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# BUILDING MINNESOTA'S FUTURE

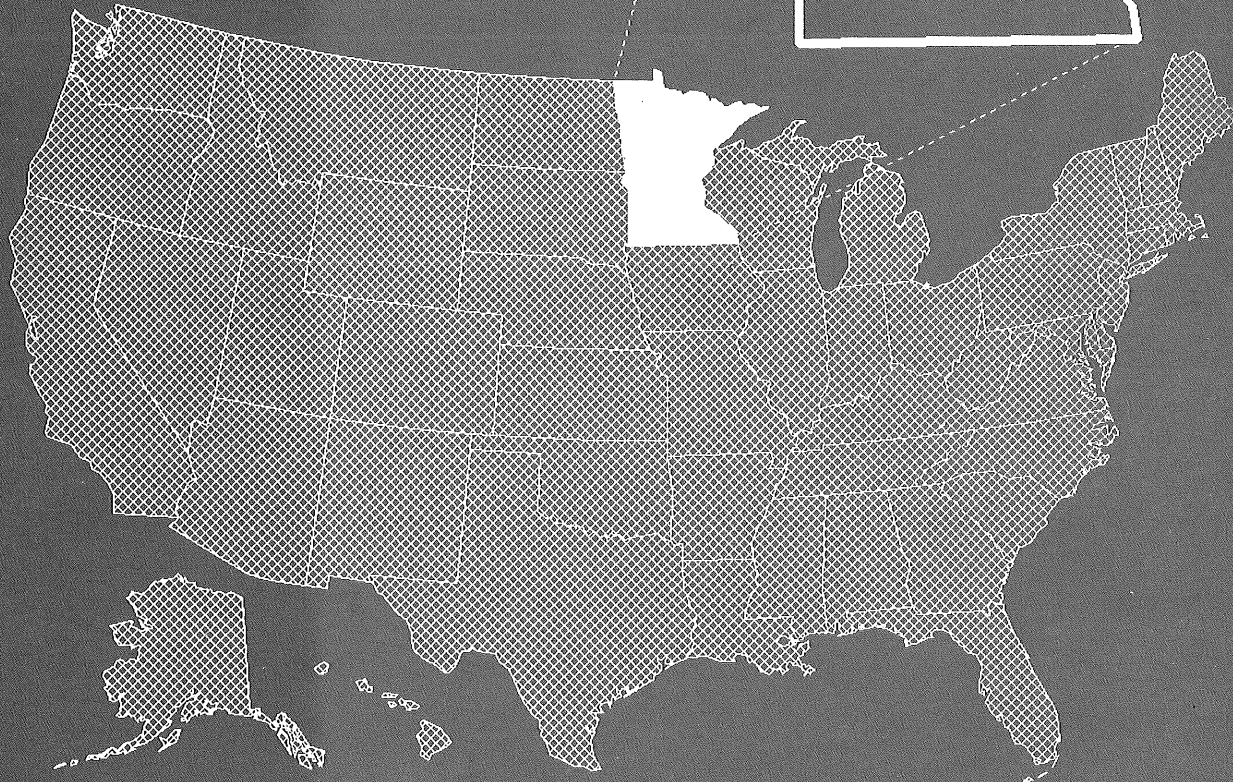
**Rudy Perpich,  
Governor**

February 13, 1987

Education

Environment

Economic  
Development



## STATE OF MINNESOTA

### 1987-89 Capital Budget

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CAPITAL BUDGET MESSAGE  
GOVERNOR RUDY PERPICH  
FEBRUARY 13, 1987

TO MEMBERS OF THE 1987 MINNESOTA LEGISLATURE:

Today I present to you a capital budget designed to build Minnesota's future.

In my State of the State message, I emphasized three goals --- to make Minnesota a model state, to make Minnesota the brainpower state, to make Minnesota a world renowned research center. To accomplish these goals, we must build the necessary facilities which place us on the cutting edge of technological development and position us to capture the jobs of the future.

This capital budget totals \$655 million and is financed by General Obligation bonds, Revenue bonds, General Fund dollars and tax revenues. Every allocation in this capital budget is an essential one for Minnesota's future.

The transmission of the capital budget is two months earlier than required by law, providing adequate time for thorough deliberation and action. I ask you, as members of the Legislature, to work with me to make these needed decisions this legislative session.

The capital budget's priorities are to:

- Provide a strong foundation for education and recognize research as the cornerstone of our economic development strategy;
- Conserve and protect the environment;
- Promote job creation and economic development; and
- Maintain fiscal management policies.

EDUCATION AND RESEARCH

Higher education continues to receive the largest portion of our capital budget spending. This investment in higher education is an integral part of our economic development strategy. Higher education will train people and provide the research to fuel the industries of the future. I recommend that \$272 million be targeted for higher education, which represents 41% of the capital budget. Of these funds for higher education, I recommend \$99 million for the University of Minnesota to help it become a truly world class university, and one of the top five in the nation.

One of the most critical needs of the University of Minnesota is to prepare the working drawings for construction of a new building for the School of Earth Sciences. This project, which I recommend, will enable the University to consolidate its water and natural resource programs. In addition, it will provide space necessary for research. I also recommend completing the last construction phases of Amundson Hall, where the Department of Chemical Engineering and Material Sciences is located.

A major construction program on the St. Paul campus for the Animal Science program is needed. This important agricultural program is critical for the economic health of Minnesota agriculture. It will enable the faculty in the Department of Animal Science and others in Veterinary Medicine, Agricultural Engineering and Agricultural Economics, and Food Science and Nutrition to strengthen and serve our agricultural sector. Further, it will improve research efforts to eliminate problems facing our livestock and dairy producers. Of the recommendation for the University of Minnesota, I recommend more than \$20 million for campuses outside of the metro area. These campuses play a vital role in preparation of undergraduate and graduate students in a variety of important programs. The University of Minnesota - Duluth (UMD) has a critical need for office space, classroom and computer laboratory space for the Department of Mathematical Sciences. I also recommend construction of a computer laboratory addition at Bohannon Hall at UMD.

Included in the capital budget are the University of Minnesota's requests for the campuses at Morris, Crookston, Waseca, Becker, Excelsior, Cloquet and Austin. These projects are vital to providing a strong educational network throughout all of Minnesota.

The State University System (SUS) receives \$75 million in my proposed budget to ensure that it has the facilities necessary to meet the increasing enrollments. Key projects include remodeling Staatgast Hall at Bemidji, preparing plans for an engineering school at Winona, and constructing a major addition for the School of Science, Engineering and Technology at Mankato. Numerous other projects are recommended at each of the SUS campuses. These projects are a commitment to our state universities as regional economic development centers serving as catalysts for long term economic growth and vitality.

It is essential that we continue to strengthen our Community College System because of the important role it plays offering quality, accessible higher education. I recommend \$44 million for the community colleges, including increased classroom space for several of the metro area colleges. These additional classrooms are necessary to accommodate increasing enrollments. I also request funds for Itasca Community College for a major renovation of that campus and for seven other campuses located in greater Minnesota.

The AVTIs in Minnesota are the best in the nation. This system is expected to provide increased vocational training programs for a wide spectrum

of our population. I have targeted \$43 million for the AVTIs. The common themes throughout the AVTI projects are to provide adequate space for on campus child care, to increase the efficient use of current space, and to develop needed additional space for customized and specialized training.

Even as we look forward, we must remember our past. A sense of history anchors us firmly in our own identity and enables us to better understand our neighbors in the state, the nation, and the world. I recommend the construction of the History Center to provide Minnesotan's of all ages the opportunity to enhance their knowledge of Minnesota's strong heritage. It will be the first state museum that will adequately showcase Minnesota's history for our school children.

#### PRESERVING/CONSERVING OUR ENVIRONMENT

As I stated in my operating budget message, we recognize that environmental and resource protection are not inconsistent with economic growth when a careful balance between the two is preserved.

We must continue our emphasis on improvements of our wastewater treatment facilities. I recommend that \$75 million be set aside for this effort. These funds will be available to begin to address the wastewater needs in over 190 Minnesota communities identified by the Pollution Control Agency. They also will fund the combined sewer overflow (CSO) needs in the Twin Cities.

Continued funding of the Reinvest in Minnesota (RIM) program initiated in 1986 must be authorized. RIM is an investment that assures our children they will be able to enjoy the same abundance of natural resources that exist in Minnesota today. These resources are also the foundation of some of our state's largest industries. I have targeted \$36 million in this budget for RIM.

Northwestern Minnesota has been significantly impacted by the flooding of the Red River. I recommend \$3 million to address this problem. Funds are also available for dam and local bridge repairs.

More than \$20 million in bonds for improvements to outdoor recreational programs operated by the Department of Natural Resources and by local units of governments are recommended. These efforts will significantly strengthen our wildlife, forestry and parks programs.

#### OLYMPIC TRAINING FACILITIES

The state has the unique opportunity to be designated as the national center for a variety of amateur and olympic type of events. This opportunity should not be lost. Increasing numbers of women are training for olympic events and Minnesota can lead the way by making accommodations

available for them. Finally, hosting such events has significant economic and tourism benefits for many communities throughout the state. I recommend a major new initiative of \$35 million for olympic training facilities.

The olympic training facilities would be located in three separate areas of the state. I recommend that we build a swimming complex and fencing arena at the University of Minnesota. Further, I recommend that over \$18 million be set aside for a sports facilities in Blaine, including a stadium for soccer, field hockey, and track and field; a cycling arena and a skating rink.

Additional cross country ski facilities should be developed at Giant's Ridge near Biwabik, Minnesota. Giant's Ridge, which opened in 1984, is considered by many experts to be the most exciting North American skiing development in years. It has world class cross country ski trails and has already been used for several national athletic competitions. I also recommend \$11 million for a multi-sports facility primarily for archery, wrestling, weight-lifting, and shooting. Planning funds are provided to analyze the feasibility of constructing a ski jump complex for Minnesota.

#### CAPITOL MALL

Cass Gilbert, the architect of Minnesota's state capitol and its grounds, wanted the capitol structure to be an enduring tribute to Minnesota and its people. Continued progress must be made in completing the capitol mall complex. Approximately \$4 million is recommended for the completion of the restoration of the capitol. Also, construction will begin on the new Judicial Building this biennium. Finally, I recommend planning funds for the capitol landscape which will serve to complement our magnificent capitol and make the complex a place for all Minnesotans.

#### SOUND FINANCIAL MANAGEMENT

In January, I proposed spending \$58 million on debt service costs, and \$3.4 million direct from the General Fund for other capital purposes. This funding level maintains our debt management policy, which limits debt service appropriations to 3% of non-dedicated General Fund revenues. Because of the need for higher education and other high priority projects, I now recommend that new dedicated revenues be raised to allow us to accelerate the completion of these needed facilities.

The cigarette tax should be increased by 6¢ and targeted for debt service for additional higher education projects and the olympic training facilities. We must invest adequately now in our higher education systems if we are to attain our goal of becoming the brainpower state. Also, Minnesota would make an excellent olympic training site. Lastly, the contain-

er deposit receipts should be set aside to fund the RIM program and other environmental needs. I welcome Legislative discussion of alternative funding methods for RIM.

The additional revenues being proposed provide a one-time increase in bonding to build those capital projects necessary to meet our urgent needs in education, economic development and the environment. We can accomplish our ambitious goals while maintaining our prudent and responsible fiscal limits.

SUMMARY

Our capital budget projects are wise investments that have excellent returns for Minnesota. We must be aggressive in our pursuits of:

- a stronger educational network;
- a beautiful and clean environment; and,
- funding of research and economic development projects that will be catalysts for future economic diversification.

I am committed to working with you to authorize a capital spending program this legislative session.

Sincerely,

A large, stylized handwritten signature in black ink, reading "Rudy Perpich". The signature is fluid and cursive, with the first name "Rudy" and last name "Perpich" clearly distinguishable.

RUDY PERPICH  
Governor

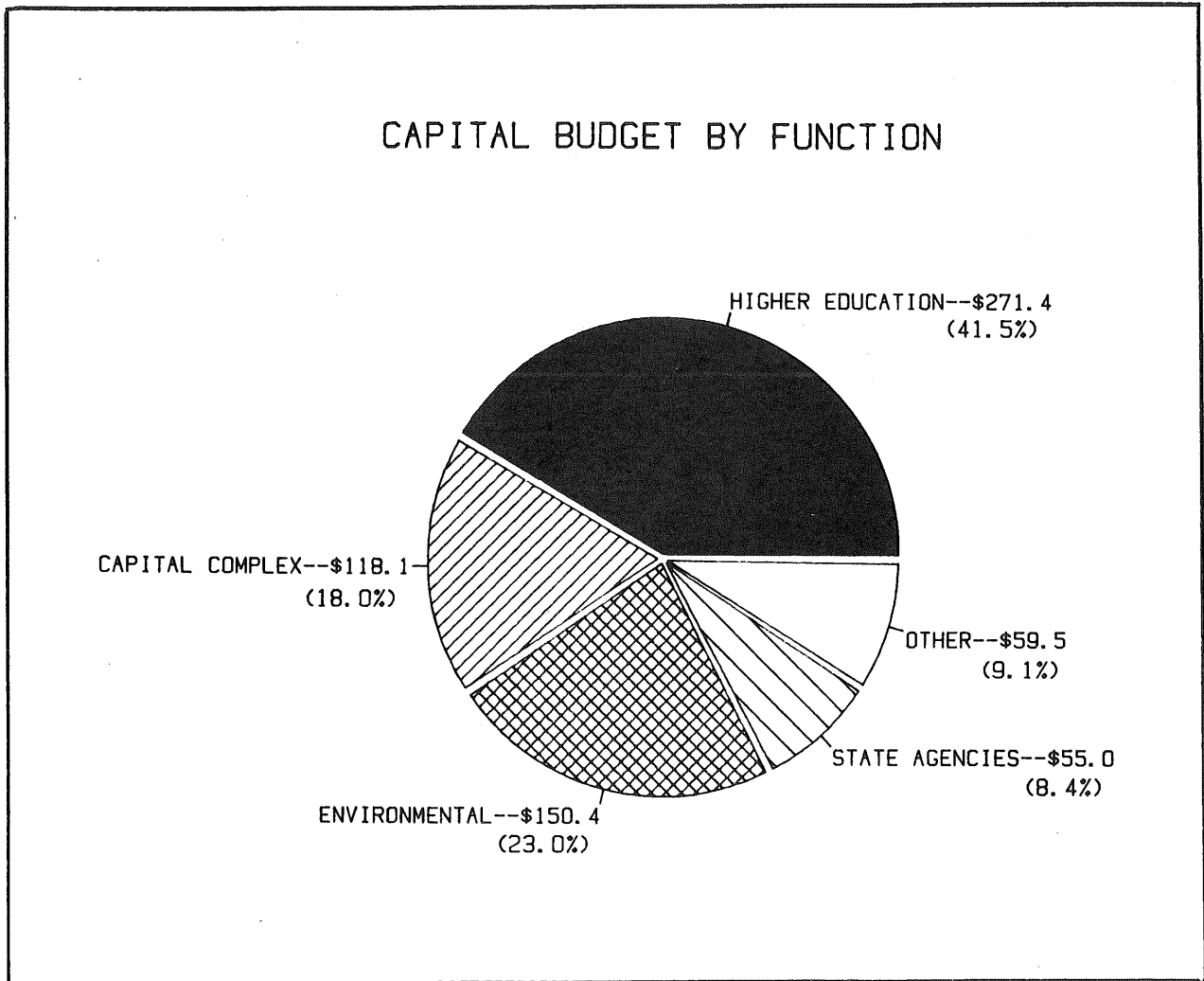
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B. OVERVIEW OF THE CAPITAL BUDGET

