
| Receipts & Transfer Subtotals | 791,222,572 | 884,776,412 | 992,269,219 | 1,066,843,070 | 1,151,404,890 |
| TOTAL RESOURCES | 917,999,182 | 1,082,136,313 | 1,109,329,854 | 1,082,152,428 | 987,041,602 |

GENERAL FUND - NONEDICATED RECEIPTS (Cont.)

| ACTUAL AND ESTIMATED EXPENDITURES | 1968-69 | 1969-70 | 1970-71 | 1971-72 | 1972-73 |
|---|-----------|------------|------------|------------|------------|
| Miscellaneous Commissions | 68,500 | 77,925 | 82,925 | 157,760 | 96,747 |
| Special Semi-State Agricultural Societies | 239,600 | 258,150 | 273,150 | 277,150 | 277,150 |
| Miscellaneous Veterans' Associations | 19,000 | 29,000 | 19,000 | 20,740 | 20,740 |
| Special Aids to Cities, Counties & Towns | 234,000 | 239,100 | 240,250 | 241,500 | 244,000 |
| National Governors' Conference | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Sheriffs' Expense Conveying Prisoners | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| Minnesota Veterans Home | 352,963 | 430,874 | 465,450 | 659,388 | 661,844 |
| Minnesota Historical Society | 558,807 | 730,301 | 745,222 | 1,077,809 | 1,072,336 |
| Sibley House and Academy of Science | 18,500 | 22,250 | 22,250 | 26,747 | 26,747 |
| Aid to School Districts | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Minnesota State Arts Council | 85,000 | 112,500 | 115,150 | 265,000 | 300,000 |
| Employees Compensation | 4,526 | | 3,105 | | |
| Unemployment Compensation | 3,426 | | | | |
| Legislature | 3,128,100 | 4,373,645 | 4,054,645 | 5,589,714 | 5,910,521 |
| Governor | 305,427 | 707,167 | 488,167 | 683,015 | 601,541 |
| State Planning Agency | 275,000 | 729,634 | | 685,895 | 711,225 |
| Civil Defense* | 142,064 | 169,683 | 175,071 | | |
| Lieutenant Governor | 15,000 | 20,000 | 20,000 | 29,673 | 28,366 |
| State Auditor | 494,290 | 587,135 | 608,914 | 643,628 | 683,116 |
| Contributory Share - PERA open Approp. | 20,674 | | 6,708 | | |
| Civil Air Patrol | 15,000 | 28,350 | 13,350 | 43,530 | 38,230 |
| State Treasurer | 234,193 | 239,020 | 245,357 | 286,890 | 299,527 |
| Public Examiner | 368,287 | 435,853 | 447,247 | 493,996 | 519,314 |
| Department of Taxation | 6,202,260 | 10,251,129 | 10,456,589 | 11,895,723 | 12,737,706 |
| Tax Court | 37,502 | 39,846 | 40,510 | 40,592 | 41,515 |
| Attorney General | 484,993 | 792,594 | 754,858 | 1,219,824 | 1,286,853 |
| Bureau of Criminal Apprehension* | 687,883 | 1,120,651 | 1,176,695 | | |
| District Court | 1,620,000 | 1,651,000 | 1,696,000 | 1,684,700 | 1,686,100 |
| Retired Supreme & District Court Judges | 225,000 | 307,000 | 307,000 | 307,000 | 307,000 |
| Supreme Court | 490,176 | 659,020 | 686,491 | 685,192 | 698,303 |
| Judicial Council | | 1,000 | 1,000 | 2,000 | 2,800 |
| Public Defender | 112,690 | 148,967 | 156,691 | 273,991 | 275,935 |
| Revisor of Statutes | 118,502 | 251,513 | 316,538 | 554,506 | 314,620 |
| Department of Administration | 3,680,037 | 6,266,487 | 5,263,498 | 8,327,554 | 6,867,828 |
| Executive Council | 600 | 655 | 655 | 649 | 649 |
| Governor's Comm. on Employment of Handicapped | | 27,514 | 27,628 | 43,751 | 44,961 |
| Public Safety | | | 94,978 | 2,913,262 | 3,122,334 |
| Board of Investment | 96,235 | 176,150 | 178,808 | 277,005 | 256,487 |
| Secretary of State | 363,065 | 370,992 | 461,995 | 233,212 | 331,233 |

GENERAL FUND - NONDEDICATED RECEIPTS (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Department of Civil Service | 521,869 | 746,336 | 771,570 | 1,099,869 | 706,602 |
| Archives Commission | 83,945 | 125,769 | 118,923 | 129,948 | 137,467 |
| Municipal Commission | 35,953 | 57,108 | 66,058 | 69,197 | 70,533 |
| Adjutant General | 1,504,154 | 1,762,337 | 1,811,718 | 2,002,105 | 2,098,219 |
| Division of Banking | 769,758 | 866,186 | 931,535 | | |
| Division of Insurance* | 748,500 | 877,787 | 905,465 | | |
| Division of Securities | 131,243 | 201,332 | 206,926 | | |
| Public Service Commission | 4,280,086 | 4,011,687 | 3,234,841 | 3,824,194 | 4,076,712 |
| Labor and Industry | 1,178,072 | 1,798,240 | 1,652,707 | 2,265,908 | 2,414,269 |
| Liquor Control Department | 331,094 | 368,905 | 385,803 | 431,583 | 446,850 |
| Bureau of Mediation Services | 187,133 | 229,796 | 237,015 | 293,263 | 300,943 |
| Economic Development | 1,189,995 | 1,532,610 | 1,497,752 | 1,870,883 | 2,039,664 |
| Department of Agriculture | 1,632,156 | 2,003,484 | 2,090,306 | 2,610,131 | 2,721,845 |
| Natural Resources Administration | 524,059 | 1,241,566 | 1,170,708 | 2,187,063 | 1,408,426 |
| Natural Resources Snowmobile Licensing | | 825,000 | | | |
| Natural Resources Water, Soils & Minerals | 913,762 | 1,205,679 | 963,969 | 1,561,977 | 1,405,312 |
| Natural Resources Lands and Forestry | 3,194,275 | 3,630,753 | 3,885,697 | 4,453,847 | 4,690,059 |
| Natural Resources Parks and Recreation | 1,847,967 | 2,035,540 | 2,086,648 | 2,709,429 | 2,808,741 |
| Natural Resources Enforcement & Field Service | | | | 724,722 | 651,835 |
| Minnesota Water Resources Board | 26,694 | 37,292 | 38,422 | 67,037 | 69,441 |
| State Soil & Water Conservation Committee | 311,748 | 329,807 | 341,460 | 397,149 | 410,109 |
| Board of Health | 1,756,252 | 2,059,778 | 2,110,212 | 2,483,184 | 2,602,218 |
| Water Pollution Control Commission | 315,123 | 809,811 | 867,740 | 1,661,282 | 1,992,156 |
| Livestock Sanitary Board | 851,846 | 1,305,568 | 917,573 | 1,206,287 | 957,293 |
| Governor's Human Rights Commission | 175,295 | 242,142 | 245,269 | 405,227 | 418,835 |
| Veterans' Affairs | 1,079,216 | 1,069,844 | 1,086,683 | 1,241,846 | 1,330,234 |
| State Law Library | 79,563 | 156,877 | 93,084 | 191,339 | 94,600 |
| Enforcing Cigarette Fair Trade Law | 21,000 | | | | |
| Commission on Alcohol Problems | | 46,600 | 47,100 | 87,992 | 90,353 |
| Minn. Outdoor Recreation Commission | | 100,000 | | | |
| State Planning Agency | | 50,000 | | | |
| University of Minnesota | | 504,250 | | | |
| Minnesota Historical Society | | 659,803 | | | |
| Commissioner of Conservation | | 1,709,000 | | | |
| Commissioner of Administration | | 5,525,000 | | | |
| Economic Development | | 180,000 | | | |
| Department of Commerce | | | | 2,250,397 | 2,338,698 |
| Brd. of Examiners -Nursing Home Admin. | | | | 47,367 | 46,765 |
| State Zoological Board | | | | 140,907 | 144,207 |

GENERAL FUND - NONDEDICATED RECEIPTS (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Natural Resources Acceleration | | | | 4,423,000 | 4,576,000 |
| Claims Commission Awards | | | 55,223 | | |
| Employees' Compensation | 175,399 | | 196,011 | | |
| Unemployment Compensation | 181,615 | | 272,935 | | |
| Department of Public Welfare | 41,110,094 | 56,371,971 | 70,966,945 | 85,803,341 | 100,300,767 |
| Anoka State Hospital | 3,533,728 | 4,110,671 | 4,348,689 | 5,013,391 | 5,261,467 |
| Fergus Falls State Hospital | 3,810,620 | 4,231,388 | 4,352,451 | 4,900,987 | 5,167,624 |
| Hastings State Hospital | 2,482,193 | 2,799,371 | 2,853,130 | 3,329,103 | 3,460,758 |
| Moose Lake State Hospital | 2,823,144 | 3,171,410 | 3,228,710 | 3,903,719 | 4,066,356 |
| Rochester State Hospital | 3,750,860 | 4,286,082 | 4,428,755 | 5,285,712 | 5,544,301 |
| St. Peter State Hospital | 4,476,189 | 5,088,262 | 5,227,815 | 5,850,757 | 6,146,147 |
| Minnesota Security Hospital | 660,728 | 782,423 | 795,083 | 1,006,410 | 1,049,128 |
| Willmar State Hospital | 2,872,665 | 3,151,374 | 3,211,450 | 3,697,135 | 3,865,506 |
| Faribault State Hospital | 7,911,945 | 9,022,825 | 9,257,495 | 10,503,852 | 11,024,762 |
| Cambridge State Hospital | 5,610,986 | 6,484,109 | 6,729,343 | 7,588,916 | 7,963,877 |
| Owatonna State School | 1,180,458 | 1,052,600 | | | |
| Shakopee Home for Children | 88,499 | | | | |
| Brainerd State Hospital | 4,074,440 | 5,071,345 | 5,511,241 | 6,690,176 | 7,022,463 |
| Braille and Sight Saving School | 559,283 | 657,389 | 677,557 | 775,641 | 800,127 |
| School for the Deaf | 1,001,076 | 1,285,644 | 1,309,389 | 1,551,168 | 1,589,205 |
| Gillette State Hospital | 1,929,218 | 2,224,966 | 2,287,697 | 2,609,056 | 2,759,859 |
| Ah-Gwah-Ching Nursing Home | 1,900,234 | 2,161,512 | 2,215,537 | 2,489,589 | 2,607,664 |
| Glen Lake State Sanatorium | 2,216,193 | 2,574,977 | 2,634,030 | 2,970,887 | 3,103,259 |
| Minnesota Residential Treatment Center | | 343,150 | | | |
| Department of Corrections | 2,373,255 | 3,915,147 | 3,370,155 | 5,318,560 | 4,630,755 |
| Minnesota State Prison | 2,567,289 | | | | |
| Reformatory for Men | 2,528,398 | | | | |
| Minnesota Correctional Instit. for Women | 292,085 | | | | |
| Adult Institutions* | | 6,500,668 | 6,659,387 | 8,187,798 | 8,522,316 |
| State Training School for Boys | 1,500,861 | | | | |
| Minnesota Home School for Girls | 984,563 | | | | |
| Youth Conservation Commission | 781,156 | | | | |
| Youth & Juvenile Institutions | | 6,764,346 | 6,921,953 | 8,279,336 | 8,581,946 |
| Minn. Residential Treatment Center | 2,570,346 | | | | |
| Regional Juvenile Detention Centers | | 150,000 | | | |
| Planning Regional Juvenile Detention Centers | | 50,000 | | | |
| Planning Regional Jail Facilities | | 50,000 | | | |
| Comm. of Admin.- Facility Planning | | 20,000 | | | |
| Institutions Contingent Fund | | 250,000 | | | |
| Employees Compensation | 545,046 | | 545,947 | | |

