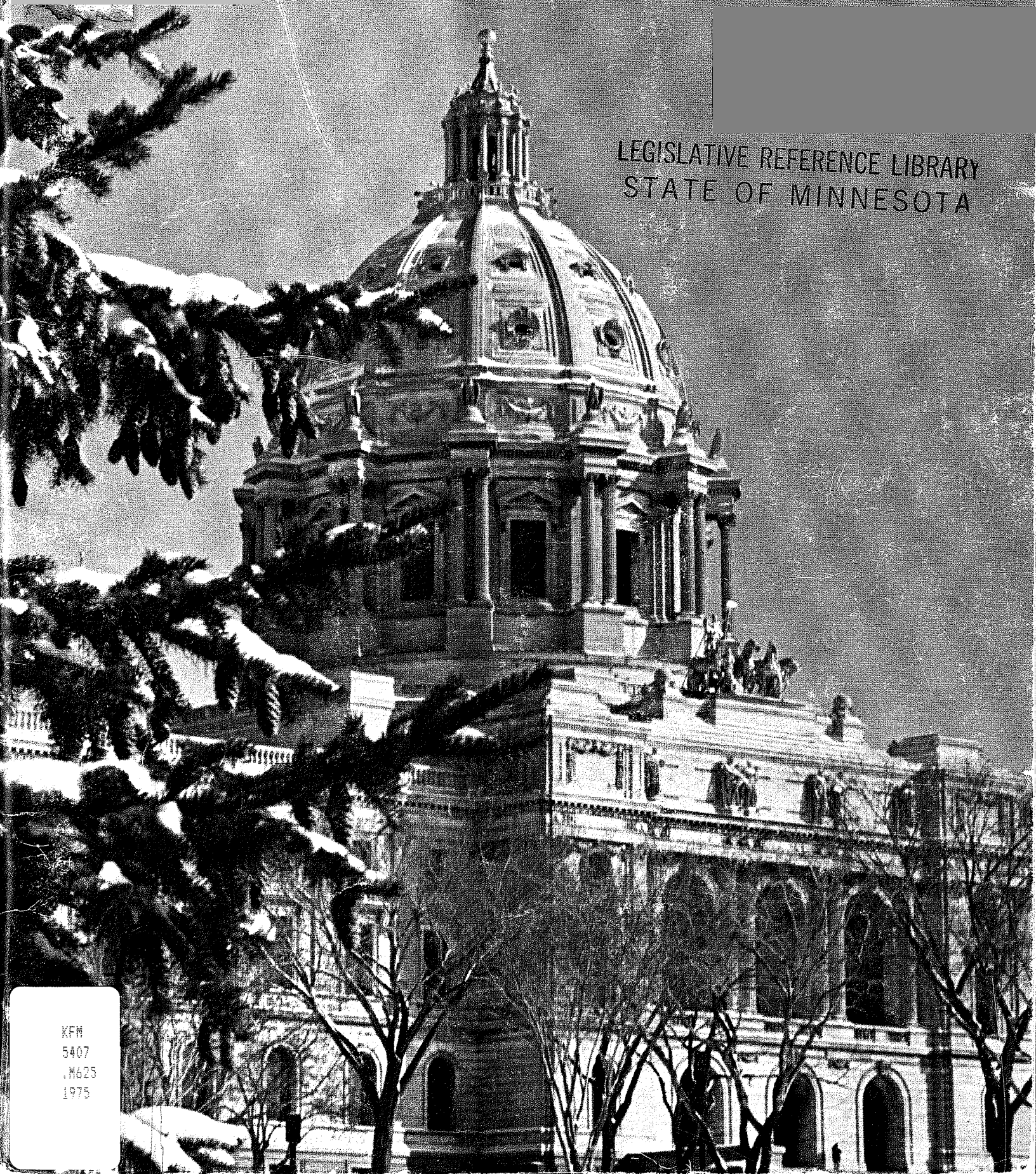


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MINNESOTA STATE SENATE  
VIEW of the 1975 LEGISLATIVE SESSION

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MINNESOTA STATE SENATE

A FISCAL REVIEW

of the

1975 LEGISLATIVE SESSION



December, 1975

#### ACKNOWLEDGMENTS

The Minnesota State Senate is deeply grateful to all who graciously helped to make the Fiscal Review as informative as possible.