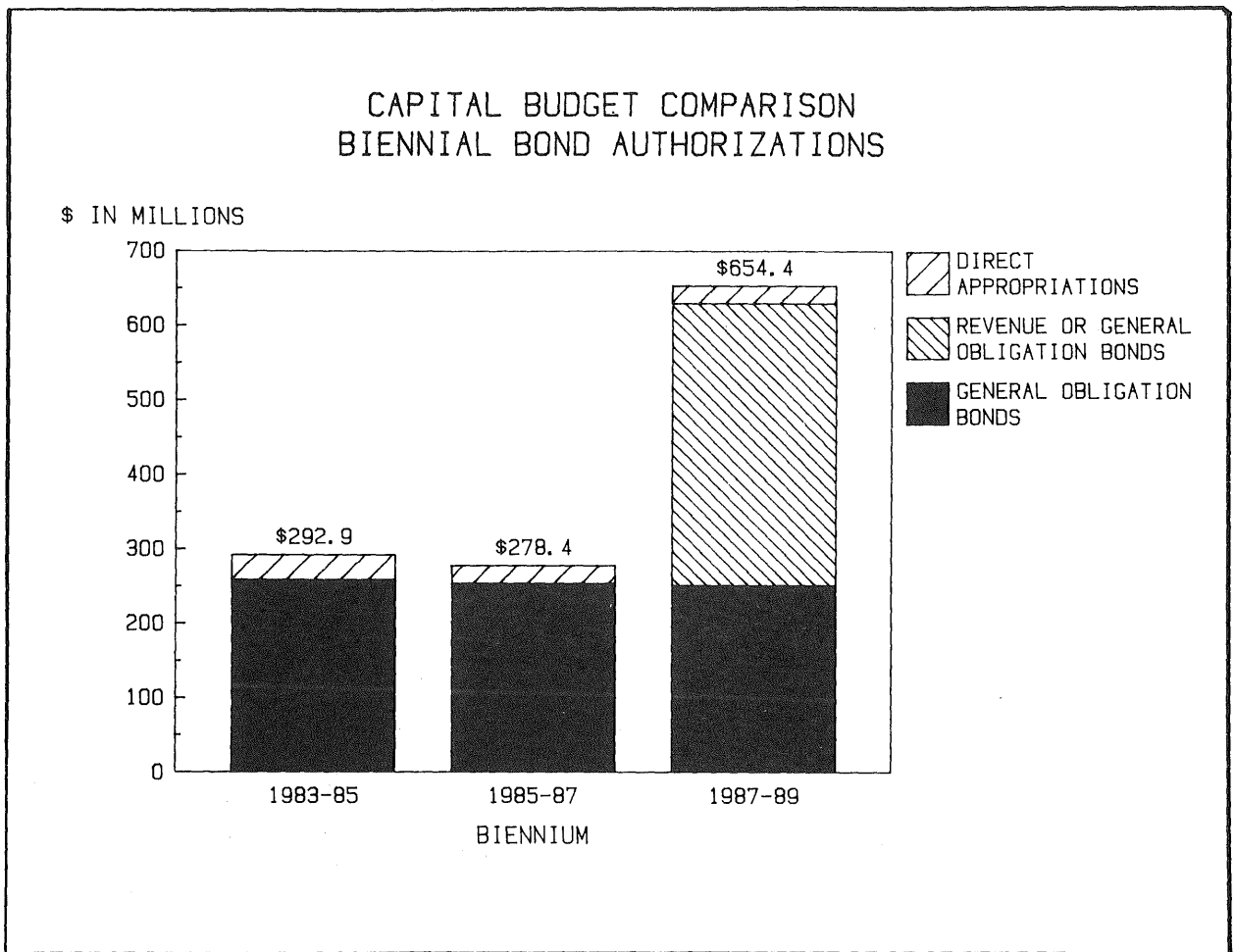
The Governor recommends \$654.4 million for the 1987-89 Capital Budget to meet the overall goals to:

- provide a strong foundation for education and research,
- promote job creation and economic development,
- conserve and protect the environment.



## 2. COMPARISON

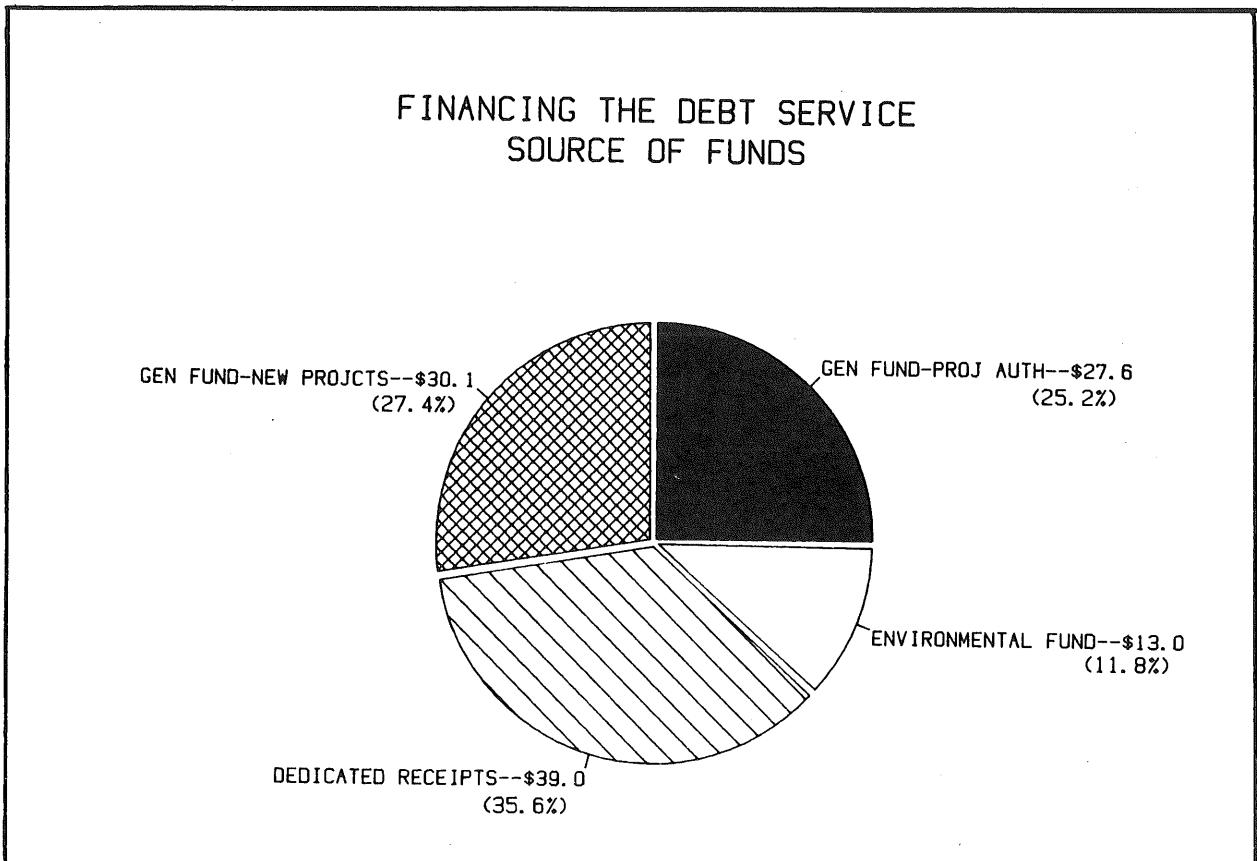
The Governor's recommended 1987-89 Capital Budget of \$654.4 million is greater than the 1985-87 approved Capital Budget by \$369.9 million.



### 3. DEBT SERVICE

It is estimated that the Capital Budget requires \$81.2 million in total debt service to fund the projects recommended. Of this amount, \$57.6 million is from non-dedicated General Fund receipts. It is recommended that a portion the following revenue sources be dedicated to support debt service for the remaining projects.

- the cigarette tax should be increased by 6¢ to support higher education projects and the Olympic Sports Facilities.
- approximately \$13.0 million of existing cigarette tax and the new container deposit revenue should be targeted to waste water facilities, RIM and other environmental projects.



## C. DEFINITION OF TERMS

### 1. Capital Budget Authorization:

When the legislature authorizes a capital budget request, the amount authorized sets an upper limit on the amount of money that can be spent on the project in question. An authorization differs from an appropriation in that there is no requirement that the funds authorized be spent in a given biennium. The funds authorized are available until the project is completed.

This flexibility in spending from the authorized total explains why the amount of authorization recommended in the Governor's 1987-89 biennium does not coincide with the estimated cash flow for the biennium. The Governor recommends a bond authorization of \$630.9 million. It is estimated that only \$455.8 million of this total will be spent in the 1987-89 biennium, leaving an authorized amount of \$175.2 million to be spent in subsequent biennia.

### 2. Capital Budget Cash Flow:

General obligation bonds are sold to provide financing for capital projects. The dollar amount of bonds sold for a capital project at one bond sale is based upon the amount of cash needed to pay project costs through the date of the next expected bond sale. Bonds are not sold for the total amount of the authorization unless the project is small in size and all the costs are expected to be paid prior to the next expected bond sale.

As a result of cash flow financing for projects, the total amount of new project authorizations are greater than the total amount of bonds to be sold for new projects during the biennium.

### 3. Debt Service Transfer:

The Minnesota Constitution requires that the amount in the Debt Service Fund for each bond issue be equal to the amount of all principal and interest payments on the bonds due through July 1 of the second ensuing year. This requirement is made by an annual transfer to the Debt Service Fund from the

General Fund (or other responsible operating funds). For example, on December 1, 1987, a transfer will have to be made to the Debt Service Fund from the General Fund for all principal and interest payments through July 1, 1989 on a new issue of bonds sold prior to December 1. Therefore, the amount of the transfer is an amount greater than one year of principal and interest payments.

4. Direct Appropriation vs. Bonding:

Most of the projects authorized in the Capital Budget are financed by the sale of bonds. The principal and interest on the bonds sold is paid from various transfers to the Debt Service Fund on or before December 1st of each year. However, some items such as moving costs are not bondable. Therefore, they must be funded directly from an operating fund. In addition, there is a tradition of directly appropriating the funds for capital projects that are financed by the Trunk Highway Fund.

## D. DEBT MANAGEMENT

### 1. INTRODUCTION

The state of Minnesota sells general obligation bonds to finance the construction of capital projects throughout the state. This Capital Budget recommends that the legislature authorize new projects to be financed by the sale of state general obligation bonds.

To understand the Governor's recommendation on the amount of bonds to be sold for new capital projects requires an understanding of the relationship between bonds and debt service. Bonds are sold in the capital markets with the purchaser of the bonds giving the state cash in return for the bonds. The total amount of bonds sold is the principal. The principal is repaid by the state to the bond holders over a period of up to 20 years with some amount of principal repaid each year. In addition, the bond holder receives semi-annual interest payments from the state. The amount of interest each bond holder receives is based upon the principal amount and the interest rate on the bonds.

The annual principal repayments plus the semi-annual interest payments equal the annual debt service payments by the state on a bond issue. Appropriations are made from the General Fund to pay the debt service payments (except for bonds supported by revenues from other funds such as the Trunk Highway Fund). The money from the General Fund is transferred annually to the Debt Service Fund for payment of the debt service. However, the first transfer payment on a new bond issue is not just one year's debt service, but up to 24 months' debt service. This is a requirement of the Constitution and the Minnesota statutes.

Therefore, the amount of new bonds which can be sold is limited to the amount of the debt service appropriations available for new bonds.

## 2. GENERAL FUND DEBT CAPACITY

The amount of debt capacity for new capital projects financed from the General Fund is based upon five factors. These factors are:

- a. Total Non-Dedicated General Fund Revenues,
- b. Debt Service requirements on existing debt,
- c. Interest rates,
- d. Credit rating,
- e. Cash flow requirements of previously authorized projects for which bonds have not been sold.

Each of these factors is discussed in order.