GENERAL FUND - NONDEDICATED RECEIPTS (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Unemployment Compensation | 27,001 | | 13,581 | | |
| Reformatory Capital Account | | | | 80,450 | 80,000 |
| Welfare Institutions Contingent Fund | | | | 175,000 | |
| Corrections Institutions Contingent Fund | | | | 75,000 | |
| Department of Education | 3,829,710 | 4,866,712 | 5,030,204 | 6,723,711 | 7,012,067 |
| State College Board | 23,675,788 | 32,560,767 | 36,814,852 | 42,325,134 | 46,299,163 |
| University of Minnesota | 68,093,474 | 79,148,531 | 88,041,584 | 107,656,028 | 117,955,505 |
| Minnesota Board of Nursing | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Aid to Public Schools | 237,636,752 | 268,698,160 | 308,701,047 | 310,184,286 | 310,025,105 |
| Aids to Schools - Additional | | | | 2,510,000 | 2,420,000 |
| Minn. Higher Educ. Coord. Commission | 150,000 | 1,446,000 | 1,988,000 | 4,350,057 | 8,054,988 |
| School Aid - Counties A/C Non-Tax Area | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Gross Earnings Aid | 1,560,000 | 1,705,000 | 1,780,000 | 1,733,767 | 1,763,270 |
| Exempt Land - Special School Aid | 375,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Aid to Certain School Districts | 120,000 | 145,000 | 145,000 | 145,000 | 145,000 |
| Medical Education | | 700,000 | | | |
| State Junior College Board | 7,659,975 | 12,337,820 | 14,597,397 | 17,698,840 | 19,300,808 |
| Employees Compensation | 17,894 | | 28,800 | | |
| Unemployment Compensation | 3,473 | | 6,566 | | |
| State Scholarships | 250,000 | | | | |
| Robert Mayberry Compensation | 500 | | | | |
| Military Forces Emergencies | 40,404 | | | | |
| Aid to Fire Departments | 1,309,066 | 1,658,640 | 2,187,199 | 3,000,000 | 3,500,000 |
| Surcharge for Firemen's Relief | 273,185 | 305,777 | 340,000 | 375,000 | 415,000 |
| Revenue Funds | 471,223 | 838,112 | 500,000 | 750,000 | 750,000 |
| Abandon Bank Deposit Refunds | 289 | | 500 | 500 | 500 |
| Tax Relief on Account of Airports | 5,250 | 5,250 | | | |
| Legislative Retirement Study Commission | 25,173 | 25,000 | 25,000 | 25,000 | 25,000 |
| Dairy Research & Marketing | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Athletic Commission | 15,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| PERA Supplemental Retirement | 38,462 | 450,787 | 156,000 | 150,000 | 145,000 |
| MSRS Supplemental Retirement | 197,369 | 181,867 | 170,000 | 160,000 | 150,000 |
| TRA Supplemental Retirement | 327,376 | 312,866 | 300,000 | 290,000 | 275,000 |
| Elected Officers | 7,495 | 22,461 | 25,405 | 28,755 | 28,755 |
| Legislative Members & Survivors | | 42,373 | 43,741 | 45,000 | 45,000 |
| State College Board E.O.A. | 238,318 | 300,034 | 378,477 | 635,000 | 716,000 |
| Junior College Board E.O.A. | 33,692 | 58,725 | 77,205 | 96,250 | 105,000 |
| Land Exchange Review Board | | 35,000 | 35,000 | | |
| Cancelled Warrants Expense | 13,591 | 5,547 | 10,000 | 10,000 | 10,000 |
| Robert A. Weber Compensation | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Bond Sales Expense | 3,053 | 10,110 | 3,000 | 3,000 | 3,000 |

GENERAL FUND - NONDEDICATED RECEIPTS (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Soudan State Park | 500 | 500 | 500 | 500 | 500 |
| Parks Waysides & Trails | | 7,000,000 | | 7,000,000 | |
| Suppl. Retirement Jr. & State Colleges | | 543,862 | 788,675 | 1,016,367 | 1,229,853 |
| Executive Council Emergency Aid | 11,054 | 158,650 | 13,256 | | |
| Aid to Independent School District #16 Anoka Co. | | | 5,250 | 5,250 | 5,250 |
| Security Protection to Governor | | 6,882 | 226,968 | 193,350 | 362,844 |
| Employer Contribution-Retirement | 833,031 | 600 | | | |
| Employer Contribution - Insurance | 4,436,100 | 255 | | | |
| Per Pupil Census Aid | 8,940,760 | 9,040,150 | 9,125,000 | 9,000,000 | 9,000,000 |
| School Aid a/c Military Lands | 2,047 | 2,274 | 2,000 | 2,000 | 2,000 |
| Income Tax Refunds | 64,081,245 | 62,868,953 | 91,000,000 | 90,000,000 | 101,000,000 |
| Employer Contribution- Insurance | 284,834 | | | | |
| Employer Contribution - Retirement | 42,992 | | | | |
| Utilities | 28,165 | | | | |
| Per Capita Aids | 38,259,345 | 48,180,849 | 58,000,000 | 56,100,000 | 61,300,000 |
| Exempt Property Reimbursement | 32,320,923 | 68,544,776 | 79,300,000 | 94,300,000 | 109,400,000 |
| Homestead Credit | 39,537,998 | 95,813,272 | 107,200,000 | 128,700,000 | 148,000,000 |
| Renter Credit | | 3,276,045 | 7,000,000 | 7,000,000 | 7,000,000 |
| Cost of Administration-Property Tax | 2,460,892 | | 2,000,000 | 2,000,000 | 2,000,000 |
| 65 and Over Property Tax Credit | | 1,159,460 | | | |
| Property Tax Refunds, etc. | 62,235 | | | | |
| Suppl. Per Capita Distribution To School Districts | | | | 3,000,000 | |
| Elimination of State Mill Levy: | 39,896,524 | 59,148,594 | | | |
| First Class Cities | | | 8,100,000 | 9,700,000 | 10,500,000 |
| Teachers Retirement | | | 45,232,129 | 50,900,000 | 55,200,000 |
| Bond Fund | | | 25,000,000 | 33,000,000 | 40,800,000 |
| Leg. Rtmt. Study Commission | 37,500 | 25,000 | | | |
| Peace Officers Training Board | 25,000 | | | | |
| Land Exchange Review Board | 35,000 | | | | |
| Claims | 87,555 | | | | |
| Legislative Services Commission | 108,000 | | | | |
| Metro Council Sewer Board | 500,000 | | | | |
| Southwest State College | 350,000 | | | | |
| Deficiency Bill | 298,720 | | | | |
| Statutes on Computer Compatible Media | 70,000 | | | | |
| Industrial Commission | 36,566 | | | | |
| Public Examiner's Revolving | 50,000 | | | | |
| Legislative Expenses | 681,000 | | | | |

GENERAL FUND - NONDEDICATED RECEIPTS (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| Capitol Remodeling Plans | 170,000 | | | | |
| Flowage Easements - Cedar Lake | 5,000 | | | | |
| Forest Guards | 25,000 | | | | |
| Claims Commission Awards | 113,341 | | | | |
| Emergency Aid to School District | 1,500,000 | | | | |
| Independent School District 623 | | 7,303 | | | |
| Soybean Promotion | | 25,000 | | | |
| Independent School District 793 | | 43,000 | | | |
| Restoration Lake Benton | | 25,000 | | | |
| Board of Examiners Nursing Home Admin. | | 50,000 | | | |
| Creditor Control | | 75,000 | | | |
| Crystal Waters Act | | 1,500,000 | | | |
| Congressional Medal of Honor | | 674 | | | |
| Statewide Parks | | 500,000 | | | |
| Group Homes Pilot Programs | | 75,000 | | | |
| Board of Medical Examiners Scholarships | | 50,000 | | | |
| Historical Society-Grants in Aid | | 201,000 | 6,000 | | |
| Legislative Film | | 40,000 | | | |
| General Services Revolving | | 50,000 | | | |
| Judges Widows Survivors | | 158,531 | | | |
| Historical Society - TV Course | | 25,000 | | | |
| Regulation of Debt Prorating Agencies | | 15,000 | | | |
| Buildings and Repairs * | | 5,664,153 | | 3,326,218 | |
| Regulation of Persons Engaged in Pest Control | | 25,000 | 25,000 | | |
| Appropriations Direct and Open Subtotals | <u>732,961,681</u> | <u>973,100,155</u> | <u>1,100,698,548</u> | <u>1,251,515,716</u> | <u>1,339,814,209</u> |
| Less Cancellations | <u>(12,322,400)</u> | <u>(8,024,477)</u> | <u>(6,678,052)</u> | <u>(5,000,000)</u> | <u>(5,000,000)</u> |
| Net Appropriation Liability | 720,639,281 | 965,075,677 | 1,094,020,496 | 1,246,515,716 | 1,334,814,209 |
| Free Balance Forward June 30 | 197,359,900 | 117,060,635 | 15,309,358 | (164,363,288) | (347,772,607) |
| TOTAL EXPENDITURES AND BALANCES | 917,999,182 | 1,082,136,313 | 1,109,329,854 | 1,082,152,428 | 987,041,602 |

GENERAL FUNDS - DEDICATED RECEIPTS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Receipts - Dedicated: | | | | | |
| Maintenance Charges - Veteran's Home | 256,402 | 284,250 | 289,470 | 308,370 | 337,770 |
| Welfare Program Recoveries - State Share | 449,813 | 323,849 | 371,500 | 376,500 | 380,500 |
| State Colleges - Tuition Fees, Etc. | 10,187,558 | 14,331,654 | 16,136,686 | 15,942,133 | 16,661,358 |
| State Junior Colleges -Tuition Fees,etc. | 3,464,725 | 5,113,469 | 5,421,670 | 6,191,339 | 6,964,098 |
| College Employees' Annuity Contributions | 625,194 | 771,322 | 951,650 | 1,046,820 | 1,151,500 |
| University of Minnesota -Maintenance | 30,678,716 | 37,784,464 | 37,485,443 | 42,538,740 | 45,154,204 |
| University of Minnesota - Hospital Receipts | 16,603,466 | 19,372,574 | 19,649,156 | 23,164,190 | 24,697,517 |
| Departmental Earnings | 550,893 | 495,476 | 441,358 | 291,747 | 300,173 |
| University of Minnesota - Special State | <u>44,882</u> | <u>36,004</u> | | | |
| TOTAL RESOURCES | 62,861,654 | 78,513,064 | 80,746,933 | 89,859,839 | 95,647,120 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Dedicated Receipts and Balances | | | | | |
| Department of Agriculture | 244,023 | 213,668 | 205,090 | 224,100 | 232,459 |
| Division of Lands and Forestry | 18,184 | 31,363 | 16,500 | 31,500 | 31,500 |
| Division of State Parks and Recreation | 48,298 | 17,073 | 13,000 | 15,000 | 15,000 |
| Department of Public Welfare - Recoveries | 449,813 | 323,849 | 371,500 | 376,500 | 380,500 |
| Welfare Institutions | 186,468 | 172,740 | 43,178 | -0- | -0- |
| Corrections Institutions | 29,234 | 17,925 | 21,496 | 15,135 | 15,200 |
| Veterans Home Board | 256,402 | 284,250 | 289,470 | 308,370 | 337,770 |
| State College Board | 10,187,558 | 14,331,654 | 16,136,686 | 15,942,133 | 16,661,358 |
| State Junior College Board | 3,464,725 | 5,113,469 | 5,421,670 | 6,191,339 | 6,964,098 |
| College Employers' Tax-Sheltered Annuities | 625,194 | 771,322 | 951,650 | 1,046,820 | 1,151,500 |
| University of Minnesota | 47,282,182 | 57,157,038 | 57,134,599 | 65,702,930 | 69,851,721 |
| Civil Service (Testing) | 9,505 | 7,633 | 6,450 | 6,012 | 6,014 |
| University of Minnesota - Special State | 44,882 | 36,004 | -0- | -0- | -0- |
| Minn. Higher Education Coord. Committee | -0- | 35,000 | 45,644 | -0- | -0- |
| State Planning Agency | <u>15,179</u> | <u>72</u> | <u>90,000</u> | <u>-0-</u> | <u>-0-</u> |
| TOTAL EXPENDITURES | 62,861,654 | 78,513,064 | 80,746,933 | 89,859,839 | 95,647,120 |