An especial "thank you" is extended to Mr. Wally Kammann of Minneapolis for permission to use his color photograph of the State Capitol dome for the cover of this publication.

## Foreword

Legislative Fiscal Review 1975 is intended to provide the public with accurate and current information about government spending and to explain the major state programs funded by the Legislature in 1975.

Allocating resources is the most important and difficult task performed by the Legislature. The laws which form the basis for this review are the result of hundreds of hours of public testimony and legislative debate. Each item funded was scrutinized to assure that it would be the most effective use of public dollars and that it would provide services or assistance where needed.

This publication, prepared by the staff of the Senate Finance Committee, does not summarize all the actions of the Minnesota Legislature. Rather, it is restricted to items with direct and substantial fiscal impact on the State.

It is our belief that the Legislature must make an accounting of its actions to the people of this state. This publication is intended to help fulfill that purpose.



Nicholas D. Coleman  
Majority Leader  
Minnesota State Senate

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# I. HIGHLIGHTS OF THE 1975 SESSION

Spending for the 1975-77 biennium is estimated to reach a high of \$7,236,451,524 — or \$611,310,064 over a similar estimate made for the 1973-75 fiscal period. Of the total, the General Fund portion is \$5,077,849,069; other state funds, \$973,039,161; and federal funds, \$1,185,563,294.

Here is how the money will be spent:

For education, \$2,706,542,882; for welfare, corrections and health, \$1,393,768,918; for highways and mass transit, \$803,526,600; for other executive branch functions, \$446,882,872; for tax relief, shared taxes, and aids to local units of government, \$1,319,904,446; for the legislative branch, \$32,103,462; for the judicial branch, \$9,506,161; for retirement funds, \$11,420,545; for income tax refunds, \$335,550,000 and for miscellaneous purposes, \$177,245,641.

## Property Tax Relief

The state will increase its funding of the non-Federal share of Medical Assistance from 50% to 90% and its funding of General Assistance-Medical from nothing to 90%. Statewide eligibility standards will be established for the latter program.

An income-adjusted property tax (Circuit Breaker) credit was established for homeowners, renters, and farmers who have high property tax burdens relative to their income.

Local aid to cities and towns was increased substantially and the distribution formula is changed to give more tax relief to high mill rate communities.

Local taxing effort for school district maintenance costs was reduced from 30 to 29 mills on the district's equalized taxable value.

The state agricultural mill rate differential aid was increased from 8-1/3 mills to 10 mills. The differential aid for the homestead portion of agricultural land is further increased to 12 mills.

The taconite production tax was increased by \$.39 a ton. This increase will be distributed to qualifying counties and school districts, to the Taconite Homestead Credit Account, and to the Iron Range Resources and Rehabilitation Board.

The state will assume the teacher's retirement costs for the Minneapolis, St. Paul, and Duluth School Districts.

## Education

Foundation aid for elementary and secondary schools was increased from \$825 per pupil unit for the 1974-75 school year to \$900 for 1975-76 and \$960 for 1976-77, less the local taxing effort.

A separate state aid formula was established for post-secondary vocational education and the amount of aid increased.

The amount of state aid per special education teacher was substantially increased.

Money was appropriated for aid in the form of instructional materials, equipment, and auxiliary services for non-public schools.

## Health

State health services were substantially increased, with appropriations more than doubling.

A program to provide nutritional supplements for needy pregnant and lactating women and needy children will be instituted.

## Transportation

The state gas tax was increased from \$.07 to \$.09 to offset the revenues lost because of reduced gasoline consumption.

A constitutional amendment allowing the gas tax revenues to be used for purposes other than highway construction will be placed on the ballot.

A moratorium was placed on certain highway construction in the metropolitan area.

## Labor

The maximum weekly unemployment benefits were increased from \$85 to \$105.