### a. Total Non-Dedicated General Fund Revenues.

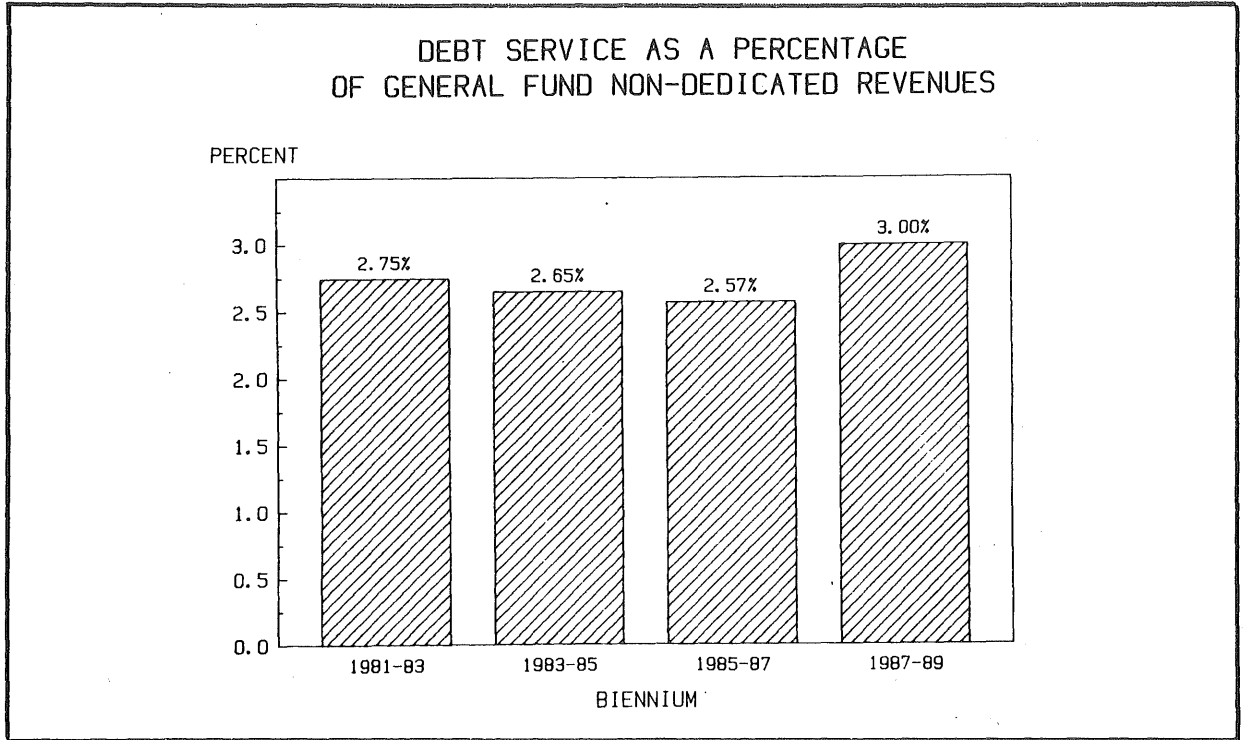
The state has established a Debt Management Policy which serves as a guide for decision making on the level of bonding for the state. The objectives of the Debt Management Policy are:

- To restore the state's AAA credit rating
- To minimize state borrowing costs
- To provide a reasonable financing capacity within a prudent debt burden.

Three guidelines have been developed to achieve the debt management objectives.

The first guideline limits the appropriation for General Fund debt service to 3.0% of General Fund non-dedicated revenue per biennium. This guideline establishes a basis for determining the carrying capacity for debt of the General Fund. It relates debt service to state revenues. This limit provides the amount of money available for debt service on both existing bonds and for new bonds to be issued.

Graph I shows the debt service as a percentage of General Fund non-dedicated revenues for the 1981-83 biennium through the recommended amount for the 1987-89 biennium.



The second guideline limits the ratio of the total general obligation long-term debt to 2.5% of the total personal income of the state. This ratio, which is the traditional ratio used by financial analysts in reviewing the debt of states, allows Minnesota to be compared with other states. The actual ratio for Minnesota was 2.3% in 1985.

The third guideline limits the ratio of the total revenue and general obligation debt of state agencies, state public corporations and the University of Minnesota to 3.5% of personal income of the state. This guideline has been established because revenue debt of the state has received additional attention by bond rating agencies. The level of revenue debt, and the moral obligation of the state which is attached to a portion of it is now a consideration in rating the state's general obligation bonds.



By establishing the 3.5% limit, the state indicated to the financial analysts its desire to limit future revenue debt growth. The actual percentage for fiscal year 1986 was 4.1.

Table I indicates the actual 1982-1987 general obligation debt ratios for the Debt Management Policy. The amount shown for debt service is the amount of the General Fund appropriation, not the amount paid from the state Debt Service Fund. The debt service amounts shown for fiscal years 1988 and 1989 are estimates and constitute the Governor's recommendation for debt service that is included in the operating budget.

Table I  
DEBT RATIOS<sup>1</sup>

Fiscal Year	Total General Obligation Debt Outstanding (Millions)	Debt to Personal Income% <sup>2</sup>	General Fund Debt Service Requirement (Millions)	General Fund Debt Service to General Fund Non-Dedicated Revenue %
1982	953.3	2.1	103.7	2.8
1983	937.0	1.9	110.3	2.7
1984	1,072.6	2.0	104.7	2.3
1985	1,137.2	1.9	147.2	3.0
1986	1,215.9	2.1	119.7	2.7
1987 <sup>3</sup>	1,150.4	1.9	108.1	2.5
1988 <sup>3</sup>	1,293.8	2.0	144.5	3.0
1989 <sup>3</sup>	1,391.9	2.1	144.5	3.0

<sup>1</sup> Assumes the sale of revenue bonds to finance a portion of the 1987 Capital Budget.

<sup>2</sup> Farm Personal Income is derived on a cash basis.

<sup>3</sup> Based upon the November, 1986 revenue forecast and the forecast of available debt service.

b. Debt Service Requirements on Existing Debt and New Debt.

The Debt Management Policy limits the amount of the appropriation for debt service to 3.0% of non-dedicated General Fund revenues. This appropriation must pay the debt service requirements on both the existing \$1.2 billion in existing bonds and new bonds to be issued during the biennium. The Governor has proposed that for the 1987-89 biennium \$289 million be appropriated for debt service, which is the 3.0% limit. In addition to the \$289 million appropriation, the Debt Service Fund will have other revenues of \$51.7 million, mainly interest earnings on cash balances, giving total revenues of \$340.7 million. Debt service payments on existing debt of \$283.1 million when subtracted from the total revenues of \$340.7 million provides \$57.6 million available for debt service on new bonds to be issued in the next biennium.

Table II

1987-89 DEBT SERVICE

General Fund Appropriation	\$289.0
Other Debt Service Fund Revenue	<u>+ 51.7</u>
Total Revenue	\$340.7
Debt Service on Existing Debt	<u>-283.1</u>
Debt Service Available for New Bonds	\$ 57.6

c. Interest Rates

The General Fund appropriation available for debt service on new bonds is used for principal and interest payments on the new bonds. How much is used for interest payments depends upon the interest rates on the bonds. As interest rates decrease, the amount of interest expense decreases and a lesser amount of the debt service appropriation is used to pay interest. Therefore, a greater amount is available to repay principal and the amount of new bonds that can be sold is increased. The opposite occurs if interest rates increase. The interest rate that the state of Minnesota has paid on its new tax-exempt general obligation bonds has been decreasing since early 1982.

The 1986 federal tax law places new restrictions on the types of projects eligible for tax-exempt bond financing. Those projects no longer eligible for tax-exempt financing will be financed by taxable general obligation bonds. Taxable bonds normally have a higher interest rate than tax exempt bonds. This will result in higher interest expenses on those projects which require taxable bonds.

Projections of interest rates for future bond sales have been obtained from the Data Resources, Inc. (DRI) November, 1986 forecast. The forecasted interest rates are shown on Table V.

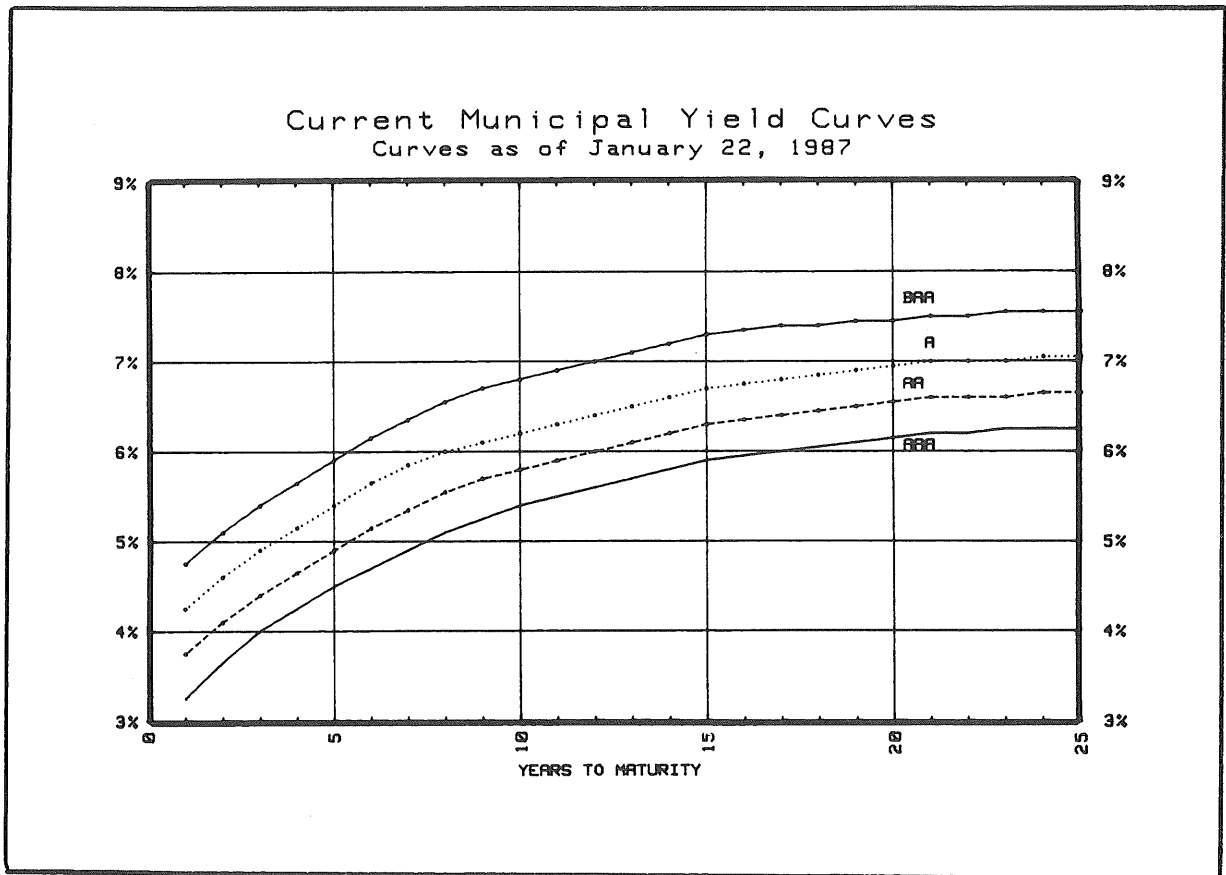
Table V

TAX EXEMPT INTEREST RATE FORECAST

August, 1987:	6.0%
February, 1988:	6.1%
August, 1988:	5.8%
February, 1989:	5.6%

d. Credit Rating

The state's general obligation bonds are rated AA+ by Standard and Poor's Corporation and AA by Moody's Investor's Service. As stated above, one of the objectives of the Debt Management Policy is to restore the state's AAA credit rating. The AAA rating is the best rating and results in lower interest rates than lower ratings. Graph III shows the yield curves on tax-exempt bonds for different ratings. Should the state's AAA rating be restored, the interest cost to the state on its general obligation bonds would be reduced.



Source: The Municipal Market Monitor issued by The Morgan Bank

e. Cash Flow Requirements on Projects Previously Authorized

The Department of Finance issues general obligation bonds for capital projects based upon the cash flow requirements of each project. Bonds are not sold for the entire authorization of the project unless the entire cash amount will be spent before the next bond sale. To plan cash flow requirements, actual cash flow projections are used when they are available. When actual cash flow projections for a project are not available, the historic relationship that approximately 40% of the cash is needed the first year, 40% the second year, and 20% the third year has been used for planning purposes.

There are \$206.2 million of authorized projects from previous legislative sessions which require additional cash flow financing by the sale of bonds. These projects fall into three categories.

1. Projects which are under construction,
2. Projects which have been designed but no construction has started,
3. Projects which have not yet been designed but are committed to receiving financing.

Each project will have bonds sold based upon the cash flow requirements of the project. Current projections indicate that \$172 million in bonds will be sold in fiscal year 1988 and \$34.2 million in fiscal year 1989 to provide cash to finance the current authorizations. The bonds sold for the current authorizations reduce the amount of bonds which can be sold for new capital projects. Examples of previously authorized projects requiring cash flow in the 1987-89 biennium are:

<u>Agency</u>	<u>Project</u>	<u>Estimated 1987-89 Cash Flow</u>
1. U. of M.	Electrical Engineers Computer Science	\$ 26.7 million
2. U. of M.	Duluth Phy. Ed.	5.7 million
3. State University	Winona Somsen Hall	2.0 million

### 3. GENERAL FUND BONDING CAPACITY FOR NEW CAPITAL PROJECTS

The Governor has recommended that 3.0% of non-dedicated General Fund revenues be appropriated for debt service during the next biennium. Using the current forecast on interest rates for tax-exempt bonds the debt service available could finance \$374.8 million in new bonds during the next biennium. \$206.2 million of this amount of new bonds would be needed cash flows of capital projects previously authorized. This leaves \$168.6 million in new bonds to provide cash flow financing for new capital projects.

Table VI

SUMMARY OF BONDING CAPACITY/DEBT SERVICE  
(In Millions)

	<u>Bond Sales</u>	<u>Debt Service</u>
Total Bond Sales	\$374.8	\$57.6
Bonds for Current Authorizations	<u>206.2</u>	<u>27.5</u>
Bonds for New Project - Cash Flows	\$168.6	\$30.1

### 4. TOTAL GENERAL FUND IMPACT

The Governor's operating budget includes \$292.3 to fund this capital budget. Of this amount, \$289 million is set aside for debt service \$57. Debt service on bonds already issued will require \$231 million, leaving \$57.6 million available for issuance of new bonds. Of the latter amount, \$27.5 million is earmarked to finance projects already authorized and \$30.1 million for new projects.

## 5. ADDITIONAL BONDING CAPACITY

The capital project requests submitted by state agencies for bond financing indicate that there continues to be a backlog of vital projects that need to be built. This backlog developed during the early 1980s when the state's financial problems and high interest rates limited the dollar amount of new bonds sold. In addition, new projects not previously considered are being requested for bond financing. These projects include RIM and the Olympic Training Facilities.