BUILDING FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| FREE BALANCE FORWARD JULY 1 | 39,496,951 | 12,352,554 | 44,603,977 | 49,148,198 | 49,548,198 |
| Receipts - Dedicated: | | | | | |
| General Fund | - | 6,488,125 | 4,514,410 | 4,394,695 | 4,274,980 |
| Property Tax Relief (Transfer) | 6,661,840 | - | - | - | - |
| Sale of General Obligation Bonds | 60,000 | 81,940,000 | 51,784,000 | 50,000,000 | 48,108,320 |
| Federal Grants | 2,170,541* | 4,198,447* | 3,480,000* | 1,000,000* | 975,000* |
| Hill Burton Grant - Dept. of Health | 650,652 | - | 80,221 | - | - |
| Refunds and Miscellaneous | <u>70,603</u> | <u>121,609</u> | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> |
| Receipts Subtotals | <u>7,443,095</u> | <u>88,549,734</u> | <u>56,398,631</u> | <u>54,414,695</u> | <u>52,403,300</u> |
| TOTAL RESOURCES | 46,940,047 | 100,902,288 | 101,002,608 | 103,562,893 | 101,951,498 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditure of Dedicated Receipts and Balance | | | | | |
| Department of Administration | 16,936,454 | 30,534,243 | 31,520,000 | 34,000,000 | 34,025,000 |
| State College Board | 1,855,396 | 1,843,335 | 600,000 | 400,000 | - |
| University of Minnesota | 8,803,141 | 17,147,009 | 15,000,000 | 15,000,000 | 15,000,000 |
| Redemption of Debt-Bond Principal | 5,357,000 | 5,357,000 | 3,557,000 | 3,557,000 | 3,557,000 |
| Interest on Debt | 1,304,840 | 1,131,125 | 957,410 | 837,695 | 717,980 |
| Bond Expense | 3,274 | 23,409 | 20,000 | 20,000 | 20,000 |
| Conservation | 5,263 | 605 | - | - | - |
| Federal Grants (Expenditures-Dept. of Admin.) | <u>2,170,541*</u> | <u>4,198,447*</u> | <u>3,480,000*</u> | <u>1,000,000*</u> | <u>975,000*</u> |
| Expenditure Subtotals | 34,265,368 | 56,036,726 | 51,654,410 | 53,814,695 | 53,319,980 |
| Transfer-Out | <u>322,123</u> | <u>261,585</u> | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> |
| FREE BALANCE FORWARD JUNE 30 | | | | | |
| Building Service | 12,331,026 | 44,597,364 | 49,143,198 | 49,543,198 | 48,426,518 |
| Debt. Service Account | <u>21,527</u> | <u>6,613</u> | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCE | 46,940,047 | 100,902,288 | 101,002,608 | 103,562,893 | 101,951,498 |

* Federal Grant amounts are excluded from amounts above; they are included in the Federal Funds statements.

BOND FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash an Unencumbered Investments(1) | 6,506,175 | 2,843,110 | 5,299,268 | 5,794,268 | 5,809,268 |
| Receipts Dedicated: | | | | | |
| Property Taxes | 107,334 | 61,002 | 30,000 | 15,000 | 7,500 |
| Income From Temporary Investments | 294,664 | 2,365,206 | | | |
| Premiums & Accured Interest on Bonds Sold | 346 | 557,940 | | | |
| General Obligations Bond | | 1,712,171 | 465,000 | | |
| Receipts Subtotals | <u>402,345</u> | <u>4,696,320</u> | <u>495,000</u> | <u>15,000</u> | <u>7,500</u> |
| Transfers From: | | | | | |
| State College Bonds | | | 317,759 | 784,381 | 791,209 |
| State Airports Fund | 472,435 | 463,445 | 468,950 | 469,670 | 470,100 |
| Manpower Services Building Account | 102,942 | 281,217 | 275,398 | 284,430 | 278,180 |
| School Loan Account | 1,178,513 | 843,654 | 1,720,945 | 1,720,945 | 1,720,945 |
| General Fund or Delinquent Property Taxes | 9,772,108 | 13,915,974 | 20,935,847 | 28,852,027 | 32,057,082 |
| TOTAL RESOURCES | <u>18,434,520</u> | <u>23,043,722</u> | <u>29,513,169</u> | <u>37,920,722</u> | <u>42,134,285</u> |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditure of Dedicated Receipts and Balances | | | | | |
| Redemption of State Bonds | 8,598,000 | 10,353,000 | 11,018,000 | 15,738,000 | 19,663,000 |
| Interest on State Bonds | 6,282,089 | 7,416,406 | 12,700,900 | 16,373,453 | 15,654,516 |
| Other | 2,006 | 46,665 | | | |
| Expenditure Subtotals | <u>14,882,095</u> | <u>17,816,072</u> | <u>23,718,900</u> | <u>32,111,453</u> | <u>35,317,516</u> |
| Investment Adjustment | 128,486 | (72,379) | | | |
| Cash and Unencumbered Investments(1) | 2,843,110 | 5,299,268 | 5,794,268 | 5,809,268 | 5,816,768 |
| Transfers Out | <u>580,827</u> | <u>761</u> | | | |
| TOTAL EXPENDITURES AND BALANCES | <u>18,434,520</u> | <u>23,043,722</u> | <u>29,513,169</u> | <u>37,920,722</u> | <u>41,134,285</u> |

(1) Includes Investments based on maturity value.

(2) The Receipts and Disbursements do not include investment turnover.

MISCELLANEOUS SPECIAL REVENUE FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| FREE BALANCE FORWARD JULY 1 | 6,426,268 | 67,921 | 3,783,022 | 6,629,552 | 7,166,615 |
| Receipts - Dedicated: | | | | | |
| Departmental Earnings, Permits Licenses | 2,610,294 | 3,495,441 | 3,847,709 | 4,135,303 | 4,203,054 |
| Examining Boards Earnings | 2,008,294 | 2,159,780 | 2,436,230 | 2,602,950 | 2,716,890 |
| Sale of Natural Resources | 305,089 | 323,870 | 337,100 | 337,100 | 337,100 |
| Use of Property | 75,586 | 162,460 | 104,150 | 114,150 | 124,150 |
| Gasoline Tax - Motorboat | 137,106 | 134,617 | 135,000 | 140,000 | 140,000 |
| Sale of Livestock | 189,589 | 30,687 | 16,800 | 17,800 | 17,800 |
| Permanent School Fund Income | 10,441,562 | 11,299,189 | 11,500,000 | 11,550,000 | 11,550,000 |
| Repayment and Interest on School Loans | 1,340,721 | 1,641,733 | 1,474,888 | 1,891,289 | 1,728,186 |
| Interest on Temporary Investments | 5,755 | 1,359 | 1,725 | 1,725 | 1,725 |
| Sale of General Obligation Bonds | | 11,717,190 | | | |
| Object of Private Trusts | 140,576 | 151,234 | 154,350 | 145,000 | 145,000 |
| Interest and Penalties | 102,640 | 89,817 | 88,000 | 88,000 | 88,000 |
| Sale of Timber | 13,111 | 13,557 | 12,000 | 12,000 | 12,000 |
| All Other | 21,308 | 18,666 | 18,768 | 18,965 | 18,965 |
| Receipts Subtotals | <u>17,391,638</u> | <u>31,239,607</u> | <u>20,126,721</u> | <u>21,054,282</u> | <u>21,082,870</u> |
| TOTAL RESOURCES | 23,817,906 | 31,307,529 | 23,909,744 | 27,683,834 | 28,249,485 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditure of Legislative Appropriation: | | | | | |
| Division of Game and Fish | 228,051 | 245,691 | 300,000 | 275,000 | 275,000 |
| Expenditure of Dedicated Receipts and Balances: | | | | | |
| Department of Administration | 46,554 | 43,720 | 51,640 | 59,096 | 64,383 |
| Department of Public Safety | 588,520 | 742,999 | 793,649 | 1,060,216 | 1,107,208 |
| Department of Military Affairs | 372 | 1,316 | 41,444 | | |
| Department of Commerce | 160,503 | 191,376 | 243,384 | 272,500 | 282,500 |
| Public Service Commission | 345,844 | 365,779 | 428,156 | 446,032 | 470,858 |
| Department of Labor and Industry | 20,530 | 22,047 | 24,010 | 41,239 | 43,467 |
| Examining Boards | 1,560,794 | 1,821,097 | 2,191,000 | 2,291,000 | 2,391,000 |
| Department of Agriculture | 575,427 | 628,801 | 681,132 | 729,819 | 715,576 |
| Manpower Services Contingent | 61,332 | (5,899) | 800 | | |
| School Loan Committee | 6,581,917 | 8,860,543 | (2,943,012) | 2,300 | (2,700) |

MISCELLANEOUS SPECIAL REVENUE FUND * (Cont.)

| | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|----------------|------------------|------------------|------------------|------------------|
| Division of Forestry | 299,363 | 384,469 | 584,835 | 399,252 | 410,922 |
| Waters, Soils and Minerals | 85,841 | 82,245 | 174,809 | 179,660 | 188,426 |
| Division of Game and Fish | 212,143 | 61,775 | | 10,000 | 10,000 |
| Division of Parks and Recreation | 497,126 | 4,980 | | | |
| Department of Health | 84,837 | 115,827 | 113,660 | 125,891 | 128,125 |
| Livestock Contingent | 21,571 | 7,491 | 16,800 | 17,800 | 17,800 |
| Department of Corrections | 85,702 | 95,255 | 100,000 | 110,000 | 110,000 |
| Endowment School Apportionment | 10,405,514 | 11,365,864 | 11,509,348 | 11,545,000 | 11,590,000 |
| All Other | | 363 | 806 | 500 | 500 |
| Expenditure Subtotals | 21,861,948 | 25,035,750 | 14,312,464 | 17,565,305 | 17,803,065 |
| Transfers to General Fund | 709,522 | 1,645,101 | 1,861,176 | 1,650,714 | 1,671,171 |
| Transfers to Bond Fund | 1,178,513 | 843,654 | 1,106,552 | 1,301,200 | 1,301,200 |
| FREE BALANCE FORWARD JUNE 30 | <u>67,921</u> | <u>3,783,022</u> | <u>6,629,552</u> | <u>7,166,615</u> | <u>7,474,049</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 23,817,906 | 31,307,529 | 23,909,744 | 27,683,834 | 28,249,485 |

* This statement does not include the following account groups which are incorporated in separate fund statements: Iron Range Resources and Rehabilitation, Soldiers Relief, State Airports, and Natural Resources.