The maximum weekly worker's compensation benefits were increased from \$100 to \$135. The minimum weekly benefits were increased from \$17.50 to 20% of the state average weekly wage.

## II. TAX RELIEF, SHARED TAXES AND OTHER AIDS TO LOCAL GOVERNMENT

Property tax relief, shared taxes, and aids to local units of government — in a variety of forms — will account for a \$3,684,273,563 share — nearly 61 percent — of total disbursements (other than federal funds) of the state government during the 1975-77 biennium.

Tax relief items amount to \$1,295,285,595. Shared taxes total \$79,897,000. School aids add up to \$1,618,102,200. Other forms of aid to local units of government — including the newly enacted state assumption of 90 (previously 50) percent of the non-federal share of medical assistance costs, and 90 percent of the local costs of the medical expenses for indigents (previously no state support) — add up to \$690,988,768.

### Tax Relief

An estimated \$425,000,000 has been provided from the state general fund for payment of a portion of the real property taxes levied against home owners — state assumption of 45 percent, including that portion of the levy required to pay principal and interest on school district bonded indebtedness, to a maximum relief for any one home owner of \$325. The 1975 Legislature increased this property tax relief by the addition of an income adjusted property tax credit ("circuit breaker") estimated to provide home owners, renters and senior citizens \$197,385,000 during the 1975 - 1977 biennium.

As of January 1, 1976, the senior citizen and disabled persons property tax credit and renter credit have been incorporated in the new, combined home owner credit and "circuit-breaker". The property tax "freeze" on senior citizen's property tax is phased out by income levels — beginning with an income of over \$10,000 and disappearing when the income exceeds \$19,500.

The local government aid program is estimated to provide \$306,800,000 in per capita aids to taxing districts other than school districts during the biennium. Of this sum, \$29,000,000 was provided by the 1975 Legislature to cover an increase in the per capita sums available for distribution.

The agricultural land tax differential aid is estimated at \$43,100,000 with \$6,200,000 of the sum resulting from an increase in the tax from the current 8.3 mills to 12 mills on property receiving the homestead credit (Section 273.13, Subdivision 6), and 10 mills on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreation purposes, but not devoted to commercial purposes.

Payment of teachers' pensions and state debt charges formerly financed by a state property tax levy have been estimated at \$305,400,595. For teachers in cities of the first class, the estimate for the biennium is \$29,823,765, for other teachers — statewide, the estimate is \$157,336,830, while the debt service is estimated at \$118,240,000.

Personal property tax reimbursement to local taxing districts to cover attached machinery and associated items exempted by the 1973 Legislature is estimated at \$17,600,000.

All the above monies go, directly or indirectly, to provide property tax relief or to provide services to local units of government. The 1975 Legislature also more than doubled "working poor" income tax relief enacted in the 1973 Session. The 1975 act is estimated to provide \$31,400,000 in income tax relief to low income workers. Prior to the change, the estimated relief for these income taxpayers was \$14,400,000. Relief is based on total income and number of dependents. Some

taxpayers will have all their income tax forgiven; others will be eligible for partial forgiveness.

### Shared Taxes

Certain taxes collected by the State are "shared", in varying percentages, with local units of government. The total of such shared taxes is estimated to be \$79,897,000 for the 1975-77 biennium.

From inheritance taxes, local governments will receive \$4,600,000 and from taconite occupation and production taxes, \$75,297,000.

The local governments' share of revenues from taconite occupation and production taxes is dramatically increased due to an increase in the production tax of 39 cents per ton — from 36 cents to 75 cents per ton. Of the increase, 20 cents will go for school purposes, ten cents to counties, eight cents for additional taconite homestead credit, and one cent to the Iron Range Resources and Rehabilitation Board.

### Other State Aids

Other grants and aids to local governments for the 1975-77 fiscal period add up to \$2,309,090,968.

The largest segment of the total is the \$1,589,852,200 which goes primarily for elementary and secondary education, foundation aid, transportation aid, vocational aid, and other aids to school districts. These aids are in addition to the personal property tax reimbursement, the school portion of the taconite tax apportionment, and the agricultural land tax differential aid. Earnings of the permanent school fund, estimated at \$28,240,000 for the 1975-77 biennium, also are distributed to public school districts throughout the state.