The 3% Debt Management Policy is a sound policy which should be maintained. However, this policy does not allow the state to finance the construction of all capital projects which are needed at this time. The total amount available for cash flow financing of new projects is \$168.6 million during the 1987-89 biennium. Therefore, it is recommended that two new sources of revenues be dedicated for debt service on bonds. These two dedicated revenue sources are a 6¢ increase in the cigarette tax for higher education projects and for the Olympic Training Facilities, and a container deposit fee to fund RIM and other environmental projects.

It is estimated that these two sources of revenue would raise \$62.6 million during the 1987-89 biennium and would finance approximately \$232 million in new bonds. The use of these dedicated revenues for debt service allows the much needed one-time increase in bonding required to unwind the current backlog of projects and also finance the many new projects that are needed today.

The Department of Finance will be reviewing the feasibility of issuing revenue bonds, not general obligation bonds, for the bonds to be supported by these dedicated revenues. Should revenue bonds be feasible, the debt burden from general obligation bonds would not be increased beyond the current levels. If revenue bonds are not feasible, the same receipts will be dedicated to the Debt Service Fund for general obligation bonds and therefore allow us to maintain the Debt Management Policy.

E. MAJOR CAPITAL BUDGET RECOMMENDATIONS

1. HIGHER EDUCATION

The Governor's recommendations for higher education are summarized below:

	<u>RECOMMENDED AUTHORIZATION</u>
AVTIs	\$ 43,680.2
Community College	44,157.2
State University	75,153.8
University of Minn.	98,882.5
R & R Loan Fund	<u>10,000.0</u>
 TOTAL	 \$271,353.7

Some of the major projects recommended are:

- Development and upgrading of the University of Minnesota's technological education complex. Includes planning fund for construction of a \$43.8 million Earth Sciences building; \$5.6 million for continued renovation and upgrading of the chemical engineering building; \$2.9 million for remodeling and expansion of institute of technology library facilities; \$13.1 million for expansion and remodeling of the school of architecture building; \$2.1 million for construction of a mathematics/geology building addition on the Duluth campus; and \$4.7 million for completion of the remodeling of the Green Hall forestry building on the St. Paul campus.
- Improvement and expansion of the University's general instructional facilities. Includes \$9.4 million for upgrading of general purpose classrooms; \$2.1 million for continued renovation of Folwell Hall; \$1.7 million for addition of a music school performance laboratory;



\$0.8 million for planning fund for remodeling of college of liberal arts classroom and office space.

- Completion of the Hubert H. Humphrey interpretive center at the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs. This modern exhibit will feature the history of the Humphrey era and when completed is expected to be visited by 200,000 persons per year.
- Continued development and upgrading of the University's agricultural science complex. This includes \$5.7 million for renovation and upgrading of animal science facilities on the St. Paul campus; \$0.5 million for planning for remodeling and expansion of the veterinary diagnostics laboratory on the St. Paul campus; \$1.5 million for chemical and machinery storage facilities on the St. Paul campus; and improvements at various agricultural experiment stations.
- Upgrading and expansion of library facilities in the State University System. This includes \$10.4 million for remodeling and expansion of the Mankato State University library and planning funds for expansion on construction of library facilities at St. Cloud and Bemidji.
- Development and expansion of the State University System's technological education facilities. This includes \$10.1 million for additional space for Mankato State University engineering programs and \$0.6 million for planning an applied science and material engineering building at Winona State University.
- Community College System:
  - Itasca Community College at Grand Rapids will receive \$7.7 million funding for major construction on its campus.
  - Systemwide child care facilities will be constructed or enlarged to meet the needs of the students with small children.

- Systemwide much needed classroom and laboratory space will be built to serve the increased enrollments in the community college system, with \$3.7 million recommended for Northland, \$3.1 million for Willmar, \$3.5 million for Inver Hills, \$4.9 million for Normandale, \$2.6 million for Rochester, \$1.2 million for Hibbing, \$1.6 million for Brainerd, \$1.3 million for Mesabi, \$2.1 million for Fergus Falls, a new law enforcement center of \$6.0 million at Normandale as well as various systemwide improvements.

- Vocational-Technical System:

- Systemwide child care facilities will be constructed or enlarged at 19 campuses to meet the needs of students with small children.
- Systemwide funds are recommended for space to be constructed for customized training programs that are designed specifically to address the economic development needs of Minnesota.
- Institutes like Mankato, \$5.1 million and Faribault, \$1.4 million will be able to vacate rented facilities and consolidate their student bodies on one campus.
- Major programmatic enhancements are recommended with \$5.0 million recommended for the St. Paul AVTI, \$1.8 million for Wadena, \$2.4 million at Duluth, \$1.8 million at Thief River Falls, \$1.3 million at Pine City, \$1.7 million at Albert Lea, \$1.2 million at Detroit Lakes, \$2.1 million at Alexandria, \$3.4 million at Rochester as well as several others and systemwide funds for planning and asbestos removal.

Higher education capital projects have been financed by general obligation bonds whose debt service has been paid from the general fund in previous capital budgets. The funds available from the general fund to pay debt service were not sufficient to finance the governor's building program for higher education. Several new approaches to finance the higher education projects are recommended.

- a. Cigarette Tax. An increase in the cigarette tax of 6¢ per pack and dedication of a large part of the estimated \$48 million in receipts to pay the debt service on a major portion of the higher education projects recommended. The remaining projects will be financed by state general obligation bonds whose debt service will be paid from non-dedicated general fund receipts. Approximately 75% of the debt service for the recommended authorizations would come from the increased cigarette tax receipts.
- b. Athletic Facilities. The University of Minnesota and the State University have requested approximately \$37 million for various intercollegiate and intramural athletic facilities.

The Governor recommends funds for the planning and design of these facilities. Construction, however, should be funded with revenue bonds. The debt service on these bonds would be paid by the users of the facilities constructed. The University of Minnesota currently has the authority to issue revenue bonds for these facilities. The State University Board could be given similar authority, or they could obtain funds from the Higher Education Facilities Authority (HEFA). The Governor recommends increasing bonding authority for HEFA or the State University Board by the amount necessary to accomplish these objectives.

- c. Repair and Replacement. Several higher education requests are for projects that come within the definition of repair and replacement rather than capital projects. None of these requests has been recommended. The Governor has dealt with repair and replacement as a statewide policy in his 1987-89 Biennial Budget recommendations.

The Governor's operating budget for Post-Secondary Education recommended a change in the method of funding repair and replacement items. Essentially, the new approach called for the inclusion of the repairs and replacements component of repairs and betterments in the operating budgets of the systems, and leaving the "betterments" component in the capital budget. Stated another way, the new policy would pro-

vide capital (i.e., bond) funds for upgrading, improvement and/or major remodeling of buildings, while providing augmented General Fund appropriations and operating budgets for repair and upkeep of existing facilities the advantages of this policy includes:

1. giving agency managers greater responsibility and discretion in setting priorities for repair and upkeep of buildings under their jurisdiction; and
2. avoiding debt service costs for routine repair and replacement projects.

Some of the items expected to be financed from the enhanced R&R funds include large projects like roof repair, energy conservation, etc. For some systems, the backlog of these projects is quite large, and even the increased funding would not permit funding all the work needed to catch up. In addition, it is very conceivable that large costly projects of an emergency nature could arise at any time, and if funded only from the annual R&R operating budget allotment, would leave little else available for other projects.

In order to alleviate these problems, the Governor recommends establishing a Higher Education Repair and Replacement Loan Fund. Revenues would be raised for this fund through the sale of general obligation bonds. The state's public higher education systems would be allowed to borrow resources from this fund to finance large structural repair and replacement projects (roof repair, energy conservation, heating and cooling system modernization, etc.). Loans would be repaid by the systems over a multi-year period from their annual repair and replacement revenues. For the next biennium, the Governor recommends establishing the bond authority for this fund at a maximum of \$10 million.

- The Governor's recommendation includes funds to finish the Centennial Building Project. He also recommends a direct General Fund appropriation of \$2,541.2 to cover the cost of moving expenses, rent differentials, and furniture for a series of state agencies located in the vicinity of the Capitol. When completed, these rearrangements will constitute a more logical location of state services. the detailed schedule of moves and costs is described in the detailed Capital Budget that will soon be forthcoming. The Department of Administration is coordinating this endeavor.

### 3. ENVIRONMENT AND NATURAL RESOURCES

The Governor's recommendations for environment and natural resources are summarized below:

	<u>RECOMMENDED AUTHORIZATION</u>
1. PCA-Waste Water	\$ 75,087.6
2. DNR-Bldg., Dams & Outdoor Rec.	21,317.2
3. Metro Council-Metro Parks	9,000.0
4. Outdoor Recreation Grant Program	3,000.0
5. Metro Council Lake Minnetonka Park	6,000.0
6. RIM	<u>36,000.0</u>
	\$150,404.8

- Accelerated funding to the Pollution Control Agency (PCA) for the State/Federal Wastewater Treatment Facility Construction grant program and continued funding to the Metro Combined Sewer Overflow (CSO) program.
- Block funding to the Department of Natural Resources (DNR) of \$1.0 million for dam safety repairs and \$8.0 million for outdoor recreation projects. Priorities for spending of these monies will be determined by DNR according to their criteria of need.
- Funding of \$3.0 million for flood control efforts in the Red River Valley area.
- Funding of \$4.0 million for the Timber Wolf Center at Ely and approximately \$1 million for the railroad at Tower/Soudan.
- Funding of \$4.3 million is recommended for DNR facilities to consolidate DNR offices in Bemidji, complete the Brainerd Services Center, construct or purchase a building for the Mineral Core Library, con-

struct chemical storage buildings to meet OSHA safety standards and continue field office consolidations and other minor building construction projects.

- Recommended funding of \$9 million for the grants to Metropolitan Council's Metro Park land acquisition program and \$6 million Lake Minnetonka land acquisition project and
- Funding of \$3 million for the Outdoor Recreation Grant Program.
- Funding for the Reinvest in Minnesota (RIM) program through bonds with debt service paid by the Container Deposit receipts.
- The following table shows the receipts projected from the Water Pollution Control Fund and the Container Deposit Fund, the recommended uses of these receipts in both the operating and capital budgets and the estimated fund balances available to finance future debt service requirements.

Conservation Program Summary  
(\$ In Thousands)

GOVERNOR'S RECOMMENDATION  
1987-89 Biennium

Estimated Resources

Cigarette/Tobacco Tax Receipts	\$ 34,621.3
Container Deposit Receipts	<u>13,100.0</u>
Sub-Total - Resources	\$ 47,721.3

Estimated Uses

Operating Budget	
Direct Appropriations	2,844.8
Transfer to General Fund	22,746.1

Capital Budget Uses:

Wastewater/CSO - Debt Service	4,166.8
RIM-Debt Service	8,577.5
Lake Minnetonka Regional Park-Debt Service	1,088.2
Clean Water Partnership-Direct Appropriation	<u>2,000.0</u>
Sub-total - Uses	\$ 41,423.4

Summary

Resources	47,721.3
Uses	<u>41,423.4</u>
Fund Balance	\$ 6,297.9



#### 4. STATE AGENCIES

The Governor's recommendations for state agencies are summarized below:

	<u>RECOMMENDED AUTHORIZATION</u>
1. Administration	\$15,770.8
2. Corrections	3,326.7
3. Historical Society	6,459.2
4. Human Services	3,189.6
5. Military Affairs	2,458.7
6. Public Safety	102.6
7. Transportation	17,467.2
8. Veterans Affairs	<u>6,274.1</u>
	\$55,048.9

- Major life safety and maintenance efforts for the Department of Human Services to improve the ventilation systems for mentally retarded and mentally ill residents of state hospitals and to improve the facilities which will be used to provide services to the chemically dependent on a competitive basis.
- A variety of projects for the Department of Corrections, including major remodeling of the auditorium at Stillwater, and building construction or remodeling at other institutions.
- Direct appropriations from the Trunk Highway Fund to the department to continue their building program for trunk stations, storage facilities, and administrative facilities. The Governor recommends appropriations to continue the construction of rest areas in several locations around the state and to relocate the department's central research laboratory. The \$250.0 recommendation for the Bemidji rest

stop is contingent upon the city of Bemidji raising the balance of funds required to complete the project.

- A \$5 million General Fund bonding authorization to provide matching funds for local bridge projects.
- Funding is recommended for the Mille Lacs Indian Museum, the LeDuc Historical site, the Meighen Store, and a direct appropriation of \$390.0 to complete the 50% matching commitment to the Minnesota Valley Interpretive Center located in Moorhead, Minnesota.
- Continuation of a handicapped access and asbestos removal projects.
- Matching funds to the Department of Military Affairs for a new armory at Camp Ripley.
- Funding to the Department of Veterans Affairs for building demolition and renovation at the Minneapolis Veterans Home.

5. OTHER

The Governor's recommendation for other projects are summarized below:

<u>PROJECT</u>	<u>PROJECT COST</u>
1. School for Arts	\$ 4,229.0
2. Olympic Facilities	35,045.0
3. Duluth Zoo & Conv. Center	9,076.5
4. Ironworld	9,000.0
5. Farm America	<u>2,113.6</u>
	\$59,464.1

- Funding of \$4.2 million to complete planning for the School for the Arts.
- New funding of \$35.0 million, now through the new Department of Trade and Economic Development, for Olympic Development projects which include a swimming complex at the University of Minnesota, a soccer stadium and track and field complex in Blaine and a multi-sport facility at Biwabik. These projects are to be financed through bonds with debt service to be paid by a dedicated 1¢ increase per pack on cigarette tax.
- New funding of \$9.1 million through the new Department of Trade and Economic Development, for major renovation and construction of several new exhibits for the Lake Superior Zoological Garden in Duluth and for completion of the Duluth Convention Center.
- Funding of \$9.0 million to the Iron Range Resource and Rehabilitation Board (IRRRB) for a conference center, craft shop, golf course and arts museum at Ironworld. These projects are to be financed through the sale of general obligation bonds with debt service to be paid by the IRRRB operating budget account.
- Supplemental funds of \$2.1 million to complete construction of the Farm America project at Waseca.

## 6. INFLATION

Agencies submitting capital budget requests were instructed to base their estimates of project cost on current prices; that is, on prices during the summer of 1986 when requests were being prepared.

The Department of Finance has adopted the inflation recommendation prepared by the State Architect based upon his review of the various construction indexes, namely, 3% per year.