Note: Receipts and expenditures are net of temporary investment maturities and reinvestments.

IRON RANGE RESOURCES AND REHABILITATION COMMISSION

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|-----------------|-----------------|-----------------|----------------|----------------|
| FREE BALANCE FORWARD JULY 1 | 992,610 | 806,496 | 612,725 | 573,773 | 537,334 |
| RECEIPTS - DEDICATED: | | | | | |
| Occupation Tax on Iron Ore | 550,474 | 560,305 | 500,000 | 450,000 | 400,000 |
| Revenue From Use of Property | 29,075 | 25,683 | 46,238 | 54,650 | 60,626 |
| Sales of Crop and Equipment | 4,461 | 260 | 4,923 | -0- | -0- |
| Service Fees and Scrap | 130 | 21 | -0- | | |
| Reimbursements and Reductions of Expenditures | -0- | 14,795 | 49,658 | 78,652 | 7,288 |
| Federal Grants | <u>*188,955</u> | <u>*287,455</u> | <u>*164,027</u> | <u>* 5,000</u> | |
| RECEIPTS SUBTOTAL | <u>584,140</u> | <u>601,064</u> | <u>600,819</u> | <u>583,302</u> | <u>467,914</u> |
| TOTAL RESOURCES | 1,576,750 | 1,407,560 | 1,213,544 | 1,157,015 | 1,005,248 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditure of Legislative Appropriations: | | | | | |
| Commission on Taxation & Production of Iron Ore | | 25,000 | | 25,000 | |
| University of Minnesota | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Expenditure of Dedicated Receipts & Balance: | | | | | |
| Iron Range Resources & Rehabilitation Commission | <u>804,588</u> | <u>847,305</u> | <u>603,498</u> | <u>449,391</u> | <u>364,539</u> |
| EXPENDITURE SUBTOTAL | 954,588 | 1,022,305 | 753,498 | 624,391 | 514,539 |
| Transfers Out: | | | | | |
| General Fund | 255 | 259 | 300 | 350 | 350 |
| Division of Game and Fish | | 9,600 | | | |
| Division of Waters, Soils and Minerals | | 50,000 | 50,000 | | |
| Department of Economic Development | 20,000 | | | | |
| Department of Taxation | | 126 | | | |
| Transfers In: | (15,634) | | | | |
| Federal Grants: | (188,955)* | (287,455)* | (164,027)* | (5,000)* | |
| TOTAL EXPENDITURES & TRANSFERS | 770,254 | 794,835 | 639,771 | 619,741 | 514,889 |
| Free Balance Forward June 30 | <u>806,496</u> | <u>612,725</u> | <u>573,773</u> | <u>537,334</u> | <u>490,359</u> |
| TOTAL EXPENDITURES, TRANSFERS & BALANCES | 1,576,750 | 1,407,560 | 1,213,544 | 1,157,075 | 1,005,248 |

* Federal grant receipts are not included in receipt total in this fund statement, but are included in the Federal Fund statement.

GAME AND FISH FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| FREE BALANCE FORWARD JULY 1 | 1,369,317 | 1,665,260 | 357,375 | 1,582,430 | 384,382 |
| Receipts - Dedicated: | | | | | |
| Fines and Seizures | 67,734 | 90,467 | 80,000 | 95,000 | 95,000 |
| Occupational Licenses | 130,453 | 136,795 | 135,000 | 140,000 | 140,000 |
| Non-Occupational Licenses | 5,146,779 | 6,276,159 | 7,174,000 | 7,551,200 | 7,737,000 |
| Rents and Miscellaneous | 51,620 | 49,861 | 52,000 | 60,000 | 65,000 |
| Sale of Fish, etc. | 74,885 | 72,071 | 75,000 | 80,500 | 81,500 |
| Federal Grants | <u>1,379,412*</u> | <u>1,425,261*</u> | <u>1,400,000*</u> | <u>1,400,000*</u> | <u>1,400,000*</u> |
| Receipts - Subtotals | <u>5,471,471</u> | <u>6,625,353</u> | <u>7,516,000</u> | <u>7,926,700</u> | <u>8,118,500</u> |
| TOTAL RESOURCES | 6,840,788 | 8,290,613 | 7,873,375 | 9,509,130 | 8,502,882 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| EXPENDITURE OF LEGISLATIVE APPROPRIATION: | | | | | |
| Dept. of Natural Resources-Administration | 498,058 | 611,567 | 610,709 | 762,209 | 797,503 |
| Division of Game and Fish | 6,210,980 | 5,160,108 | 4,952,763 | 6,439,377 | 6,386,962 |
| Division of Enforcement and Field Service | | 2,420,318 | 2,231,621 | 2,194,162 | 1,955,503 |
| Division of Waters, Soils & Minerals | | 20,000 | | | |
| Game and Fish Contingent | | 100,000 | | 100,000 | |
| Legislative Claims | 16,618 | 6,000 | 4,143 | | |
| State Agency Revolving | 8,002 | 10,007 | 10,231 | 12,000 | 12,000 |
| Unemployment Compensation | 31,454 | | 40,542 | | 45,000 |
| Workman's Compensation | 45 | | 26,231 | | 20,000 |
| Open Appropriation-Insurance & Retirement | 125,761 | | | | |
| Public Hunting Grounds | | 54,364 | 56,705 | 57,000 | 58,000 |
| Conservation Expansion Program | | 1,100,000 | | 1,100,000 | |
| Cancellations | (388,713) | (162,437) | (300,000) | (200,000) | (200,000) |
| Federal Grants | <u>(1,379,412)*</u> | <u>(1,425,261)*</u> | <u>(1,400,000)*</u> | <u>(1,400,000)*</u> | <u>(1,400,000)*</u> |
| Expenditure Subtotals | <u>5,122,793</u> | <u>7,894,666</u> | <u>6,232,945</u> | <u>9,064,748</u> | <u>7,674,968</u> |
| Transfer to General Fund | 52,735 | 38,572 | 58,000 | 60,000 | 65,000 |
| Free Balance Forward | <u>1,665,260</u> | <u>357,375</u> | <u>1,582,430</u> | <u>384,382</u> | <u>762,914</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 6,840,788 | 8,290,613 | 7,873,375 | 9,509,130 | 8,502,882 |

* Federal Grant receipts are not included in this fund statement but are included in the Federal Fund Statement.

CONSOLIDATED CONSERVATION AREAS FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Free Balance Forward July 1 | 151,011 | 81,720 | 86,338 | 212,321 | 329,151 |
| Receipts: Dedicated: | | | | | |
| Use of Property | 4,607 | 4,668 | 3,000 | 3,000 | 3,000 |
| Sale of Natural Resources Increment | 173,588 | 151,171 | 181,900 | 188,800 | 181,800 |
| Sale of Real Property | 42,355 | 37,284 | 39,100 | 39,100 | 39,100 |
| Interest and Miscellaneous | <u>10,283</u> | <u>7,141</u> | <u>7,860</u> | <u>7,860</u> | <u>7,860</u> |
| Receipts Subtotal | <u>230,833</u> | <u>200,264</u> | <u>231,860</u> | <u>238,760</u> | <u>231,760</u> |
| TOTAL RESOURCES | 381,844 | 281,984 | 318,198 | 451,081 | 560,911 |
| | | | | | |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Legislative Appropriations: | | | | | |
| Legislative Claims | 140,976 | | | | |
| Expenditures of Dedicated Receipts and Balances: | | | | | |
| Consolidated Conservation Areas | 5,959 | 5,256 | 6,000 | 6,000 | 6,000 |
| Distribution to Counties | <u>78,189</u> | <u>115,390</u> | <u>92,877</u> | <u>115,930</u> | <u>119,380</u> |
| Expenditures Subtotal | 225,124 | 120,646 | 105,877 | 121,930 | 125,380 |
| Transfers to General Revenue Fund | *75,000 | *75,000 | | | |
| Free Balance Forward June 30 | <u>81,720</u> | <u>86,338</u> | <u>212,321</u> | <u>329,151</u> | <u>435,531</u> |
| TOTAL EXPENDITURES TRANSFERS, AND BALANCES | 381,844 | 281,984 | 318,198 | 451,081 | 560,911 |

*Obligations for fiscal years ending 6-30-67, and 6-30-69.

STATE AIRPORTS FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|--------------------|-------------------|-------------------|--------------------|-------------------|
| FREE BALANCE FORWARD JULY 1 | 2,686,832 | 4,809,438 | 2,546,617 | 4,290,139 | (1,057,764) |
| Receipts - Dedicated: | | | | | |
| Flight Property Tax | 1,194,662 | 1,532,893 | 1,750,000 | 2,100,000 | 2,350,000 |
| Aviation Fuel Tax | 10,293,156 | 11,317,075 | 11,000,000 | 12,400,000 | 12,700,000 |
| Aircraft Registration Tax | 436,060 | 538,765 | 590,000 | 635,000 | 650,000 |
| Airmen Registration | 7,644 | 2,974 | 8,000 | 3,000 | 8,000 |
| Aircraft Dealers Plates | 350 | 320 | 350 | 350 | 350 |
| Income From Investments | 247,955 | 409,996 | 382,840 | 481,000 | 462,500 |
| Runway Striping Reimbursements | 3,872 | 6,926 | 5,225 | 5,000 | 5,000 |
| Sale of Property | <u>53,769</u> | <u>59,774</u> | <u>73,031</u> | <u>93,000</u> | <u>106,000</u> |
| Receipts Subtotals | <u>12,237,472</u> | <u>13,868,726</u> | <u>13,809,446</u> | <u>15,717,350</u> | <u>16,281,850</u> |
| TOTAL RESOURCES | 14,924,305 | 18,678,164 | 16,356,064 | 20,007,489 | 15,224,085 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditure of Legislative Appropriations: | | | | | |
| Department of Aeronautics | 355,989 | 4,964,212 | 402,927 | 9,463,884 | 551,744 |
| Payroll Preparation | 348 | 439 | 899 | 450 | 450 |
| Open Appropriation-Insurance | 3,652 | | | | |
| Indep. School District No. 16 Anoka | 9,750 | 9,750 | 9,750 | 9,750 | 9,750 |
| Expenditure of Dedicated Receipts and Balances: | | | | | |
| Dept. of Aeronautics-Hanger Revolving | 139,137 | 23,322 | 155,344 | 93,000 | 106,000 |
| Revenue Refunds-Aviation Fuel Tax | 8,865,920 | 10,093,762 | 11,000,000 | 11,000,000 | 11,200,000 |
| Dept. of Aeronautics (Investments) | 1,269,999 | 569,566 | 20,000 | 20,000 | 20,000 |
| Less Transfer In | <u>(1,020,857)</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Expenditure Subtotals | 9,623,939 | 15,661,053 | 11,588,920 | 20,587,084 | 11,887,944 |
| Transfers to General Fund | 18,492 | 7,048 | 8,053 | 8,500 | 8,500 |
| Transfer to Bond Fund | 472,435 | 463,445 | 468,950 | 469,670 | 470,100 |
| FREE BALANCE FORWARD JUNE 30 | <u>4,809,438</u> | <u>2,546,617</u> | <u>4,290,139</u> | <u>(1,057,764)</u> | <u>2,857,541</u> |
| TOTAL EXPENDITURE, TRANSFERS AND BALANCES | 14,924,305 | 18,678,164 | 16,356,064 | 20,007,489 | 15,224,085 |