Educational grants-in-aid of \$2,983,996 for the school lunch program, \$2,500,000, for the long-term sheltered workshops, \$3,857,708 for community library services, and \$3,280,000 for the State's share for cost of treatment of county indigent patients at the University Hospital together amount to \$12,621,704.

To assist counties in financing the public assistance (categorical aid) programs, the state will provide \$322,200,000. Included is \$92,900,000 for increases provided by action of the 1975 Legislature — \$69,000,000 to increase the state's subsidy for local costs of medical assistance from 50 percent to 90 percent, plus \$23,900,000 to cover 90 percent of the local costs of medical expenses for indigents.

In addition, state welfare grants of \$14,157,625 for community mental health centers; \$13,637,900 for daytime activity centers for the mentally retarded; \$8,479,300 for county aid for mentally retarded and emotionally disturbed children; \$5,638,500 for equalization aid; \$21,000,000 for county administrative costs reimbursement; \$1,799,500 for day care services development and funding; \$10,288,000 for community residential facilities for mentally retarded, for chemically dependent and for mentally ill; \$12,600,000 for general assistance; \$1,200,000 for community action programs, and \$900,000 for human services boards, raise the total welfare and health grants-in-aid to \$411,900,825.

Grants-in-aid of \$1,540,000 for county reimbursement of probation services; \$800,000 for foster group care; \$7,369,900 for the Corrections Subsidy Act; \$425,000 for community corrections centers; and \$562,600 for regional jails, lock-ups, and detention centers brings the total of corrections grants-in-aid to \$10,697,500.

By constitutional provision, counties and cities will receive \$207,800,000 for highway and local street work outside the trunk highway and interstate systems. County state aid is estimated at \$157,100,000 and municipal state-aid streets \$50,700,000.

Grants-in-aid of \$4,000,000 for regional recreational and natural areas; \$4,000,000 for local recreational and natural areas; \$1,310,000 for recreational trails; \$450,000 for dam repair and lake and stream improvements; \$700,000 for enforcement of natural resources laws; \$139,600 to the cities of Grand Meadow, and Anoka for dam repair and construction; \$616,000 for the reduction, reuse and recycling of solid waste; and \$1,050,000 to soil and water conservation districts and for a demonstration project of erosion control, brings the total of natural resources and conservation projects to \$12,265,600.

Grants-in-aid for local airports amount to \$10,713,995 for the 1975-77 biennium.

All other grants, including \$14,683,851 for firemen's and policemen's relief and pensions; \$700,000 for reimbursement to local governments for expenses of peace officers receiving state training from the Peace Officers Training Board; \$2,519,293 for the sheriffs' teletype communications network; \$2,062,000 for regional and local assistance provided by the State Planning Agency; \$800,000 for voter registration; \$2,020,000 for Veterans relief payments; \$700,000 for criminal justice projects; \$350,000 for tourist development; \$500,000 to the City of St. Paul for land acquisition; \$570,000 for restoration of major historical structures; \$60,000 for air warning signals; and \$24,000 to counties having large non-tax areas, brings the total of miscellaneous grants to \$24,989,144.



# III. FUNCTIONS OF THE STATE GOVERNMENT

Detailed statistical data relating to the appropriations for functions discussed in this section appear in Section VII Statistics.

## A. Education

The 1975 Legislature appropriated \$2,255,049,628 for education, an increase of \$499,023,878, or 28.42 percent, over the funds provided for the 1973-75 biennium. In addition, institutions of higher education anticipate receipts of \$164,111,709 from tuition, course fees and miscellaneous income — raising the total of available funds for education — exclusive of local property tax receipts — to \$2,419,161,337.