Projects that have been recommended for authorization have been adjusted for inflation. The inflation adjustment takes into account the period of time between preparation of the request, summer 1986, and the estimated time the project would begin. For example, a project scheduled to begin in fiscal year 1988 would be inflated by 3% whereas one beginning in fiscal year 1989 would be inflated by 6%.

In some cases agencies used their own inflation estimates instead of current prices. In cases where these estimates differed from the 3% employed statewide, the estimated cost was adjusted to be consistent with the general policy. The Governor has not adjusted non-recommended projects for inflation.

F. DETAILED LISTING OF THE GOVERNOR'S RECOMMENDATIONS

Exhibit A gives an agency-by-agency summary of the agency requests, the Governor's recommendations, and cash flow on a project-by-project basis. The Governor's Recommendation is broken down into two columns, one for the \$23.4 million of direct appropriations and the other for \$630.9 million of bonding recommended. Together they add up to the \$654.4 million Capital Budget.

A special word of explanation is in order for the column labeled "FUND NUMBER." Each project recommended for funding has a fund number opposite it. This number refers to the source of funds for a direct appropriation or to the source of debt service funding in the case of projects recommended for bonding authorization. The code for the fund numbers is as follows:

<u>Fund Number</u>	<u>Source of Debt Service Funding</u>
10	Non-Dedicated General Fund Receipts
10C	Dedicated Receipts from the 6¢ pack cigarette tax increase
10I	Dedicated Receipts from the IRRRB operating budget
10L	Dedicated receipts from the higher education system's operating budgets for projects financed by the R & R Loan Fund
15	Receipts from the Container Deposit Fund
27	Appropriations from the Trunk Highway Fund
56	Receipts from the Water Pollution Control Fund

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
				DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
HIGHER EDUCATION									
	AVTI's	10	48,436.2	500.0	6,111.1	200.0	3,506.7	2,404.4	0.0
	AVTI's	10C	0.0	0.0	37,069.1	21,383.0	13,285.7	2,400.4	0.0
	Community College	10	48,381.0	0.0	9,232.2	730.0	4,387.4	4,114.8	0.0
	Community College	10C	0.0	0.0	34,925.0	16,631.2	16,707.0	1,586.8	0.0
	Education	10	340.0	0.0	500.0	500.0	0.0	0.0	0.0
	School for Arts	10	30,065.0	0.0	0.0	0.0	0.0	0.0	0.0
	School for Arts	10C	0.0	0.0	4,229.0	4,229.0	0.0	0.0	0.0
	State University	10	122,280.0	0.0	16,621.9	2,201.6	13,236.1	1,184.2	0.0
	State University	10C	0.0	0.0	58,532.1	24,822.2	29,736.8	3,973.1	0.0
	University of MN	10	143,248.0	0.0	22,809.3	7,566.0	8,008.2	7,235.1	0.0
	University of MN	10C	0.0	0.0	76,073.2	30,137.3	30,707.5	15,228.4	0.0
	Higher Education R&R Loans	10L	0.0	0.0	10,000.0	5,000.0	5,000.0	0.0	0.0
	Subtotals		392,750.2	500.0	276,103.0	113,400.3	124,575.4	38,127.3	0.0
STATE DEPARTMENTS									
	Administration	10	71,102.2	2,541.2	27,263.9	13,949.1	10,618.1	2,696.7	0.0
	Administration	27	4,530.0	4,665.9	0.0	0.0	0.0	0.0	0.0
	Agriculture	10	2,052.0	0.0	2,113.6	550.0	681.2	882.4	0.0
	CAAPB	10	27,428.0	0.0	1,200.0	1,200.0	0.0	0.0	0.0
	Corrections	10	7,150.8	0.0	3,326.7	941.5	1,445.9	740.0	199.3
	Courts, Supreme	10	41,213.0	0.0	40,570.9	0.0	10,000.0	14,117.6	16,453.3
	DTED	10	9,076.5	0.0	9,076.5	3,818.3	3,818.2	1,440.0	0.0
	DTED	10S	39,700.0	0.0	35,045.0	10,150.0	10,495.0	6,200.0	8,200.0
	Historical Society	10	72,947.3	390.0	62,680.9	3,443.3	27,043.7	28,083.0	4,110.9
	Human Services	10	7,022.0	0.0	3,189.6	2,489.6	700.0	0.0	0.0
	IRRRB	101	9,000.0	0.0	9,000.0	1,400.0	4,500.0	3,100.0	0.0
	Military Affairs	10	2,387.1	0.0	2,458.7	0.0	1,911.6	547.1	0.0
	Natural Resources	10	73,281.5	0.0	33,317.2	14,732.3	18,293.8	291.1	0.0
	Natural Resources	15	6,000.0	0.0	6,000.0	3,000.0	3,000.0	0.0	0.0
	Pollution Control	56	83,706.6	2,800.0	72,287.6	4,508.0	17,738.0	25,020.8	25,020.8
	Public Safety	27	102.6	102.6	0.0	0.0	0.0	0.0	0.0
	Reinvest In MN (RIM)	15	36,000.0	0.0	36,000.0	16,000.0	20,000.0	0.0	0.0
	Transportation	10	18,000.0	0.0	5,000.0	2,500.0	2,500.0	0.0	0.0
	Transportation	27	11,847.5	12,467.2	0.0	0.0	0.0	0.0	0.0
	Veterans Affairs	10	7,449.0	0.0	6,274.1	3,096.5	3,177.6	0.0	0.0
	Waste Management	10	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal		534,996.1	22,966.9	354,804.7	81,778.6	135,923.1	83,118.7	53,984.3
	TOTAL REQUESTS		927,746.3	23,466.9	630,907.7	195,178.9	260,498.5	121,246.0	53,984.3

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

PROJECT DESCRIPTION -----	FUND NUMBER -----	AGENCY REQUEST -----	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
			DIRECT -----	BOND -----	FY 1988 -----	FY 1989 -----	FY 1990 -----	FY 1991 -----
FUNDING SOURCE SUMMARY:								
General Fund-DIRECT	10	776,559.6	3,431.2	0.0	0.0	0.0	0.0	0.0
General Fund-BONDING	10		0.0	251,746.6	57,918.2	109,328.5	63,736.4	20,763.5
Trunk Highway Fund	27	16,480.1	17,235.7	0.0	0.0	0.0	0.0	0.0
WPC Fund-DIRECT - (PCA)	56	83,706.6	2,800.0	0.0	0.0	0.0	0.0	0.0
WPC Fund-BONDING - (PCA)	56		0.0	72,287.6	4,508.0	17,738.0	25,020.8	25,020.8
HIGHER ED-Cig. Tax	10C		0.0	210,828.5	97,202.7	90,437.0	23,188.7	0.0
Higher Educ.R&R Loan Fund	10L	0.0	0.0	10,000.0	5,000.0	5,000.0	0.0	0.0
WPC/Container Tax-(DNR/RIM)	15	42,000.0	0.0	42,000.0	19,000.0	23,000.0	0.0	0.0
IRRRB FUND - BONDING	10I	9,000.0	0.0	9,000.0	1,400.0	4,500.0	3,100.0	0.0
OLYMPIC FAC. FUND	10C	39,700.0	0.0	35,045.0	10,150.0	10,495.0	6,200.0	8,200.0
GRAND TOTAL		967,446.3	23,466.9	630,907.7	195,178.9	260,498.5	121,246.0	53,984.3

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
RECOMMENDED												
			AVTI'S									
	1	AVTI'S	Systemwide	Planning	10	480.0	500.0	*	0.0			
	1	AVTI'S	Systemwide	Planning	10	260.0			0.0			
	2	AVTI'S	Mankato	Replace Rental	10C	4,962.3		5,111.2	2,000.0	2,400.0	711.2	
	3	AVTI'S	St. Paul	Bldg add./Park ramp	10C	6,254.3		4,951.5	2,300.0	1,800.0	851.5	
	4	AVTI'S	Hibbing	Replace Rental/Temp Space	10C	2,307.6		2,448.1	1,500.0	948.1		
	6	AVTI'S	Wadena	Reconstruct/Space use	10C	1,700.0		1,803.5	900.0	903.5		
	15	AVTI'S	Pipestone	Fibergls/Spec. Needs Add.	10C	779.5		827.0	700.0	127.0		
	31	AVTI'S	Hennepin	Horse Care Ctr.	10	0.0		0.0	0.0			
	29	AVTI'S	Dakota	Auto Body/Trk Add/Day Care	10C	2,043.3		2,167.7	330.0	1,000.0	837.7	
	32	AVTI'S	Systemwide	Asbestos Remove/Code Comp.	10C	930.8		930.8	* 546.0	384.8		
	5	AVTI'S	Willmar	Child Care	10C	29.7		30.6	30.6			
	16	AVTI'S	Duluth	Clstrm/Lab Add/Remodel	10C	2,315.4		2,384.9	847.2	1,537.7		
	7	AVTI'S	Thief Rivf	Airport Clrm/Main Cam.Add.	10C	1,745.3		1,797.7	1,552.4	245.3		
	8	AVTI'S	Pine City	Construct Ph. I & II	10C	1,246.1		1,283.5	936.9	346.6		
	9	AVTI'S	Red Wing	Cold Storage Building	10C	97.9		100.8	100.8			
	10	AVTI'S	Canby	Library/Bookstore	10C	68.5		70.6	70.6			
	11	AVTI'S	Faribault	Rental Replace/Child Care	10C	1,364.3		1,405.2	895.5	509.7		
	12	AVTI'S	Albert Lea	Dies.Truck/Resource Ctr	10C	1,684.2		1,734.7	1,003.1	731.6		
	13	AVTI'S	Austin	Phase I	10C	781.7		805.2	450.8	354.4		
	14	AVTI'S	Anoka	Commons/Auto/Child Care	10C	942.8		971.1	919.7	51.4		
	17	AVTI'S	Detroit Lk	Clstrm/Student Center Add.	10C	1,141.8		1,176.1	955.6	220.5		
	18	AVTI'S	Brainerd	Library/Clstrm/Child Care	10C	1,287.8		1,326.4	1,056.8	269.6		
	19	AVTI'S	Eveleth	Phase III Constr.	10C	491.1		505.8	505.8			
	20	AVTI'S	Moorhead	Stud.Support Ser.Facility	10C	426.7		439.5	359.0	80.5		
	21	AVTI'S	Alexandria	Phase II and III	10C	2,065.5		2,127.5	1,214.8	912.7		
	22	AVTI'S	Bemidji	Auto/Child Care/Clstrm	10C	672.8		693.0	580.9	112.1		
	23	AVTI'S	Granite Falls	Student Serv. Add	10C	413.1		425.5	413.1	12.4		
	24	AVTI'S	St.Cloud	Stud.Commons/Lib. Add	10C	965.8		994.8	794.9	199.9		
	25	AVTI'S	Hutchinson	Lib./Student Ctr.	10C	271.5		279.6	250.7	28.9		
	26	AVTI'S	Jackson	Auto Mechanics Add.	10C	268.7		276.8	167.8	109.0		
	27	AVTI'S	Hennepin	Prog. Fac./Child Care	10	1,180.5		1,215.9	200.0	593.8	422.1	
	28	AVTI'S	Rochester	Phase II Construct	10	3,298.0		3,396.9	0.0	1,694.7	1,702.2	
	30	AVTI'S	NE Metro	Bus./Industry Addt.	10	1,454.7		1,498.3	0.0	1,218.2	280.1	
			NONDEDICATED GENERAL FUND SUBTOTAL			6,673.2	500.0	6,111.1	200.0	3,506.7	2,404.4	0.0
			DEDICATED RECEIPTS SUBTOTAL			37,258.5	0.0	37,069.1	21,383.0	13,285.7	2,400.4	0.0
NOT RECOMMENDED												
	32	AVTI'S	Systemwide	R & R "Makeup"	R&R	4,504.5	0.0	0.0	0.0			
			SUBTOTAL			4,504.5	0.0	0.0	0.0	0.0	0.0	0.0
			AVTI'S TOTAL			48,436.2	500.0	43,180.2	21,583.0	16,792.4	4,804.8	0.0

\*Recommendation has not been inflated.



EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
COMMUNITY COLLEGES												
RECOMMENDED												
	1	Comm Col	Itasca	Lib Col Ctr & Phy Ed Add	10C	7,660.0	7,660.0	3,916.5	2,156.7	1,586.8	0.0	
	3	Comm Col	Northland	Construc Expans & Remodl	10C	3,710.0	3,710.0	1,038.8	2,671.2			
	13	Comm Col	Systemwide	Asbestos Remove/Code Comp.	10	1,485.0	1,485.0	730.0	755.0			
	2	Comm Col	No Hennep	Phy Ed & Encl Walkways	10C	1,470.0	1,470.0	1,326.1	143.9			
	5	Comm Col	Willmar	Remodl Expans & Connec	10C	3,090.0	3,090.0	1,236.0	1,854.0	0.0		
	4	Comm Col	Invr Hills	Construc Expans & Remodl	10C	3,450.0	3,450.0	966.0	2,484.0			
	6	Comm Col	Normandl	Technol & Comm Serv Bldg	10C	4,930.0	4,930.0	1,972.0	2,958.0			
	7	Comm Col	Rochestr	Remodl Expans & Additions	10C	2,620.0	2,620.0	1,048.0	1,572.0			
	8	Comm Col	Hibbing	Additions & Remodeling	10C	1,240.0	1,240.0	753.8	486.2			
	9	Comm Col	Brainerd	Construc Expans & Remodl	10C	1,640.0	1,640.0	997.0	643.0			
	10	Comm Col	Mesabi	Construc Expans & Remodl	10C	1,250.0	1,250.0	760.0	490.0			
	11	Comm Col	Fergus Fls	Expansion & Remodeling	10C	2,080.0	2,080.0	832.0	1,248.0			
	12	Comm Col	Lakewood	Construction & Remodeling	10	1,250.0	1,250.0	0.0	760.0	490.0		
	13	Comm Col	Systemwide	Capital Improvement	10C	1,785.0	1,785.0	1,785.0	0.0			
	15	Comm Col	Normandale	Law Enforcmnt Trng Center	10	6,041.0	6,041.0	0.0	2,416.2	3,624.8		
	16	Comm Col	Vermillion	Construction & Remodeling	10	430.0	456.2	0.0	456.2			
NONDEDICATED GENERAL FUND SUBTOTAL						9,206.0	0.0	9,232.2	730.0	4,387.4	4,114.8	0.0
DEDICATED RECEIPTS SUBTOTAL						34,925.0	0.0	34,925.0	16,631.2	16,707.0	1,586.8	0.0
NOT RECOMMENDED												
	14	Comm Col	Systemwide	Repair & Replacement	R&R	4,250.0	0.0	0.0	0.0			
SUBTOTAL						4,250.0	0.0	0.0	0.0	0.0	0.0	0.0
COMMUNITY COLLEGE TOTAL						48,381.0	0.0	44,157.2	17,361.2	21,094.4	5,701.6	0.0