TRUNK HIGHWAY FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Free Balance Forward July 1 | 2,256,988 | 6,376,645 | 15,329,392 | 24,447,804 | 7,740,983 |
| Dedicated Receipts: | | | | | |
| Statutory Fines | 845,693 | 1,106,399 | 1,250,000 | 1,375,000 | 1,500,000 |
| Drivers License Fees | 2,270,494 | 2,188,501 | 2,250,000 | 2,600,000 | 2,500,000 |
| Miscellaneous | 5,996,867 | 4,629,679 | 4,740,000 | 5,000,000 | 5,000,000 |
| Interest on Investments | 3,980,791 | 3,953,622 | 3,000,000 | 2,000,000 | 2,000,000 |
| Advance by Municipalities | 2,500,000 | 600,000 | 600,000 | 3,300,000 | |
| Sale of Bonds | 20,058,620 | 21,069,374 | 39,000,000 | | |
| Federal Aid* | <u>90,199,857</u> | <u>101,028,732</u> | <u>85,850,000</u> | <u>85,850,000</u> | <u>85,850,000</u> |
| Receipts Subtotals | 37,909,453 | 39,924,220 | 66,169,392 | 38,722,804 | 18,740,983 |
| Transfers from Highway User Tax Fund | <u>106,087,042</u> | <u>114,245,683</u> | <u>118,192,235</u> | <u>123,949,550</u> | <u>128,486,810</u> |
| TOTAL RESOURCES | 143,996,495 | 154,169,903 | 184,361,627 | 162,672,354 | 147,227,793 |
| | | | | | |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| | | | | | |
| Expenditure of Legislative Appropriations: | | | | | |
| Department of Highways | 13,955,948 | 24,118,517 | 18,686,336 | 11,369,835 | 8,051,206 |
| Other State Departments | | 202,919 | 322,788 | 15,990,427 | 16,532,716 |
| Highway Safety Account | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 |
| Minnesota Safety Council | 40,000 | 40,000 | 40,000 | 58,000 | 58,000 |
| Mississippi River Parkway Commission | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Legislative Claims | 119,422 | | 4,486 | | |
| State Agency Revolving | 2,667 | 2,667 | 2,667 | 3,000 | 3,000 |
| Expenditure of Dedicated Receipts: | | | | | |
| Construction and Maintenance Operations | 60,028,374 | 66,571,914 | 70,229,836 | 77,438,125 | 82,220,271 |
| Engineering Standards | 2,181,055 | 952,990 | 793,827 | 1,024,815 | 1,077,165 |
| Planning and Programming | 1,644,461 | 2,383,973 | 2,158,382 | 2,587,350 | 2,717,400 |
| Construction | 144,723,862 | 140,160,589 | 145,266,357 | 123,149,819 | 108,000,000 |
| Debt and Interest | 4,806,815 | 5,195,835 | 7,270,000 | 9,614,000 | 9,501,700 |
| Patrol Fine Expense | 11,604 | 16,000 | 16,000 | 16,000 | 16,000 |
| Cancellations | (643,877) | (501,078) | (123,856) | (150,000) | (150,000) |
| Less Transfers In | (237,837) | (500,802) | (268,000) | (1,750,000) | (1,900,000) |
| Federal Aid | (90,199,857) | (101,028,732) | (85,850,000) | (85,850,000) | (85,850,000) |
| Expenditure Subtotals | 136,797,637 | 137,979,792 | 158,913,823 | 153,866,371 | 140,642,458 |
| Transfer to General Fund | 822,213 | 860,719 | 1,000,000 | 1,065,000 | 1,065,000 |
| Free Balance Forward | 6,376,645 | 15,329,392 | 24,447,804 | 7,740,983 | 5,520,335 |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 143,996,495 | 154,169,903 | 184,361,627 | 162,672,354 | 147,227,793 |

*Federal aid receipts are excluded from totals shown above but are in the Federal Fund Statement.

HIGHWAY USER TAX FUND AND COUNTRY AND MUNICIPAL STATE AID FUNDS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Free Balance Forward July 1 | 56,652,578 | 60,574,900 | 68,096,622 | 74,889,707 | 82,130,499 |
| Dedicated Receipts: | | | | | |
| Gasoline Tax | 125,519,401 | 132,718,150 | 138,935,070 | 144,930,000 | 151,435,000 |
| Motor Vehicle Tax | 60,770,876 | 64,608,112 | 67,175,000 | 69,885,000 | 72,700,000 |
| Interest on Investments | <u>2,585,000</u> | <u>3,776,561</u> | <u>3,929,000</u> | <u>4,094,000</u> | <u>4,245,000</u> |
| Receipts Subtotal | 245,527,855 | 261,677,723 | 278,135,692 | 293,798,707 | 310,510,499 |
| Less Transfers to Trunk Highway Fund | (106,087,042) | (114,245,683) | (118,192,235) | (123,949,550) | (128,486,810) |
| Less Transfer to Natural Resources | (411,303) | (403,852) | (414,000) | (420,000) | (420,000) |
| TOTAL RESOURCES | 139,029,510 | 147,028,188 | 159,529,457 | 169,429,157 | 181,603,689 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Legislative Appropriations | | | | | |
| Department of Public Safety | | | 195,481 | 3,478,090 | 3,535,243 |
| Motor Vehicle Division | 3,078,990 | 2,755,925 | 3,024,229 | | |
| Motor Vehicle Contingent | | 25,000 | | 25,000 | |
| Postage Contingent | | 115,000 | | 115,000 | |
| Legislative Claims | 2,592 | | | | |
| Workmen's Compensation | 498 | | 8,757 | | |
| Unemployment Compensation | | | 724 | | |
| State Agency Revolving | 137 | 137 | 137 | 160 | 160 |
| Expenditures of Dedicated Receipts & Balances: | | | | | |
| County Construction, Maintenance, etc. | 46,696,566 | 51,325,719 | 54,008,592 | 56,896,310 | 59,227,880 |
| Municipal Construction, Maintenance, etc. | 15,890,353 | 13,769,330 | 14,261,830 | 14,437,098 | 14,595,420 |
| Revenue Refunds-Gasoline Tax | 11,098,399 | 11,111,314 | 11,250,000 | 11,500,000 | 12,000,000 |
| Revenue Refunds-Motor Vehicle Tax | 548,895 | 688,561 | 700,000 | 750,000 | 800,000 |
| Cancellations | (19,442) | (961,449) | (20,000) | (20,000) | (20,000) |
| Less Transfers In | (1,560) | | | | |
| Expenditure Subtotals | 77,295,428 | 78,829,537 | 83,429,750 | 87,181,658 | 90,138,703 |
| Transfers to General Revenue Fund | 112,230 | 102,029 | 110,000 | 117,000 | 125,000 |
| Cost of Collection of Gasoline Tax | 1,046,952 | | 1,100,000 | | 1,300,000 |
| Free Balance Forward June 30 | 60,574,900 | 68,096,622 | 74,889,707 | 82,130,499 | 90,039,986 |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 139,029,510 | 147,028,188 | 159,529,457 | 169,429,157 | 181,603,689 |

TRUST FUNDS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| FREE BALANCE FORWARD JULY 1 | 186,143 | 259,840 | 429,436 | 662,518 | 807,160 |
| Receipts - Dedicated: | | | | | |
| Iron Ore Royalties | 1,540,761 | 2,078,035 | 2,225,000 | 2,425,000 | 2,425,000 |
| Other Income From Trust Fund Lands | 360,503 | 466,316 | 384,975 | 384,975 | 384,975 |
| Amortization of Discounts on Sales, Premiums | 20,240 | 39,009 | 10 | 10 | 10 |
| Income From Investments, etc. | 1,017,308 | (977,153) | 14,215 | 14,176 | 14,096 |
| Profit From Sale of Stock | <u>472,392</u> | <u>389,139</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Receipts Subtotals | <u>3,411,205</u> | <u>1,995,347</u> | <u>2,924,200</u> | <u>3,124,161</u> | <u>3,124,081</u> |
| TOTAL RESOURCES | 3,597,349 | 2,255,188 | 3,353,637 | 3,786,680 | 3,931,242 |
| | | | | | |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Dedicated Receipts and Balances: | | | | | |
| Permanent School Fund | 2,464,458 | 621,235 | 1,401,409 | 1,401,585 | 1,401,585 |
| Internal Improvement Land Fund | 5,792 | 424 | 900 | 900 | 900 |
| Institutional Trust Funds | 3,098 | 6,636 | 3,311 | 3,080 | 3,037 |
| State College Trust Funds | 12,497 | 13,069 | 13,081 | 12,483 | 11,428 |
| Remitted to University of Minnesota | <u>851,661</u> | <u>1,184,386</u> | <u>1,272,416</u> | <u>1,561,471</u> | <u>1,657,824</u> |
| Expenditure Subtotals | 3,337,508 | 1,825,751 | 2,691,119 | 2,979,519 | 3,074,774 |
| Reappropriated Balance June 30: | <u>259,840</u> | <u>429,436</u> | <u>662,518</u> | <u>807,160</u> | <u>856,467</u> |
| TOTAL EXPENDITURES AND BALANCES | 3,597,349 | 2,255,188 | 3,353,637 | 3,786,680 | 3,931,242 |
| | | | | | |
| INVESTMENTS (Not Included Above) | | | | | |
| Permanent School Fund | 264,100,317 | 259,544,659 | 260,946,069 | 262,347,654 | 263,749,239 |
| Internal Improvement Land Fund | 439,500 | 439,000 | 439,000 | 439,000 | 439,000 |
| Institutional and State College Trust Funds | 365,713 | 370,955 | 371,000 | 371,000 | 371,000 |

Note: Receipts and expenditures shown are net of investment maturities and sales.