The appropriations and other revenues will be used in the following areas:

- ... State Department of Education: \$31,119,666
- ... Aids to elementary and secondary schools: \$1,686,088,200
- ... Community Colleges: \$48,973,058 in state appropriations, and \$13,850,752 in receipts
- ... State Universities (previously State Colleges): \$113,339,648 in appropriations, and \$36,360,957 in receipts
- ... University of Minnesota: \$302,482,465 in state appropriations, plus \$113,900,000<sup>1</sup> in receipts

- ... Higher Education Coordinating Commission: \$44,449,791
- ... Aid to Non-Public Schools (Auxiliary Services): \$24,000,000
- ... Mayo Medical School: \$2,424,000
- ... Nursing Scholarships: \$250,000
- ... Other Educational Services: \$1,922,800

Federal funds, estimated at \$203,891,342<sup>2</sup> also will be available for a variety of purposes including elementary and secondary education, higher education, vocational rehabilitation, vocational-technical instruction, the school lunch program, manpower development and training, and public library services.

<sup>1</sup>Excludes an estimated \$83,285,525 expected from paying patients for services by University Hospitals.

<sup>2</sup>Excludes federal funds to the University of Minnesota.

### STATE DEPARTMENT OF EDUCATION

The State Department of Education is responsible for overall administration of Minnesota's public education system and supervises such related activities as aid to public libraries, vocational training of disabled persons, the community lunch program, aids for transportation of non-public school students, and others. Suggested courses of study are proposed by the department for use by the elementary and secondary public schools of the state. Local school districts may make their own adaptations to the suggested curriculum. All plans for new construction or remodeling of school structures costing in excess of \$30,000 (Laws 1975, Chapter 83) must be approved by the Department of Education. Primary concerns of the department are the availability of properly qualified teachers and administrators, adequate space for the various subjects to be taught, and the health and safety of the students. The department has legal responsibility in meeting federal guidelines regarding desegregation.

Appropriations made directly to the department for these several purposes total \$31,119,666 for the 1975-77 biennium, an increase of \$8,568,786 over those for the 1973-75 fiscal period.

#### AID TO ELEMENTARY AND SECONDARY SCHOOLS

The component appropriations comprising the \$1,686,088,200 for elementary and secondary schools for the 1975-76 and 1976-77 school years are as follows:

<i>School Aids Bill</i>	1975-76	1976-77
Foundation Aid . . . . .	\$571,000,000	\$613,000,000
Transportation Aid . . . . .	62,310,000	67,173,000
Special Education Aid . . . . .	38,600,000	46,750,000
Secondary Vocational Aid . . . . .	13,700,000	16,300,000
Adult Vocational Aid . . . . .	3,625,000	4,375,000
Veteran Farmers Cooperative Training Programs . . . . .	950,000	1,050,000
Post-Secondary Vocational Foundation Aid . . . . .	24,400,000	50,800,000

#### *School Aids Bill (Continued)*

	1975-76	1976-77
Post-Secondary Vocational Categorical Aid . . . . .	36,500,000	10,800,000
Post-Secondary Debt Service Aid . . . . .	—	7,000,000
Post-Secondary Vocational Capital Expenditure Aid . . . . .	—	6,000,000
Post-Secondary Vocational Deficit Payment . . . . .	—	1,600,000
Post-Secondary Vocational Construction . . . . .	1,500,000	—
Adult Education Aid . . . . .	306,000	324,000
Eligible Teacher Program . . . . .	—	150,000
G.E.D. Reimbursement Aid . . . . .	60,000	60,000
Council on Quality Education Community Education Aid . . . . .	500,000	500,000
Flexible School Year Planning Grants . . . . .	1,200,000	1,600,000
Extraordinary Tax Delinquency Advances to School Districts For Gross Earnings Aid . . . . .	100,000	—
Exempt Land Special School Aid . . . . .	70,000	95,000
For Aid to School Districts a/c Airports . . . . .	800,000	700,000
School Aid — Counties a/c Non-Tax Areas . . . . .	267,000	133,000
Lake County, Independent School District No. 381 . . . . .	106,670	53,330
Deficiency — Shared Time and fiscal accounting and reporting system (Fiscal 1975)	16,000 <sup>1</sup>	8,000 <sup>1</sup>
	190,000	—
	180,200	—
	<u>\$761,380,870</u>	<u>\$828,471,330</u>
		\$1,589,852,200