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
EDUCATION											
RECOMMENDED											
	Education	Math/Sci	Math/Science Sch. Study	10	0.0		500.0 *	500.0	0.0	0.0	0.0
NOT RECOMMENDED											
1	Education	Blind	Dow Hall/Ind.Art-Fs.Study		5.0	0.0	0.0	0.0			
2	Education	Blind/Ph Hd	Library-Feas.Study/Plans		10.0	0.0	0.0	0.0			
3	Education	Deaf	Frechette Hall-Air Cond.		225.0	0.0	0.0	0.0			
4	Education	Deaf	Noyes Hall-Inst. Elevator		100.0	0.0	0.0	0.0			
					340.0	0.0	0.0	0.0	0.0	0.0	0.0
			EDUCATION TOTAL		340.0	0.0	500.0	500.0	0.0	0.0	0.0

\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
RECOMMENDED			SCHOOL FOR THE ARTS									
1	Sch.Arts	Mpls	Sch/Rsrc Ctr Bldg & Res.	10C	30,065.0		4,229.0	4,229.0	0.0	0.0	0.0	0.0

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
STATE UNIVERSITY SYSTEM											
RECOMMENDED											
	4	State Uni Bemidji	Sattgast-Plan & Remodel	10C	4,750.0		5,039.3	2,400.0	2,639.3		
	3	State Uni Mankato	Wiecking Ctr-Remodel	10	1,350.0		1,390.5	1,390.5			
	6	State Uni Mankato	Mem. Library-Plan/Remodel	10C	9,790.0		10,386.2	1,532.0	5,520.0	3,334.2	
	2	State Uni St.Cloud	Stewart Hall Remodel	10C	7,700.0		8,168.9	3,852.0	4,316.9		
	5	State Uni St.Cloud	Constrct & Reloc Greenhse	10C	900.0		927.0	927.0			
	31	State Uni St.Cloud	New Libr. Bldg. Prg & Pln	10	170.0		175.1	175.1			
	24	State Uni Southwest	Waterproof Tunnels	10C	430.0		442.9	442.9			
	8	State Uni Winona	Appl Scien Bldg Prg/Pln/C	10	8,970.0		571.0	0.0	571.0		
	1	State Uni Statewide	Abate Haz.Mat.-Asbestos	10C	8,000.0	}	5,000.0 *	2,500.0	2,500.0		
	1	State Uni Statewide	Abate Haz.Mat.-PCB's	10C	2,000.0	}					
	9	State Uni Mankato	Trafton Hall Addition	10C	9,520.0		10,099.8	3,400.0	6,699.8		
	36	State Uni Mankato	Fieldhouse Add-Constr	10	3,860.0		78.0	78.0	0.0		
	33	State Uni Moorhead	Nemzek-Remodel & Ath Flds	10	3,210.0		68.0	68.0	0.0		
	14	State Uni St.Cloud	Rec/Sprts Fac Prg/Pln/Cns	10	8,630.0		191.0	191.0	0.0		
	21	State Uni St.Cloud	Acquire Recre Fields land	10	1,000.0		1,000.0	0.0	1,000.0		
	11	State Uni Southwest	Athletic Bldg Prg/Pln/Cns	10	6,630.0		139.0	139.0	0.0		
	18	State Uni Winona	Trk/Stadium Cmplx Prg/Pln	10	160.0		160.0	160.0			
	23	State Uni Statewide	Replace Roofs	10C	4,000.0		4,120.0	2,004.0	2,116.0		
	32	State Uni Bemidji	Clark Lib-Plan Remodel	10C	160.0		164.8	164.8			
	37	State Uni Bemidji	Glas Fldhouse-Locker Room	10C	205.0		211.2	211.2			
	43	State Uni Bemidji	Install Mech Ash Remv Sys	10C	220.0		226.6	226.6			
	15	State Uni Mankato	Clstrm/Office Bldg-Const	10C	6,560.0		6,756.8	2,836.0	3,920.8		
	29	State Uni Mankato	Improve Campus Drainage	10	220.0		226.6	0.0	226.6		
	34	State Uni Mankato	Resurface Campus Streets	10	320.0		329.6	0.0	329.6		
	36	State Uni Mankato	Air Cond Chiller Loop	10	750.0		772.5	0.0	772.5		
	39	State Uni Mankato	Nelson Hall-Rehab Vent/AC	10C	130.0		133.9	133.9			
	7	State Uni Moorhead	Hagen-Electric Dist. Sys.	10C	1,390.0		1,431.7	1,431.7			
	12	State Uni Moorhead	Reg. Science Ctr-Contst	10	1,070.0		1,102.1	0.0	1,102.1		
	16	State Uni M/M/StC/W	Enclos.Pedestrian Walkway	10C	3,630.0		3,738.9	1,504.0	1,596.0	638.9	
	19	State Uni Moorhead	Encl.Ctr Arts Courtyard	10	575.0		592.3	0.0	592.3		
	20	State Uni Moorhead	Veh.Parking Deck-Pl/const	10	2,560.0		2,636.8	0.0	2,636.8		
	40	State Uni Moorhead	Sidewalks & Landscape	10C	160.0		164.8	164.8			
	17	State Uni St.Cloud	Business Bldg Ext Repair	10C	260.0		267.8	267.8			
	22	State Uni Southwest	Clstrms & Lbs Prg/Pln/Cns	10	630.0		648.9	0.0	648.9		
	26	State Uni Southwest	Tnnis Crt Rnning Trk Rsrfr	10C	150.0		154.5	154.5			
	38	State Uni Southwest	Tuckpoint, Phase I	10C	265.0		273.0	273.0			
	28	State Uni Winona	Campus Sitework	10	850.0		875.5	0.0	875.5		
	35	State Uni Winona	Chlld Wtr Plnt/AC Pln/Cns	10	2,070.0		2,132.1	0.0	2,132.1		
	44	State Uni Winona	Phelps/Howell Hall Remodl	10	3,430.0		3,532.9	0.0	2,348.7	1,184.2	
	27	State Uni Statewide	Cap Proj Mgmt/Archtl Plnng	10C	800.0		824.0	396.0	428.0		
NONDEDICATED GENERAL FUND SUBTOTAL					48,455.0	0.0	16,621.9	2,201.6	13,236.1	1,184.2	0.0
DEDICATED RECEIPTS SUBTOTAL					59,020.0	0.0	58,532.1	24,822.2	29,736.8	3,973.1	0.0

\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
NOT RECOMMENDED											
43	State Uni	Moorhead	Storage for Haz. Chemical	R&R	90.0	0.0	0.0	0.0	0.0		
10	State Uni	Bemidji	Fitness/Rec Bldg-Const.		7,470.0	0.0	0.0	0.0	0.0		
25	State Uni	Bemidji	Bangsberg-Theatre Lights	R&R	90.0	0.0	0.0	0.0	0.0		
41	State Uni	Bemidji	Central Maint. Bldg-Repr	R&R	55.0	0.0	0.0	0.0	0.0		
13	State Uni	Metro	Consol. Univ. Center		6,600.0	0.0	0.0	0.0	0.0		
45	State Uni	St.Cloud	Tenth Str. Bridge Assess	R&R	500.0	0.0	0.0	0.0	0.0		
SUBTOTAL					14,805.0	0.0	0.0	0.0	0.0	0.0	0.0
STATE UNIVERSITY TOTAL					122,280.0	0.0	75,154.0	27,023.8	42,972.9	5,157.3	0.0

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
UNIVERSITY OF MINNESOTA											
RECOMMENDED											
	3 U of M	Twin City	Earth Sciences Bldg	10	2,975.0		2,237.4	1,352.0	885.4		
	24 U of M	Twin City	Elec Engin Bldg Renovtion	10	940.0		818.7	553.0	265.7		
	32 U of M	Twin City	Walter Lib Remod	10	4,000.0		2,923.7	1,500.0	1,423.7		
	1 U of M	Twin City	Grn Hal Rmodl Phs II Cnst	10	4,795.0		4,747.1	3,836.4	910.7		
	10 U of M	Twin City	Amundson Hall Phs II Pt 2	10C	5,495.0		5,440.1	1,986.4	3,453.7		
	11 U of M	Twin City	Anml Wst Rcovry (Rmaindr)	10C	660.0		615.8	413.0	202.8		
	4 U of M	Health Sci.	Vac Hosp Spc Reno Wrk Drw	10	1,020.0		891.0	324.6	566.4		
	13 U of M	Systemwide	PCB Remov: Phs II of III	10C	4,800.0	}	4,400.0 *	1,760.0	1,760.0	880.0	
	12 U of M	Systemwide	Fire and Life Safety	10C	1,750.0	}					
	14 U of M	Systemwide	Asbestos Trtment & Remov	10C	1,500.0	}					
	16 U of M	Systemwide	Upgrd Physically Handicpp	10C	1,600.0	}					
	36 U of M	Twin City	Ag Chem Stor & Mach Stor	10C	1,480.0		1,388.0	1,041.0	347.0		
	18 U of M	Duluth	Boiler Rplcment Util Ser	10C	1,770.0		1,752.3	439.2	1,313.1		
	37 U of M	Duluth	Plumb Rplcment Phs 1 of 3	10C	668.0		640.3	116.9	418.8	104.6	
	2 U of M	Twin City	Bio Sci Ctr Add Drwngs	10	1,370.0	}	250.0	0.0	250.0		
	23 U of M	Health Sci.	Plan for Biomed Basic Sci.	10	4,855.0	}	0.0	0.0	0.0		
	6 U of M	Twin City	Fraser Hall Remodl	10C	900.0		786.1	506.7	279.4		
	32 U of M	Twin City	Wilson Lib Remod	10	1,830.0		1,782.0	0.0	823.5	958.5	
	8 U of M	Twin City	Upgrde Genl Purp Classrms	10	3,075.0		2,827.4	0.0	1,183.0	1,644.4	
	9 U of M	Twin City	Applby Hall Add & Remodl	10C	6,633.0		6,566.7	3,061.2	3,061.2	444.3	
	11 U of M	Twin City	StP/Rsemnt Anml Sci Ph II	10C	7,460.0		5,756.9	4,826.8	930.1		
	33 U of M	Twin City	Folwell Hall Rmodl Phs II	10C	2,270.0		2,087.9	386.4	579.6	1,121.9	
	41 U of M	Twin City	Ferguson Hall Addition	10C	1,835.0		1,701.8	961.4	740.4		
	22 U of M	Twin City	Archit Renovation & Add	10C	14,700.0		13,116.5	423.9	2,874.1	9,818.5	
	17 U of M	Twin City	Outdr Lghtng & Phone Util	10C	700.0		679.1	244.0	435.1		
	26 U of M	Twin City	GRID ICES - Heating Plant	10C	3,000.0		3,000.0 *	180.0	1,880.0	940.0	
	29 U of M	Twin City	Rosemount Waste Clean up	10C	6,000.0		6,000.0 *	2,750.0	3,000.0	250.0	
	66 U of M	Twin City	Falcon Hghts Rd Imprv Ass	10C	200.0		200.0 *	200.0			
	67 U of M	Twin City	Water Distrib, Mpls	10C	432.0		425.7	395.0	30.7		
	68 U of M	Twin City	Water Distrib, St. Paul	10C	362.0		357.4	305.8	51.6		
	81 U of M	Twin City	Steam Line, St. Paul	10C	115.0		115.0 *	115.0	0.0		
	5 U of M	Health Sci.	Vet.Diagnostic Lab-Draw	10C	515.0		481.1	481.1	0.0		
	25 U of M	Health Sci.	Elec/Mech Upgrade	10	6,500.0		6,332.0	0.0	1,699.8	4,632.2	
	28 U of M	Systemwide	Landscape Develop	10C	2,500.0		2,500.0 *	855.0	1,645.0		
	63 U of M	Duluth	UMD Medic Schl Add Drwngs	10C	180.0		158.4	108.0	50.4		
	65 U of M	Duluth	FreshWater Res. Bldg.	10C	90.0		89.1	89.1			
	19 U of M	Duluth	Math/Geol Bldg Add Const	10C	2,270.0		2,086.9	756.9	1,009.2	320.8	
	20 U of M	Duluth	Bohannon Hall Addition	10C	2,400.0		2,205.7	800.1	1,066.8	338.8	
	44 U of M	Duluth	Plnt Serv Gar/Rep/Stor Ad	10C	350.0		334.6	226.6	108.0		
	61 U of M	Duluth	Unified Cmps Entr/Stud Ct	10C	3,000.0		2,703.7	677.6	1,161.6	864.5	
	62 U of M	Duluth	Cmps Imprv Sewr/Strt/Lght	10C	948.0		948.0 *	390.9	557.1		
	74 U of M	Duluth	High Pressure Steam Line	10C	304.0		304.0 *	140.8	163.2		
	76 U of M	Duluth	Electrical	10C	567.0		567.0 *	471.0	96.0		
	31 U of M	Morris	Stud Union/Phs I Reno Drw	10C	240.0		209.9	119.9	90.0		

\*Recommendation has not been inflated.