AGENCY FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| FREE BALANCE FORWARD JULY 1 | 25,957,450 | 27,526,098 | 30,556,848 | 31,337,268 | 29,244,682 |
| Receipts-Dedicated: | | | | | |
| Special Taxes Redistributed to Local Subdivisions | | | | | |
| City Sales Taxes | -0- | 789,582 | 1,465,191 | 1,500,000 | 1,500,000 |
| Gross Earnings Tax on Railroads | 1,544,853 | 1,594,079 | 1,692,000 | 1,692,000 | 1,692,000 |
| Rural Electric Cooperative Tax | 25,221 | 25,983 | 27,550 | 27,550 | 27,550 |
| Bank Excise Tax | 6,464,615 | 7,601,453 | 8,500,000 | 7,700,000 | 7,700,000 |
| Inheritance Tax | 3,487,892 | 3,355,983 | 3,330,000 | 3,330,000 | 3,330,000 |
| Occupation Tax on Taconite | 1,699,972 | 4,671,547 | 4,079,000 | 4,079,000 | 4,079,000 |
| Intoxicating Liquor Tax | 5,783,304 | 6,059,917 | 6,394,851 | 6,746,568 | 7,117,629 |
| Cigarette Tax | 7,147,181 | 7,144,035 | 7,012,000 | 7,150,000 | 7,289,000 |
| Vessel Tonnage Tax | 9,008 | 1,051 | 2,080 | 800 | 800 |
| Mobile Home Tax | 2,277,699 | 3,101,640 | 3,168,000 | 3,195,000 | 3,375,000 |
| Iron Ore Royalties | 453,601 | 379,676 | 382,560 | 332,000 | 427,000 |
| Sale of Timber Etc. | 79,261 | 100,245 | 94,898 | 94,900 | 94,900 |
| Permits & Licenses | 1,783 | 4,930 | -0- | -0- | -0- |
| Copper-Nickel Royalties | 109,403 | 51,057 | 55,700 | 125,775 | 161,860 |
| Use of Property | 11,124 | 10,419 | 10,400 | 10,400 | 10,400 |
| Other | 1,377 | 1,364 | 1,730 | 1,730 | 1,730 |
| Retirement Contributions | | | | | |
| Teachers Retirement Association | 13,625,973 | 19,793,571 | 19,899,822 | 20,915,953 | 22,054,110 |
| Minnesota State Retirement System | 16,071,984 | 17,125,695 | 16,000,000 | 16,570,000 | 16,800,000 |
| Public Employees Retirement Assoc. | 49,580,752 | 50,024,208 | 37,360,000 | 37,960,000 | 39,010,000 |
| Highway Patrolmen's Retirement Assoc. | 704,559 | 1,682,546 | 1,792,482 | 1,846,000 | 1,911,000 |
| Judges' Survivors Retirement Comp. | 74,778 | 74,821 | 76,000 | 78,000 | 80,000 |
| College Personnel Supplements Retirement | 453,833 | 605,284 | 842,250 | 1,016,367 | 1,229,853 |
| Sale of Stores for Resale | 194,590 | 219,675 | 226,230 | 229,300 | 229,800 |
| Income from Investments | 22,380,774 | 21,910,136 | 23,527,767 | 25,725,750 | 27,970,650 |
| Object of Private Trust | 45,800,143 | 57,516,154 | 66,083,008 | 72,760,597 | 79,980,221 |
| Deposits from Other Civil Divisions | 7,889,443 | 10,505,862 | 11,114,255 | 11,613,470 | 12,052,155 |
| Inmate Deposits | 2,530,902 | 2,812,350 | 2,926,821 | 2,631,466 | 2,660,195 |
| All Other | 68,801 | 67,433 | 68,031 | 71,640 | 71,650 |
| Receipts Subtotals | <u>188,472,841</u> | <u>217,230,710</u> | <u>216,132,628</u> | <u>227,404,266</u> | <u>240,856,503</u> |
| TOTAL RESOURCES | 214,430,291 | 244,756,809 | 246,689,476 | 258,741,534 | 270,101,185 |

AGENCY FUND (Cont.)

| ACTUAL AND ESTIMATED EXPENDITURES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenditure of Dedicated Receipts and Balance | | | | | |
| State Public Defender | 40,383 | -0- | -0- | -0- | -0- |
| Department of Labor and Industry | 456,408 | 981,599 | 662,422 | 1,102,059 | 1,203,881 |
| State Planning Agency | 276,024 | 215,813 | (83,023) | 133,120 | 138,055 |
| Department of Natural Resources | 93,884 | 63,865 | 46,860 | -0- | -0- |
| Public Welfare (Gift) | 1,258,160 | 1,253,960 | 1,310,537 | 1,407,183 | 1,507,183 |
| Corrections (Gift) | 2,354 | 25,407 | 3,662 | 5,000 | 5,000 |
| Public Welfare - Social Welfare | 2,143,364 | 2,148,541 | 2,931,297 | 2,265,957 | 2,296,962 |
| Corrections - Social Welfare | 676,648 | 819,793 | 843,850 | 874,738 | 879,910 |
| Education | 140,695 | 12,698 | 14,500 | -0- | -0- |
| State College Board | 181,387 | 2,008 | 6,143 | -0- | -0- |
| Junior College Board | 31,163 | 138,935 | 221,356 | 249,801 | 272,650 |
| Arts Council | 18,506 | 37,146 | 34,684 | 37,000 | 42,000 |
| Governor | 33,845 | 13,793 | 7,308 | -0- | -0- |
| Retirement Associations | | | | | |
| Teachers Retirement | 22,892,131 | 29,102,855 | 30,403,243 | 32,791,439 | 35,638,749 |
| College supplemental Retirement | 484,935 | 633,010 | 904,750 | 1,014,995 | 1,229,853 |
| Minnesota State Retirement | 21,125,560 | 21,942,116 | 20,407,000 | 20,911,000 | 21,301,000 |
| Public Employees | 57,135,557 | 58,368,272 | 45,660,000 | 47,641,000 | 47,891,000 |
| Highway Patrol | 922,036 | 1,950,498 | 2,022,319 | 2,148,480 | 2,280,840 |
| Judges Survivors | 84,305 | 92,663 | 95,000 | 97,000 | 99,000 |
| Return of Deposits | 435,001 | 522,376 | 442,000 | 518,000 | 519,000 |
| Special Tax Aids to Local Subdivisions | 28,278,945 | 31,107,656 | 34,981,410 | 36,559,128 | 36,469,787 |
| Department of Health | 17,104 | 35,600 | 27,332 | 26,725 | 28,973 |
| Federal Insurance Contributions | 44,612,697 | 55,294,130 | 65,000,000 | 71,500,000 | 78,650,000 |
| Education Employees Rmt. Annuity | -0- | 88,386 | 130,000 | 143,000 | 158,000 |
| Highway | 5,373,439 | 8,759,192 | 9,100,230 | 9,900,000 | 10,200,000 |
| All Other | 8,167 | 117,589 | 9,805 | 250 | 250 |
| Expenditures Subtotals | 186,722,710 | 213,727,912 | 215,182,690 | 229,325,875 | 240,812,094 |
| Transfers to General Fund | 181,482 | 472,048 | 169,517 | 170,976 | 196,402 |
| Free Balance Forward, June 30 | <u>27,526,098</u> | <u>30,556,848</u> | <u>31,337,268</u> | <u>29,244,682</u> | <u>29,092,689</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 214,430,291 | 244,756,809 | 246,689,476 | 258,741,534 | 270,101,185 |

* This fund statement does not include the Consolidated Conservation Areas which is presented in a separate fund statement.

REVOLVING FUNDS

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|------------------|------------------|-------------------|-------------------|-------------------|
| Free Balance Forward July 1 | 1,813,273 | 1,756,394 | 1,471,272 | 1,541,649 | 1,028,571 |
| Receipts - Dedicated: | | | | | |
| Service Fees | 3,110,681 | 3,818,486 | 6,667,535 | 9,099,200 | 9,557,200 |
| Sale of Manufactures | 197,784 | 211,980 | 220,624 | 228,550 | 259,550 |
| Stores for Resale | 1,699,653 | 1,950,159 | 2,333,025 | 2,887,000 | 3,097,750 |
| Deposits and Reimbursement for Postage | 1,235,443 | 1,313,038 | 1,400,000 | 1,500,000 | 1,600,000 |
| Automobile Rentals | 591,722 | 746,893 | 785,189 | 983,247 | 1,038,892 |
| Area Redevelopment Loan Repayments & Interest | 75,147 | 62,857 | 65,046 | 70,000 | 75,000 |
| Reimbursement for Employees' Workmans' Comp. | 1,269,037 | 515,118 | 1,200,000 | 650,000 | 1,350,000 |
| Use of Property | 147,059 | 69,207 | 115,000 | 165,000 | 215,000 |
| Other Receipts | <u>196,776</u> | <u>349,106</u> | <u>413,075</u> | <u>484,425</u> | <u>627,125</u> |
| Receipts Subtotals | <u>8,523,306</u> | <u>9,036,848</u> | <u>13,199,496</u> | <u>16,067,422</u> | <u>17,820,517</u> |
| TOTAL RESOURCES | 10,336,580 | 10,793,242 | 14,670,768 | 17,609,071 | 18,849,088 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Dedicated Receipts: | | | | | |
| Department of Public Examiner | 615,714 | 727,101 | 880,000 | 982,710 | 1,040,671 |
| Department of Taxation | 99,224 | 73,177 | 305,000 | 100,000 | 100,000 |
| Department of Administration | 5,685,813 | 6,255,131 | 9,547,290 | 12,933,932 | 13,921,744 |
| Area Redevelopment Lands & Administration | 274,215 | 188,597 | 138,668 | 50,072 | 52,478 |
| Division of State Parks | 253,354 | 314,152 | 400,000 | 400,000 | 400,000 |
| Department of Agriculture | 7,475 | 9,417 | 9,918 | 9,040 | 9,040 |
| Institutions - Diversified Labor | 210,434 | 211,117 | 237,698 | 261,998 | 264,519 |
| State Employees' Workmans' Compensation | 863,940 | 845,120 | 1,007,232 | 1,227,412 | 1,280,595 |
| Education - Storage Revolving | -0- | 58,043 | 50,000 | 60,000 | 60,000 |
| Revisor of Statutes | -0- | 21,652 | 13,115 | 27,600 | -0- |
| Blind Vending Stands | <u>102,408</u> | <u>8,918</u> | <u>50,494</u> | <u>48,000</u> | <u>48,000</u> |
| Expenditure Subtotals | <u>8,112,582</u> | <u>8,712,429</u> | <u>12,639,416</u> | <u>16,105,765</u> | <u>17,187,047</u> |
| Transfers to General Fund | 467,603 | 609,540 | 489,702 | 474,735 | 474,735 |
| Free Balance Forward June 30 | <u>1,756,394</u> | <u>1,471,272</u> | <u>1,541,649</u> | <u>1,028,571</u> | <u>1,187,305</u> |
| TOTAL EXPENDITURES, TRANSFERS & BALANCES | 10,336,580 | 10,793,242 | 14,670,768 | 17,609,071 | 18,849,088 |

* This statement does not include the Prison Revolving Fund which is presented in a separate fund statement.

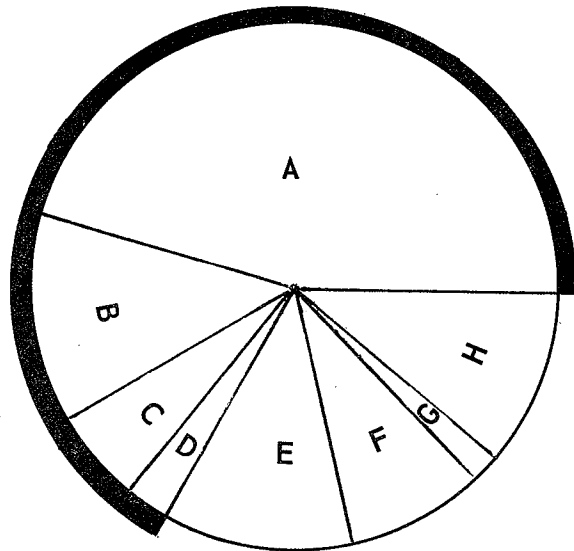
PRISON REVOLVING FUND

| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| FREE BALANCE FORWARD JULY 1 | 2,158,839 | 2,263,541 | 1,885,606 | 1,441,237 | 1,045,988 |
| Receipts - Dedicated: | | | | | |
| Manufacturing | 2,442,104 | 2,086,958 | 2,134,000 | 2,060,000 | 1,686,000 |
| All Other Receipts | <u>30,237</u> | <u>37,321</u> | <u>29,600</u> | <u>29,700</u> | <u>29,700</u> |
| Receipts Subtotals | <u>2,472,342</u> | <u>2,124,280</u> | <u>2,163,600</u> | <u>2,089,700</u> | <u>1,715,700</u> |
| TOTAL RESOURCES | 4,631,181 | 4,387,822 | 4,049,206 | 3,530,937 | 2,761,688 |
| | | | | | |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| Expenditures of Dedicated Receipts and Balances: | | | | | |
| Prison Industries | 2,242,640 | 2,302,216 | 2,407,969 | 2,334,949 | 2,275,185 |
| Transfer to General Fund | 175,000 | 200,000 | 200,000 | 150,000 | 150,000 |
| Less Transfers In | <u>(50,000)</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Expenditures and Transfers Subtotals | 2,367,640 | 2,502,216 | 2,607,969 | 2,484,949 | 2,425,185 |
| FREE BALANCE FORWARD JUNE 30 | <u>2,263,541</u> | <u>1,885,606</u> | <u>1,441,237</u> | <u>1,045,988</u> | <u>336,503</u> |
| TOTAL EXPENDITURES, TRANSFERS, AND BALANCES | 4,631,181 | 4,387,822 | 4,049,206 | 3,530,937 | 2,761,688 |