#### *Other Appropriations*

Taconite Apportionment to School Districts . . . . .	12,255,000	14,631,000
Agricultural Land Tax Differential Aid . . . . .	18,000,000	23,100,000
Endowment School Apportionment . . . . .	14,100,000	14,150,000
Annual Totals . . . . .	<u>\$805,735,870</u>	<u>\$880,352,330</u>
Biennium Total . . . . .		\$1,686,088,200

<sup>1</sup>By law, the appropriations in the School Aid Bill were \$32,000 and \$16,000 for fiscal years 1976 and 1977 respectively. However, by law the amounts are divided one-half to counties, one-half to school districts in the affected areas.

## Foundation Aid

Foundation Aid of \$1,184,000,000<sup>1</sup> for the 1975-77 biennium will provide about 70 percent of the total maintenance costs of all public elementary and secondary schools. The appropriation for the two-year period is \$186,951,000<sup>1</sup> more than was provided for the 1973-75 biennium, an increase of 18.75 percent.

The formula used to compute the amount of foundation aid payable to a school district incorporates a basic allowable expenditure per pupil unit set by the state, the local tax support for schools, the amount of certain other aids the district will receive, and the concept of different amounts of aid for different levels of students or for particular school district conditions. These specific elements in the school aid formula are used to equalize educational opportunities for students throughout the State. These differing amounts of aid are calculated by using "pupil units."

A "pupil unit" weighting of 0.5 is counted for each child in kindergarten; 1.0 in grades 1 through 6; 1.4 in grades 7 through 12; 1.5 in area vocational-technical schools. Beginning in 1976-77 there will no longer be a pupil unit weighting in this formula for the area vocational technical school students. AVTI's will be funded under a new formula separate from the elementary and secondary foundation aid formula.

An additional 0.5 "pupil unit" is counted for each child from a family receiving welfare "Aid to Families with Dependent Children". In addition to the regular 0.5 AFDC units there is another weighting for districts with a high concentration of AFDC students. If there is more than five percent concentration of AFDC students in the district, (that is, if more than five percent of the total enrollment come from AFDC homes) an additional 0.1 unit is counted for each AFDC child for each percent of concentration over five percent. Not more than 0.6 units per child may be added to the regular AFDC units under this concentration provision. For purposes of this calculation, the percent of concentration is rounded down, thus if a district has 6.5 percent it is counted as 6 percent not 7 percent. Under this formula, additional AFDC concentration weightings will be as follows:

- 5 to 6 percent = 0.1
- 6 to 7 percent = 0.2
- 7 to 8 percent = 0.3
- 8 to 9 percent = 0.4
- 9 to 10 percent = 0.5
- over 10 percent = 0.6

Districts which record a decrease in pupil units from one year to another forfeit 0.4 of a unit instead of 1.0 unit for each unit of decrease; districts which record an increase of 2 percent or more are credited with an additional 0.1 unit for each unit of increase for each percent of increase. Not more than 0.5 units per unit of increase may be added under this provision. For example, if a district increased 4 percent they would be credited with 0.4 units for each unit increased.

The Department of Education estimates statewide average daily membership in public primary and secondary schools will be 1,039,278 in 1975-76 and 1,028,093 in 1976-77. This does not include weightings for AFDC, fast growth or declining enrollment. The estimates for total pupil units on which aid is paid are 1,092,919 for 1975-76 and 1,083,115 for 1976-77.

## Aid Formulas for 1975-76

The adjusted maintenance cost per pupil unit was set at \$900 less an amount (representing local effort) computed by applying a 30 mill rate to the 1973 adjusted assessed valuation (EARC) of the district. This provides an increase of \$75 for the average or high cost school districts.

For the low cost districts (those having an adjusted maintenance cost per pupil unit less than \$663 in 1970-71) the

foundation aid and levy entitlements are reduced proportionately. However, the low cost districts are permitted to increase their adjusted maintenance cost more than the average or high cost districts in order to bring the low cost districts up to the state average. Thus the low cost district is allowed to increase its adjusted maintenance cost for 1975-76 by one half of the difference between its 1974-75 cost and \$900 if this difference is more than the \$75 increase of the regular formula.