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
78	U of M	Morris	City Assessments	10C	3.0		3.0 *	3.0			
30	U of M	Crookston	AG Operation Mgmt Ctr Drw	10C	230.0		200.0	200.0	0.0		
42	U of M	Crookston	Link-Selv/Hil/Own/Bede/Fd	10C	795.0		752.4	415.2	337.2		
21	U of M	Waseca	Rec Sprts/Phy Ed Add Drw	10C	465.0		235.0	235.0			
64	U of M	Waseca	Campus Ctr/Food Service	10C	250.0		217.8	116.9	100.9		
34	U of M	Waseca	AG Laboratories Reno Cnst	10C	1,070.0		1,002.9	669.0	333.9		
59	U of M	Waseca	City Assess Util & Serv	10C	82.0		82.0 *	82.0			
58	U of M	Becker	Fert./Chem. Storage	10C	148.0		138.6	99.0	39.6		
47	U of M	Excelsior	Greenhouse	10C	356.0		333.6	223.0	110.6		
49	U of M	Cloquet	Commons/Classrm Addition	10C	367.0		344.5	229.0	115.5		
53	U of M	Crookston	Grain/Feed Handling Fac.	10C	470.0		445.5	313.0	132.5		
51	U of M	Lamberton	Machine Shop Serv. Bldg	10C	196.0		192.1	123.0	69.1		
48	U of M	Morris	Grain & Feed Handling	10C	230.0		217.8	164.0	53.8		
56	U of M	Morris	Agronomy/Hort. Res. Facil.	10C	146.0		138.6	122.0	16.6		
52	U of M	Waseca	Truck/Tract/Eq. Stor Bldg	10C	171.0		163.4	157.3	6.0		
43	U of M	Austin	Machine Shop	10C	165.0		156.4	110.4	46.0		
40	U of M	Austin	Provide Library Space	10C	145.0		137.6	97.2	40.4		
77	U of M	Bethel	Land Assessments	10C	44.0		44.0 *	44.0			
35	U of M	All Exp.Stat.	Elec/Water & Sewer Improv.	10C	178.0		178.0 *	94.1	83.9		
35	U of M	All Exp.Stat.	Other Services	10C	928.0		928.0 *	346.7	581.3		
	U of M		Humphrey Institute	10C	1,500.0		1,545.0	1,000.0	400.0	145.0	
	U of M		MN Center for Victims	10C	1,054.0		999.0	63.8	935.2		
NONDEDICATED GENERAL FUND SUBTOTAL					36,210.0	0.0	22,809.3	7,566.0	8,008.2	7,235.1	0.0
DEDICATED RECEIPTS SUBTOTAL					81,837.0	0.0	76,073.2	30,137.3	30,707.5	15,228.4	0.0
NOT RECOMMENDED											
11	U of M	Twin City	Rosemount Dairy Res.		3,770.0		0.0	3,770.0			
39	U of M	Crookston	Wtrmain Sanit Sewr Rehab	R&R	167.0		0.0	104.3			
79	U of M	Waseca	Steam and Water Lines	R&R	177.0		0.0	141.6			
72	U of M	Systemwide	Energy Conserv Project	R&R	263.0		0.0	170.5			
38	U of M	Morris	Old Mus Bldg Roof Rep Srv	R&R	84.0		0.0	84.0			
60	U of M	Morris	Heating Plnt Feasib Study	R&R	25.0		0.0	25.0			
70	U of M	Morris	Street Replace. and Rep.	R&R	201.0		0.0	63.1			
73	U of M	Morris	Rplc Sanit Sewer Lines	R&R	91.0		0.0	10.6			
69	U of M	Waseca	Road Improvements	R&R	25.0		0.0	0.0			
75	U of M	Waseca	Parking Lot	R&R	89.0		0.0	0.0			
50	U of M	Cloquet	Dining Hall Remod. Ph II	R&R	100.0		0.0	63.0			
54	U of M	Cloquet	Living Quarters Add.	R&R	87.0		0.0	51.0			
55	U of M	Cloquet	Garage/Veh. Service Bldg	R&R	90.0		0.0	60.0			
80	U of M	Austin	Stor.Area-Remod to Labs	R&R	110.0		0.0	73.2			
71	U of M	Cloquet	Forest Road	R&R	45.0		0.0	45.0			
57	U of M	Rosemount	Grain Stor & Handlin Fac.	R&R	150.0		0.0	107.0			
7	U of M	Twin City	Rec Sports/Phys Educ		16,290.0		0.0	4,311.9	5,749.2		
15	U of M	Twin City	Boiler Rpicement St Paul	R&R	2,000.0		0.0	0.0	0.0	0.0	
27	U of M	Twin City	Plant Loan	R&R	1,000.0		0.0	0.0	0.0	0.0	

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\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
	45 U of M	Gr.Rapids	Land Purchase		75.0		0.0	75.0				
	46 U of M	Gr.Rapids	Machine Stor/Crops Lab.		362.0		0.0	226.0	136.0			
			SUBTOTAL		25,201.0	0.0	0.0	9,381.2	5,885.2	0.0		0.0
			UNIVERSITY OF MN TOTAL		143,248.0	0.0	98,882.6	47,084.5	44,600.9	22,463.6		0.0



GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
ADMINISTRATION											
RECOMMENDED											
	1 Adminis	Cap.Complex	Centennial Bldg Renov.	10	13,295.8		13,694.7	5,128.0	5,870.0	2,696.7	
	3 Adminis	Cap.Complex	Capitol Square Remodel	10	954.0		982.6	982.6			
	4 Adminis	Statewide	Handicapped Access	10	4,400.0	}	5,000.0 *	2,500.0	2,500.0		
	5 Adminis	Statewide	Asbestos Removal/Contain	10	4,500.0	}					
	6 Adminis	Cap.Complex	Capitol Restor/Phas III	10	3,777.0		3,890.3	2,117.5	1,772.8		
	7 Adminis	Statewide	State Bldg Conting Acct	10	800.0		800.0 *	800.0			
	8 Adminis	Cap.Complex	Mech Arts Demol/Asbes Rmv	10	421.0		433.6	433.6			
	9 Adminis	Cap.Complex	Wmens His Ctr Dev Pre Pln	10	187.0		192.6	192.6			
	10 Adminis	Cap.Complex	Vets Service Reroof Bldg	10	136.0		140.1	140.1			
	14 Adminis	Cap.Complex	Trnsp Asbes Rmov/Ceil Rpl	27	4,334.0	4,464.0					
	12 Adminis	Govs Mansion	Ceremonial Hse-Bldg Improv	10	181.5		181.5	181.5			
	2 Adminis	Cap.Complex	Agency Relocation	10	6,013.3	2,541.2		0.0			
	0 Adminis	Cap.Complex	Bldg. Fund Payroll	10	624.2		624.2 *	312.1	312.1		
	20 Adminis	Cap.Complex	Transp Bldg Improvements	27	196.0	201.9					
	11 Adminis	Cap.Complex	Capitol Replace Conc Plz	10	324.6		334.3	171.1	163.2		
	18 Adminis	Cap.Complex	Admin Dept Comb Serv Ctr	10	16,111.2		940.0	940.0	0.0	0.0	
	24 Adminis	Silver Bay	Silver Bay Vet Home Study	10	50.0		50.0 *	50.0			
			NONDEDICATED GENERAL FUND SUBTOTAL		51,971.6	2,541.2	27,263.9	13,949.1	10,618.1	2,696.7	0.0
			TRUNK HIGHWAY FUND SUBTOTAL	27	4,334.0	4,665.9	0.0	0.0	0.0	0.0	0.0
NOT RECOMMENDED											
	21 Adminis	Cap.Complex	Sep.Storm & Sanit. Sewer		1,125.0		0.0	0.0	0.0		
	15 Adminis	Cap.Complex	Repairs & Replacement	R&R	907.5		0.0	907.5			
	16 Adminis	Statewide	Energy Conservation Dev.		715.0		0.0	546.0	223.0		
	17 Adminis	Cap.Complex	Land Acquisition		7,500.0		0.0	7,500.0			
	19 Adminis	Cap.Complex	Hlth Laboratory Remodel		996.0		0.0	691.0	305.0		
	22 Adminis	Cap.Complex	Hlth Ventil Sys Modific		240.0		0.0	240.0			
	23 Adminis	Cap.Complex	Vets Serv Vestib Elev Ren		180.5		0.0	180.5			
	25 Adminis	Cap.Complex	Replace St.Paul Armory		7,552.6		0.0				
	13 Adminis	Statewide	Facilities Study		110.0		0.0	100.0	10.0		
			SUBTOTAL		19,326.6	0.0	0.0	10,165.0	538.0	0.0	0.0
			NonDedicated General Fund		71,102.2	2,541.2	27,263.9	24,114.1	11,156.1	2,696.7	0.0
			Trunk Highway Fund Subtotal		4,530.0	4,665.9	0.0	0.0	0.0	0.0	0.0
			ADMINISTRATION TOTAL		75,632.2	7,207.1	27,263.9	24,114.1	11,156.1	2,696.7	0.0

\*Recommendation has not been inflated.

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
	1 Agri.	Waseca	Prog Devel - FarmAmerica	10	2,052.0	0.0	2,113.6	550.0	681.2	882.4	0.0

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GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
			CAAPB								
1	CAAPB	Cap. Complex	Mall Landscp-Plan/Site Prp	10	16,438.0		1,200.0	1,200.0	0.0	0.0	0.0
			SUBTOTAL		16,438.0	0.0	1,200.0	1,200.0	0.0	0.0	0.0
NOT RECOMMENDED											
2	CAAPB	Cap. Complex	Parking Facility		10,940.0		0.0	4,376.0	4,376.0	2,188.0	
3	CAAPB	Cap. Complex	Implement Strategy Devel.		50.0		0.0	50.0			
			SUBTOTAL		10,990.0	0.0	0.0	4,426.0	4,376.0	2,188.0	0.0
			CAAPB TOTAL		27,428.0	0.0	1,200.0	5,626.0	4,376.0	2,188.0	0.0

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
CORRECTIONS											
RECOMMENDED											
	2 Correct.	Red Wing	Boiler Retrofit/Convers.	10	150.0		103.0	103.0			
	1 Correct.	St. Cloud	Fire/Life Safety Projects	10	150.0		154.5	78.2	76.3		
	4 Correct.	Stillwater	Screen Cell Hall Windows	10	444.7		458.0	458.0			
	5 Correct.	Lino Lake	"Q" Bldg Addition	10	200.0		206.0	206.0			
	3 Correct.	St. Cloud	Boiler Retro./Eff. Burner	10	93.5		96.3	96.3			
	8 Correct.	Sauk Ctr	Sullivan Cottage Remodel	10	183.0		194.1	0.0	194.1		
	9 Correct.	Stillwater	Ind Stor Bldg for Steel	10	159.2		168.9	0.0	168.9		
	6 Correct.	Thistledeu	Program Activity Center	10	132.4		140.5	0.0	140.5		
	12 Correct.	Stillwater	Auditorium Conversion	10	1,701.8		1,805.4	0.0	866.1	740.0	199.3
			NONDEDICATED GENERAL FUND SUBTOTAL		3,214.6	0.0	3,326.7	941.5	1,445.9	740.0	199.3
NOT RECOMMENDED											
	7 Correct.	St. Cloud	Vocation Cluster Bldg Add.		1,238.4		0.0	811.6	464.0		
	13 Correct.	Lino Lake	Truck Gate Delivery Dock		66.9		0.0	2.0	64.9		
	18 Correct.	Red Wing	Cottage Expansion		230.0		0.0	230.0			
	10 Correct.	St. Cloud	Veh.Stor./Grnd Main. Bldg		343.4		0.0	241.7	101.7		
	19 Correct.	St. Cloud	Admin. Office Remodel		750.6		0.0	528.2	222.4		
	11 Correct.	Sauk Ctr	Remodl/Consolidate School		310.2		0.0	270.0	40.2		
	14 Correct.	Stillwater	Air Exchg Sys-Admin Bldg		478.0		0.0	478.0			
	15 Correct.	Stillwater	Health Center Addition		196.2		0.0	196.2			
	17 Correct.	Stillwater	Manuf./Assembly Room		104.5		0.0	104.5			
	16 Correct.	Willow Riv	Addition to Barrack		218.0		0.0	218.0			
			SUBTOTAL		3,936.2	0.0	0.0	3,080.2	893.2	0.0	0.0
			CORRECTIONS TOTAL		7,150.8	0.0	3,326.7	4,021.7	2,339.1	740.0	199.3

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GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
			COURTS, SUPREME									
RECOMMENDED			Judicial Building	10	41,213.0		40,570.9	0.0	10,000.0	14,117.6	16,453.3	

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
DEPT. TRADE & ECONOMIC DEVELOPMENT											
RECOMMENDED											
	DTED		Duluth Zoo	10	7,200.0		7,200.0 *	2,880.0	2,880.0	1,440.0	
	DTED		Duluth Convention Center	10	1,876.5		1,876.5 *	938.3	938.2		
	DTED	Olympic	Olympic Facilities	10C	39,700.0		35,045.0 *	10,150.0	10,495.0	6,200.0	8,200.0
			NONDEDICATED GENERAL FUND	10	9,076.5	0.0	9,076.5	3,818.3	3,818.2	1,440.0	0.0
			DEDICATED RECEIPTS SUBTOTAL	10C	39,700.0	0.0	35,045.0	10,150.0	10,495.0	6,200.0	8,200.0

\*Recommendation has not been inflated.

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GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
HISTORICAL SOCIETY											
RECOMMENDED											
1	Hist Soc	Cap.Complex	State History Center	10	53,705.3		56,108.4	2,840.0	26,493.7	24,285.9	2,488.8
2	Hist Soc	Cap.Complex	Labor History Center	10	11,133.4		503.3	503.3	0.0	0.0	
3	Hist Soc	Mille Lacs	Indian Museum & Cult. Ctr	10	4,969.5		5,272.1	0.0	150.0	3,500.0	1,622.1
7	Hist Soc	Hastings	LeDuc Historical Site	10	392.4		404.2	50.0	200.0	154.2	
8	Hist Soc	Preston	Meighen Store Hist. Site	10	381.5		392.9	50.0	200.0	142.9	
	Hist Soc	Moorhead	Red River Valley Hert.Ctr	10	0.0	390.0	0.0 *	0.0	0.0		
NONDEDICATED GENERAL FUND SUBTOTAL					70,582.1	390.0	62,680.9	3,443.3	27,043.7	28,083.0	4,110.9
NOT RECOMMENDED											
4	Hist Soc	F. Snelling	Fort Snelling		436.0		0.0		436.0		
5	Hist Soc	St. Paul	Alex. Ramsey House		602.6		0.0		300.0	302.6	
6	Hist Soc	St. Paul	James J. Hill House		426.6		0.0	100.0	326.6		
9	Hist Soc	Little Falls	Lindbergh-Permanent Exh.		150.0		0.0	100.0	50.0		
10	Hist Soc	Morton	The Dakota-Permanent Exh.		150.0		0.0	100.0	50.0		
11	Hist Soc	Intrnl Fls	Grand Mound		50.0		0.0		50.0		
12	Hist Soc	M.St.Croix	Marine Mill Site		50.0		0.0		50.0		
13	Hist Soc	Mendota	Sibley House Complex		500.0		0.0		250.0	250.0	
SUBTOTAL					2,365.2	0.0	0.0	300.0	1,512.6	552.6	0.0
HISTORICAL SOCIETY TOTAL					72,947.3	390.0	62,680.9	3,743.3	28,556.3	28,635.6	4,110.9

\*Recommendation has not been inflated.