FEDERAL FUND

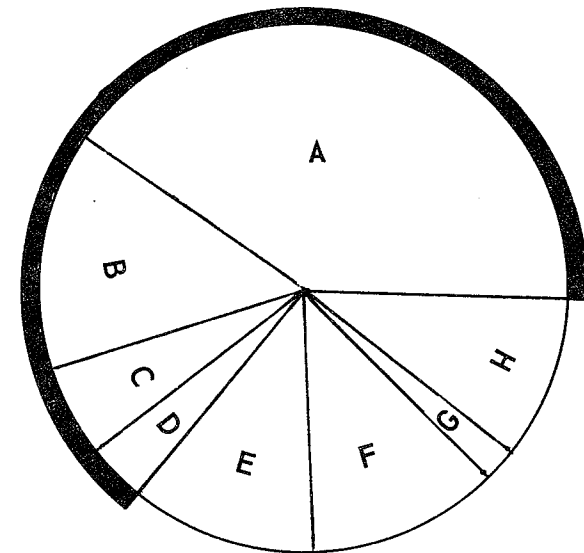
| ACTUAL AND ESTIMATED RESOURCES | <u>1968-69</u> | <u>1969-70</u> | <u>1970-71</u> | <u>1971-72</u> | <u>1972-73</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| FREE BALANCE FORWARD JULY 1 | 7,002,556 | 7,718,220 | 5,075,798 | 4,153,059 | 5,222,575 |
| Receipts - Dedicated: | | | | | |
| Grant in Aid from U.S. Government | 285,195,925 | 327,447,360 | 383,627,207 | 435,711,848 | 480,570,087 |
| National Forest & Land Income, Etc. | <u>207,848</u> | <u>674,205</u> | <u>809,834</u> | <u>812,000</u> | <u>812,000</u> |
| TOTAL RESOURCES | 292,506,330 | 335,839,786 | 389,512,840 | 440,676,907 | 486,604,662 |
| ACTUAL AND ESTIMATED EXPENDITURES | | | | | |
| State Planning Agency | 1,791,808 | 2,032,766 | 5,312,057 | 9,478,292 | 11,554,372 |
| Manpower Services | 9,936,927 | 12,411,119 | 14,227,060 | 15,841,656 | 16,554,554 |
| Department of Aeronautics | 4,267,978 | 1,004,098 | 15,488 | 3,568,115 | 7,337,943 |
| Department of Agriculture | 93,011 | 295,827 | 429,128 | 598,256 | 618,756 |
| Natural Resources - Administration | 1,022,455 | 1,015,568 | 816,349 | 1,205,750 | 1,316,000 |
| Natural Resources - Forestry | 455,606 | 460,634 | 562,627 | 593,498 | 602,299 |
| Natural Resources - Game & Fish | 1,435,778 | 1,521,626 | 1,465,922 | 1,472,372 | 1,473,236 |
| Iron Range Resources & Rehabilitation Comm. | 188,955 | 287,455 | 164,027 | 5,000 | |
| Public Welfare - Central Office | 110,370,752 | 128,704,380 | 174,784,841 | 217,129,362 | 254,087,213 |
| Public Welfare - Institutions | 927,036 | 860,592 | 954,393 | 677,751 | 533,320 |
| Junior College Board | 448,516 | 354,577 | 594,058 | 615,130 | 600,000 |
| Higher Education Coord. Committee | 406,965 | 361,647 | 264,000 | 294,394 | 293,000 |
| Minnesota State Arts Council | 37,609 | 36,363 | 100,000 | 100,000 | 150,000 |
| Department of Public Safety | 165,795 | 287,039 | 454,194 | 571,500 | 623,595 |
| Upper Great Lakes Region Commission | 43,648 | 39,431 | 42,446 | 43,316 | 44,904 |
| Governor-President's Council on Youth | | | 7,712 | | |
| Military Affairs | 856,964 | 2,863,522 | 430,181 | 479,424 | 502,030 |
| Department of Education | 42,078,174 | 53,747,221 | 56,287,876 | 62,559,343 | 63,741,537 |
| National Forest & Land Aid to Counties | 277,646 | 384,975 | 411,014 | 397,000 | 397,000 |
| Attorney General | 55,542 | 42,256 | 55,000 | 51,383 | |
| State College Board | 2,806,110 | 3,355,921 | 2,996,652 | 3,154,000 | 335,000 |
| Department of Human Rights | 11,285 | 14,087 | 23,366 | | |
| Department of Health | 7,940,146 | 6,919,792 | 20,728,400 | 20,882,959 | 20,866,287 |
| Department of Highways | 95,200,768 | 108,647,511 | 98,049,410 | 92,650,000 | 92,750,000 |
| Department of Admin. Building Fund | 2,170,541 | 4,198,447 | 3,430,000 | 1,000,000 | 975,000 |
| Pollution Control Agency | 340,413 | 416,789 | 326,538 | 615,730 | 641,280 |
| Veterans' Home | 326,693 | 355,268 | 360,000 | 384,000 | 422,400 |
| Department of Public Service | | | 34,000 | | |
| Expenditure Subtotals | <u>284,162,130</u> | <u>330,618,920</u> | <u>383,376,747</u> | <u>434,468,231</u> | <u>476,419,726</u> |
| Transfers to General Revenue Fund | 625,979 | 145,067 | 1,083,033 | 986,100 | 1,408,700 |
| Free Balance Forward June 30 | <u>7,718,220</u> | <u>5,075,798</u> | <u>4,153,059</u> | <u>5,222,575</u> | <u>8,776,236</u> |
| TOTAL EXPENDITURES, TRANSFERS AND BALANCES | 292,506,330 | 335,839,786 | 389,512,840 | 440,676,907 | 486,604,662 |

COMPARISON OF 1969 GENERAL FUND DIRECT APPROPRIATIONS and 1971 RECOMMENDATIONS



TOTAL
EDUCATION
A, B, C, D
66.8

1969 DIRECT LEGISLATIVE APPROPRIATIONS
\$1,260,690,347



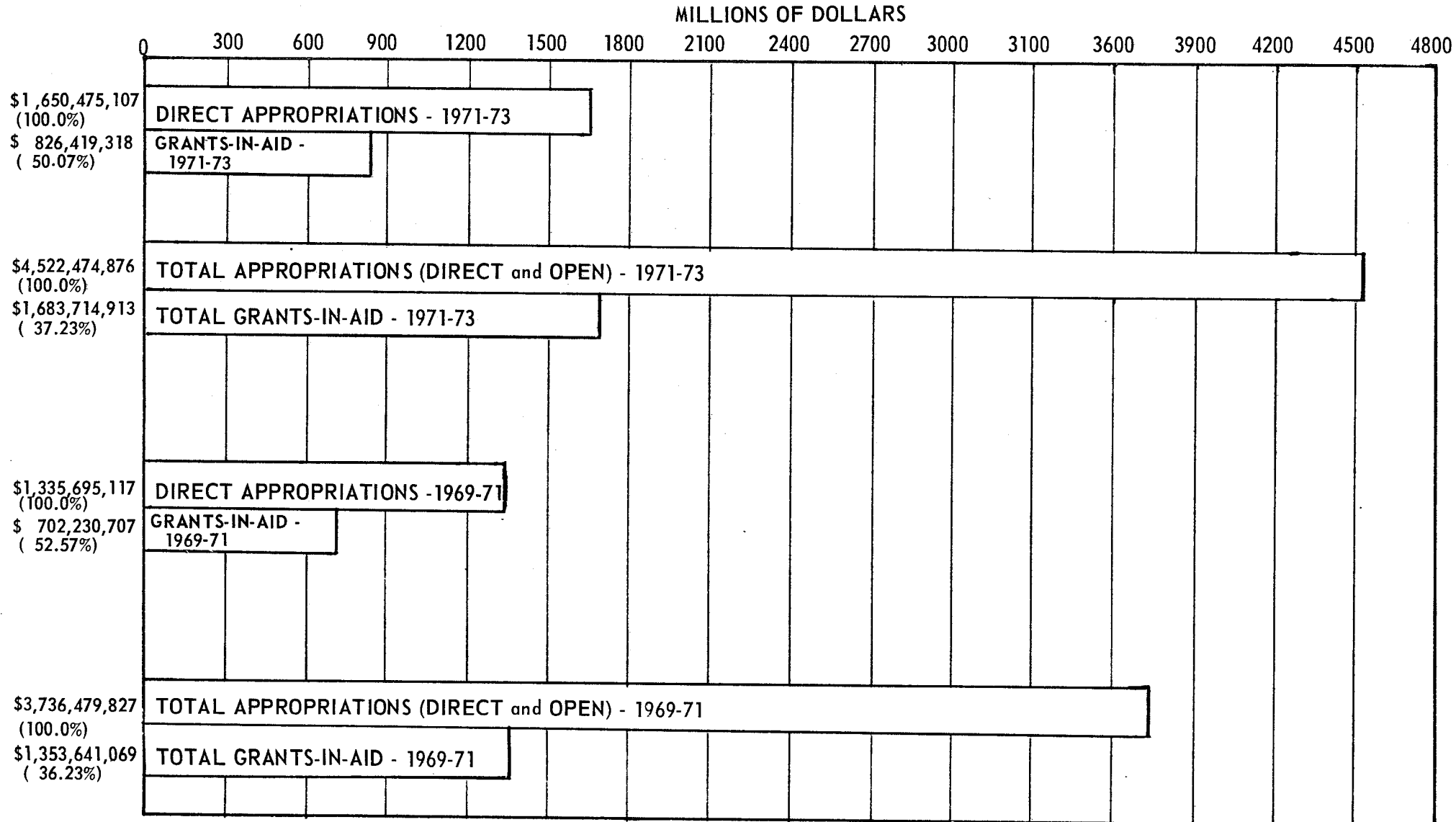
TOTAL
EDUCATION
A, B, C, D
64.5

1971 RECOMMENDATIONS
\$1,558,934,675

| | |
|---|---------------|
| A EDUCATION AIDS | 45.5% |
| B UNIVERSITY OF MINNESOTA | 13.3% |
| C STATE COLLEGES | 5.6% |
| D JR. COLLEGES AND OTHER EDUCATIONAL INSTITUTIONS | 2.4% |
| E WELFARE AIDS | 11.6% |
| F WELFARE AND CORRECTIONS ADMINISTRATION | 8.7% |
| G GENERAL GOVERNMENT AND NON-RECURRING | 1.2% |
| H | 11.7% |
| TOTAL | 100.0% |