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
HUMAN SERVICES											
RECOMMENDED											
1	Hum.Serv.	Systemwide	Life Safety	10	570.0		587.1	587.1			
2	Hum.Serv.	Brainerd	Replace Water Line Bldg 1	10	750.0		772.5	772.5			
3	Hum.Serv.	Faribault	Prim. Electrical Upgrade	10	500.0		515.0	515.0			
5	Hum.Serv.	Systemwide	Chemical Dep. Prog Remodel	10	500.0		515.0	515.0			
4	Hum.Serv.	Systemwide	Ventilation	10	2,832.0		800.0 *	100.0	700.0		
NONDEDICATED GENERAL FUND SUBTOTAL					5,152.0	0.0	3,189.6	2,489.6	700.0	0.0	0.0
NOT RECOMMENDED											
6	Hum.Serv.	Ah-Gwah-Ch	Replace Boilers		540.0		0.0	540.0			
7	Hum.Serv.	Ah-Gwah-Ching	1st Fl,D,E.&Serv Bldg-Remd		330.0		0.0	330.0			
N.A.	Hum.Serv.	Vinland	Retire Mortgage		1,000.0		0.0	1,000.0			
SUBTOTAL					1,870.0	0.0	0.0	1,870.0	0.0	0.0	0.0
HUMAN SERVICES TOTAL					7,022.0	0.0	3,189.6	4,359.6	700.0	0.0	0.0

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GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
			IRRRB									
RECOMMENDED												
1		IRRRB	Iron World	10I	9,000.0		9,000.0 *	1,400.0	4,500.0	3,100.0	0.0	

\*Recommendation has not been inflated.

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
NOT RECOMMENDED												
	1	Mil Affrs.	Cmp Ripley New Armory	10	2,387.1		2,458.7	0.0	1,911.6	547.1		0.0

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		BONDED CASH FLOW REQUIREMENT			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
NATURAL RESOURCES											
	2	Nat.Res. Brainerd	Service Ctr. - Completion	10	110.0		113.3	113.3			
	5	Nat.Res. Statewide	Chemical Storage Buildings	10	500.0		300.0	300.0			
	6	Nat.Res. Hibbing	Construct Core Library	10	250.0		265.2	0.0	265.2		
	9	Nat.Res. Metro Region	Reconstruct Flat Roof	10	82.5		85.0	85.0			
	1	Nat.Res. Statewide	Consolidate Field Offices	10	1,660.0		360.0 *	180.0	180.0		
	4	Nat.Res. Statewide	Minor Bldg-Const/Rem./Add.	10	411.0		423.3	137.0	286.3		
	1	Dam Safety Systemwide	Anal./Design/Repair-Dams	10	150.0	}	1,005.0 *	550.0	455.0		
	7	Dam Safety Wright Cty.	Berning Mill Dam	10	60.0	}					
	10	Dam Safety Anoka	Coon Rapids Dam	10	250.0	}					
	9	Dam Safety Ely	Fall Lake Dam	10	100.0	}					
	2	Dam Safety Heron Lake	Heron Lake Dam	10	110.0	}					
	12	Dam Safety	Kornis Lake Dam	10	100.0	}					
	4	Dam Safety	Moose River Project	10	195.0	}					
	14	Dam Safety Morristown	Morristown Dam	10	25.0	}					
	11	Dam Safety	Mud Lake Dam	10	150.0	}					
	8	Dam Safety	Pickwick Dam-Erosion Dike	10	250.0	}					
	5	Dam Safety Redwood Fall	Redwood Falls Dam	10	80.0	}					
	6	Dam Safety	Tamarac River Dam	10	60.0	}					
	13	Dam Safety	Zumbro River Dam	10	570.0	}					
	3	Dam Safety Flood Cntrl	Sm. Flood Proj.& Red River	10	3,040.0		3,040.0 *	440.0	2,600.0		
		Outdoor Rec Forestry	Improvements	10	1,000.0	}	8,000.0 *	3,000.0	5,000.0		
		Outdoor Rec Forestry	Acquisition	10	2,000.0	}		0.0	0.0		
		Outdoor Rec Forestry	Forest Roads	10	1,500.0	}		0.0	0.0		
		Outdoor Rec Parks	Improvements	10	6,000.0	}		0.0	0.0		
		Outdoor Rec Parks	Acquisition	10	2,000.0	}		0.0	0.0		
		Outdoor Rec Wildlife	Acquisition/Water Bank	10	2,900.0	}		0.0	0.0		
		Outdoor Rec Wildlife	Improvements	10	500.0	}		0.0	0.0		
		Outdoor Rec Wildlife	Acquisition / SNA	10	800.0	}		0.0	0.0		
		Outdoor Rec Wildlife	Improvements / SNA	10	150.0	}		0.0	0.0		
		Outdoor Rec Fisheries	Acquisition	10	100.0	}		0.0	0.0		
		Outdoor Rec Fisheries	Boswell Aquaculture Fac.	10	1,000.0	}		0.0	0.0		
		Outdoor Rec Trail/Water	Water Access Acq./Improv	10	1,850.0	}		0.0	0.0		
		Outdoor Rec Trail/Water	Trail Improvements	10	5,150.0	}		0.0	0.0		
		Outdoor Rec Other	Timber Wolf Center	10	3,910.0		4,027.3	3,000.0	1,027.3		
		Outdoor Rec Other	RR at Tower Soudan St.Park	10	900.0		927.0	927.0	0.0		
	3	Nat.Res. LCMR	Outdoor Rec. Grants	10	5,000.0		3,000.0 *	1,500.0	1,500.0		
	3	Nat.Res. Bemidji	Reg/Area/Dist. Consolida.	10	2,612.0		2,771.1	0.0	2,480.0	291.1	
	1	Metro Cncl Outdoor Rec	Rec. Open Space Acq/Devel	10	25,000.0		9,000.0 *	4,500.0	4,500.0		
	2	Metro Cncl Outdoor Rec	Lake Minnetonka Acq./Dev	15	6,000.0		6,000.0 *	3,000.0	3,000.0		
			NONDEDICATED GENERAL FUND	10	70,525.5	0.0	33,317.2	14,732.3	18,293.8	291.1	0.0
			CONTAINER TAX SUBTOTAL	15	6,000.0	0.0	6,000.0	3,000.0	3,000.0	0.0	0.0

NOT RECOMMENDED

\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT.	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
14	Nat.Res.	Brainerd	Air Tanker Base - Complt.		55.0		0.0	55.0				
13	Nat.Res.	Carl.Averery	Remodel Bldg/Chem. Lab.		135.0		0.0	135.0				
8	Nat.Res.	Ely/Spicer	Fish & Wildlife Res./Off.		1,984.0		0.0	1,885.0	99.0			
10	Nat.Res.	Int. Falls	Office Expansion		85.0		0.0	85.0				
7	Nat.Res.	Lake City	Remodel Off./Elim. Water		75.0		0.0	75.0				
11	Nat.Res.	Lewiston For.	Forestry Hdqt-Office Space		97.0		0.0	97.0				
12	Nat.Res.	New Ulm	Office Addition		325.0		0.0	325.0				
SUBTOTAL					2,756.0		0.0	2,657.0	99.0		0.0	0.0
NATURAL RESOURCES TOTAL					73,281.5		0.0	39,317.2	20,389.3	21,392.8	291.1	0.0

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
			POLLUTION CONTROL								
	1 PCA		Ind. St Const Grant Prog	56	53,813.6	800.0	72,287.6 *	4,508.0	17,738.0	25,020.8	25,020.8
	2 PCA		Comb Swr OvrFlw Grnt Ln Pg	56	16,547.0		}				
	4 PCA		St Mtch Fed Revolv Ln Prg	56	3,346.0		}				
	3 PCA		Clean Wtr Partnership Prg	56	10,000.0	2,000.0					
			POLLUTION CONTROL TOTAL		83,706.6	2,800.0	72,287.6	4,508.0	17,738.0	25,020.8	25,020.8

\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
	1	Pub.Sfty	Radio Comm.Ctr-Planning	27	102.6	102.6					*

\*Recommendation has not been inflated.

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
RECOMMENDED			REINVEST IN MINNESOTA									
	RIM		Reinvest in Minnesota	15	36,000.0		36,000.0 *	16,000.0	20,000.0	0.0	0.0	

\*Recommendation has not been inflated.

EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991	
TRANSPORTATION												
RECOMMENDED												
	1	Transp.	Road/Bridge	Local Road Bridge Replac	10	16,000.0		5,000.0 *	2,500.0	2,500.0		
NOT RECOMMENDED												
	2	Transp.	Bikeway	Bikeway Construction		2,000.0		0.0	1,900.0	100.0		
NONDEDICATED GENERAL FUND SUBTOTAL					18,000.0	0.0	5,000.0	4,400.0	2,600.0	0.0	0.0	
RECOMMENDED												
	12	Transp.	Adrian	Truck Station	27	390.0	413.8					
	7	Transp.	Arden Hills	Truck Station Addition	27	560.0	594.1					
	10	Transp.	Austin	Truck Station	27	650.0	689.6					
	17	Transp.	Bear Creek	Rest Area	27	31.5	32.4					
	2	Transp.	Bemidji	District Hdqtrs - Design	27	250.0	257.5					
	1	Transp.	Brainerd	District Hdqtrs - Design	27	250.0	257.5					
	18	Transp.	Breckenridge	Truck Station Addition	27	85.0	90.2					
	9	Transp.	Camp Release	Rest Area	27	31.5	32.4					
	11	Transp.	Duluth	District Hdqtrs - Addn.	27	2,432.0	2,580.1					
	4	Transp.	Hayward	Rest Area	27	216.0	222.5					
	16	Transp.	Maple Lake	Rest Area	27	31.5	33.4					
	6	Transp.	Marshall	Truck Station/Repair-Plan	27	50.0	51.5					
	3	Transp.	Metro Area	Central Laboratory/Res.	27	4,400.0	4,668.0					
	8	Transp.	Motley	Rest Area	27	31.5	32.4					
	13	Transp.	Park Rapids	Truck Station	27	400.0	424.4					
	15	Transp.	Red Wing	Truck Station	27	400.0	412.0					
	14	Transp.	Rochester	Dist. Hdqtrs - Remodeling	27	550.0	566.5					
	20	Transp.	Tofte	Rest Area	27	31.5	33.4					
	5	Transp.	Statewide	Chemical Storage Sheds	27	200.0	206.0					
	19	Transp.	Statewide	Cold Storage Building	27	150.0	154.5					
	21	Transp.	Statewide	Land Acquisition	27	265.0	273.0					
	22	Transp.	Bemidji	Rest Stop	27	250.0	250.0					
	23	Transp.	Cannon Falls	Rest Stop	27	192.0	192.0					
TRUNK HIGHWAY FUND SUBTOTAL					11,847.5	12,467.2	0.0	0.0	0.0	0.0	0.0	
TRANSPORTATION TOTAL					29,847.5	12,467.2	5,000.0	4,400.0	2,600.0	0.0	0.0	

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\*Recommendation has not been inflated.



EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec. Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	AGENCY REQUEST	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----			
						DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
RECOMMENDED											
VETERANS AFFAIRS											
1	VetAffair	VetHomeMpls	Food Service Renovation	10	500.0		515.0	515.0			
2	VetAffair	VetHomeMpls	Demol. Bldgs 5,7,13,12B,12C	10	250.0		257.5	257.5			
4	VetAffair	VetHomeMpls	Demol. Bldgs 1,2,4	10	275.0		283.3	283.3			
3	VetAffair	VetHomeMpls	Replace Bldg 7 (Whse)	10	1,234.0		1,271.0	65.0	1,206.0		
5	VetAffair	VetHome-Mpls	Tunnel/Walkway	10	1,200.0		1,236.0	45.0	1,191.0		
10	VetAffair	VetHome-Mpls	Renovate Bldg 10	10	1,030.0		1,060.9	1,060.9			
6	VetAffair	VetHome-Mpls	Low Pres/Elec. Distrib.	10	700.0		721.0	20.0	701.0		
8	VetAffair	VetHome-Mpls	Campus Lighting	10	40.0		41.2	41.2			
9	VetAffair	VetHome-Mpls	Area Landscaping	10	75.0		79.6	0.0	79.6		
11	VetAffair	VetHome-Mpls	Bridge Renovation	10	785.0		808.6	808.6			
NONDEDICATED GENERAL FUND SUBTOTAL					6,089.0	0.0	6,274.1	3,096.5	3,177.6	0.0	0.0
NOT RECOMMENDED											
7	VetAffair	VetHome-Mpls	Nursing Care Beds		1,360.0		0.0	116.0	1,244.0		
SUBTOTAL					1,360.0	0.0	0.0	116.0	1,244.0	0.0	0.0
VETERANS AFFAIRS TOTAL					7,449.0	0.0	6,274.1	3,212.5	4,421.6	0.0	0.0






EXHIBIT A

GOVERNOR'S RECOMMENDATIONS  
1987 - 1989 CAPITAL BUDGET

AGENCY PRIORITY	AGENCY Sec.Seq.	PROGRAM	PROJECT DESCRIPTION	FUND NUMBER	GOVERNOR'S RECOMM.		-----BONDED CASH FLOW REQUIREMENT-----				
					AGENCY REQUEST	DIRECT	BOND	FY 1988	FY 1989	FY 1990	FY 1991
NOT RECOMMENDED			WASTE MANAGEMENT								
	1	Wst Mgmt	Grnts-n-Aid/Solid Wst Fac		5,000.0			0.0	0.0	0.0	

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DATE	ISSUED TO
	<i>Gov. V. W. ...</i>
	
	

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