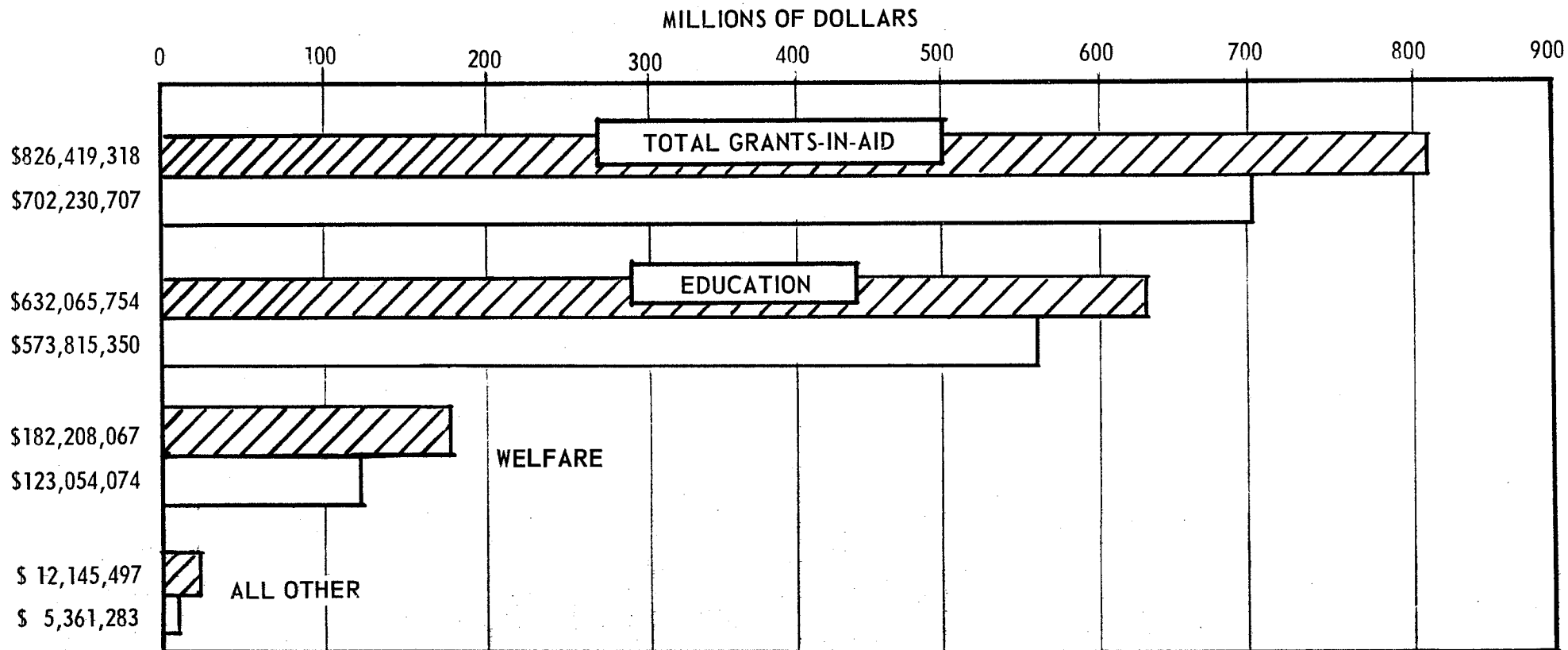
| | |
|---|---------------|
| A EDUCATION AIDS | 41.1% |
| B UNIVERSITY OF MINNESOTA | 14.5% |
| C STATE COLLEGES | 5.7% |
| D JR. COLLEGES AND OTHER EDUCATIONAL INSTITUTIONS | 3.2% |
| E WELFARE AIDS | 11.3% |
| F WELFARE AND CORRECTIONS ADMINISTRATION | 11.9% |
| G GENERAL GOVERNMENT AND NON-RECURRING | 1.2% |
| H | 11.1% |
| TOTAL | 100.0% |

COMPARISON OF GRANTS-IN-AID TO APPROPRIATIONS 1969-71 and 1971-73 BIENNIUM



COMPARISON OF GRANTS-IN-AID BY FUNCTION FROM DIRECT APPROPRIATIONS RECOMMENDED (1971) AUTHORIZED (1969)

TOTAL RECOMMENDED APPROPRIATIONS 1971 \$1,650,475,107
TOTAL AUTHORIZED APPROPRIATIONS 1969 \$1,335,695,117

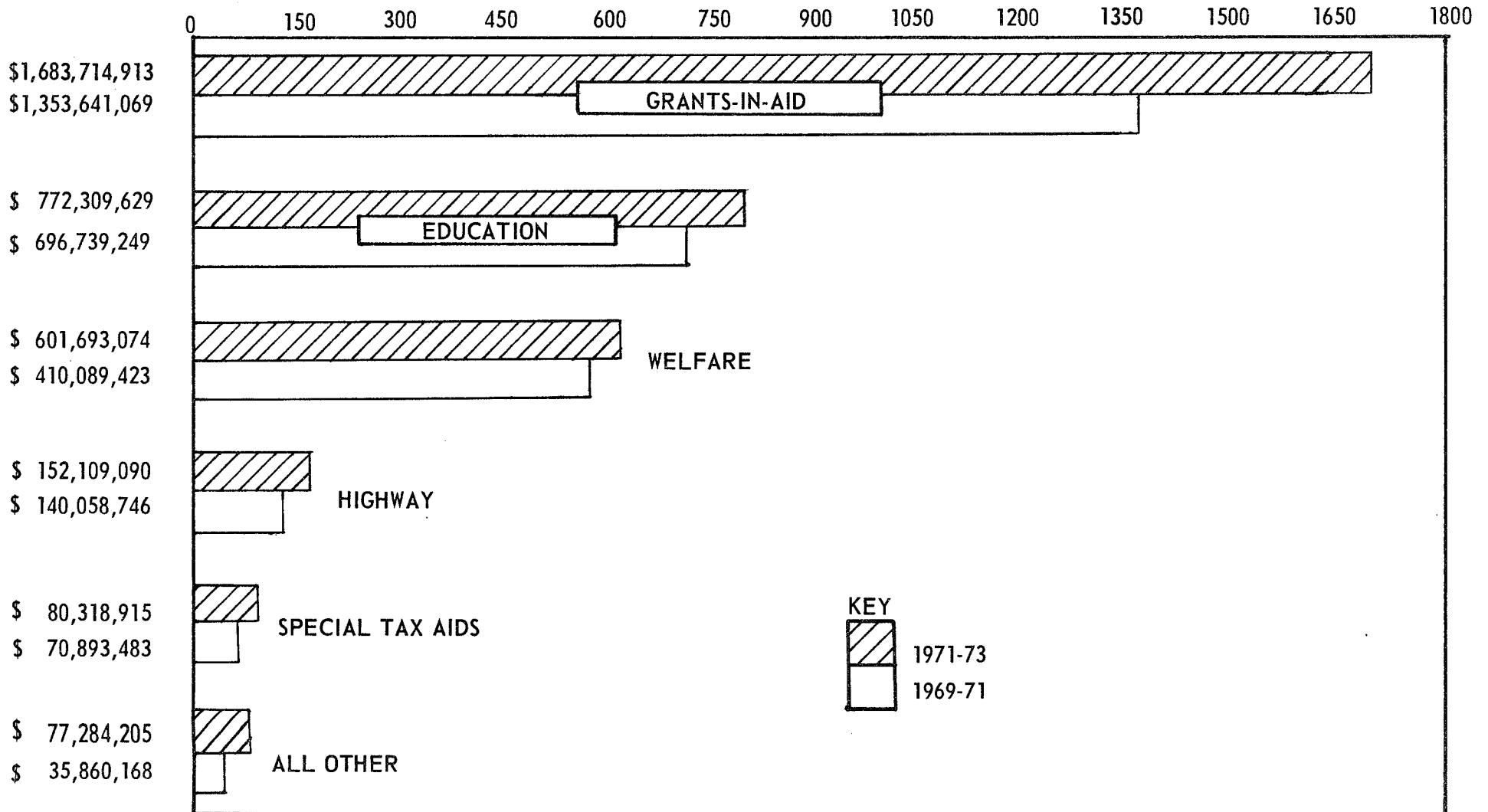


KEY
 1971-73
 1969-71

COMPARISON OF GRANTS-IN-AID BY FUNCTION FROM DIRECT AND OPEN APPROPRIATIONS RECOMMENDED (1971) AUTHORIZED (1969)

TOTAL RECOMMENDED DIRECT and OPEN APPROPRIATIONS 1971 \$4,522,474,876
TOTAL AUTHORIZED DIRECT and OPEN APPROPRIATIONS 1969 \$3,736,479,827

MILLIONS OF DOLLARS



COMPARISON OF APPROPRIATIONS REQUIRING LEGISLATIVE ACTION (DIRECT) and APPROPRIATIONS NOT REQUIRING LEGISLATIVE ACTION (OPEN)

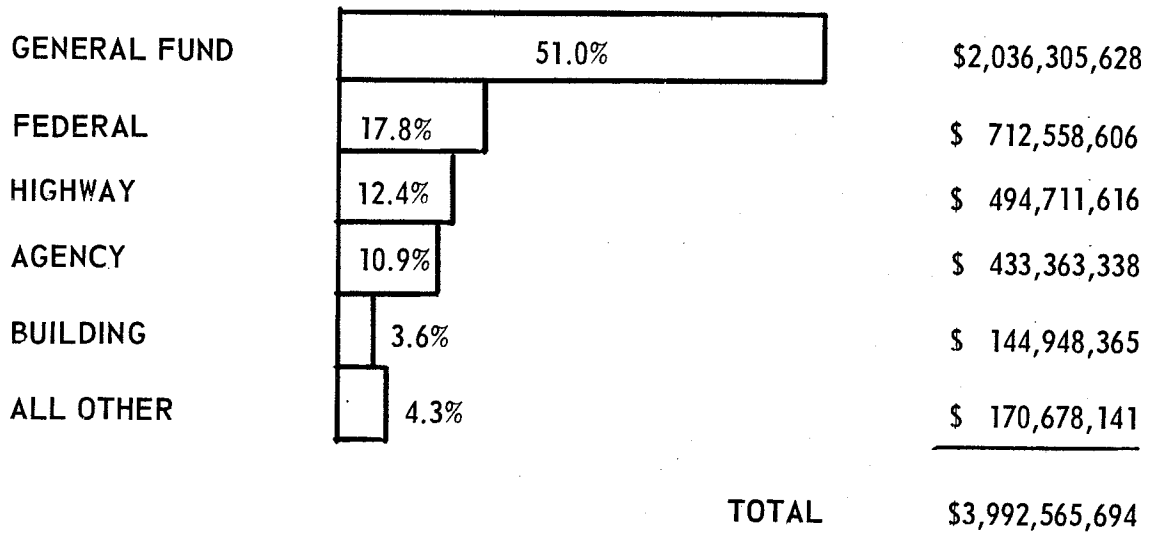
| | | |
|--------|------------------|------------------|
| | AUTHORIZED 1969* | \$ 3,736,479,827 |
| DIRECT | 35.7 % | \$ 1,335,695,117 |
| OPEN | 64.3 % | \$ 2,400,784,710 |

| | | |
|--------|-------------------|------------------|
| | RECOMMENDED 1971* | \$ 4,522,474,876 |
| DIRECT | 36.5 % | \$ 1,650,475,107 |
| OPEN | 63.5 % | \$ 2,871,999,769 |

*THE ABOVE TOTAL DIFFERS FROM THE TOTAL EXPENDITURES REPORTED ON THE SUMMARY OF FUND STATEMENTS DUE TO THE SUBTRACTION OF \$ 346,868,646 IN 1969 & \$ 402,007,361 IN 1971. THESE AMOUNTS HAVE BEEN SUBTRACTED PRINCIPALLY TO AVOID DUPLICATE REPORTING OF EXPENDITURES.

STATE RESOURCES BY FUND

1969 - 1971



1971 - 1973