## Aid Formula for 1976-77

The maximum foundation aid amount is \$960, and the 1974 EARC valuation is used in computing the mill reduction. This is a \$60 increase for the average or high cost district. The required local effort is changed to 29 mills beginning with the tax levy certified in 1975 to be collected in 1976 which is applied to the aid formula for 1976-77.

For the low cost district, the district has the option of taking two-thirds of the difference between the 1975-76 adjusted maintenance cost and \$960 or \$60 whichever is greater.

## Excess Levy

A high cost district is permitted to make an excess levy, sometimes called "a grandfather levy", in addition to the required 30 mills or 29 mills. The amount of this levy is determined by multiplying the dollars per pupil that the district was over the state average in 1970-71 times the number of pupils in the district for the current year. The 2½ percent annual reduction of this levy has been eliminated for the next two years, and the reduction that was made last year has been eliminated.

## Transportation Aid

For the current biennium, Transportation Aid was set at \$129,483,000, up \$37,783,000 from the 1973-75 period. A new provision covers the necessary transportation in connection with work study and shared time programs, and for exceptionally high transportation costs for handicapped students.

To provide funds for transportation services eligible for state aid, school districts are required to levy 1 mill of local property tax on the EARC valuation. For 1975-76, the state will then pay the remainder of the cost per pupil times the number of eligible pupils transported but not more than 118 percent of the actual per pupil cost in 1973-74. The percentage limit on state transportation aid for 1976-77 is 124 percent of the 1973-74 costs. The state also pays depreciation aid on the school bus fleet at the rate of 12.5 percent per year of the net cost of the fleet.

Minneapolis and St. Paul will now be on the same formula for transportation aid as the rest of the State.

The aid for hazardous transportation has been eliminated but a levy for this cost is now permitted.

Additional funding is provided for exceptionally high cost handicapped transportation. For 1975-76 if these costs are more than 128 percent of the 1973-74 costs for the same services, the State will pay 80 percent of the amount over 128 percent. For 1976-77 the State will pay 80 percent of the amount over 134 percent of the 1973-74 costs.

No funding will be provided in this formula for transportation to daytime activity centers. In the future, this cost will be funded by the Department of Welfare.

## Vocational Aid

Appropriations for vocational aid total \$183,600,000<sup>2</sup>, up \$44,658,000<sup>2</sup> from the 1973-75 biennium.

<sup>1</sup>Excluding post-secondary vocational foundation aid of \$47,000,000 in 1973-75, and \$29,400,000 in 1975-77.

<sup>2</sup>Including post-secondary vocational foundation aid of \$47,000,000 in 1973-75, and \$29,400,000 in 1975-77.

Secondary and adult vocational aid pay up to 50 percent and 75 percent respectively of teachers' salaries, travel, supplies and equipment for programs in these areas that lead to occupational competencies. The appropriation for secondary vocational is \$30,000,000, up \$9,300,000 over the previous biennium. The adult vocational appropriation, including veterans cooperative programs, is \$10,000,000, up \$3,708,000 over the previous biennium.

Beginning in 1976-77, post secondary vocational programs will be funded through several new aids. Schools will receive post secondary vocational foundation aid of \$2,000 per student in average daily membership less local levies of 0.5 mill in Minneapolis, St. Paul, Suburban Hennepin, Dakota County, and District 916 area vocational schools, and 1 mill in all other schools. These mills are based on the EARC valuation. Districts have authority to levy up to a maximum of 1 mill in the first list of schools and 3 mills in all others for purposes of post secondary vocational education. Districts may also receive categorical aid for high cost programs, and aid for capital expenditures distributed by the department of education through a public hearing process; and debt service aid at the same percent of debt service costs that have been funded by the state on the average over the past three years. For persons up to age 21, courses in post secondary schools are free; charges for students over age 21 are set at \$2 per day for Minnesota residents and \$5 per day for out-of-state students.

#### **Special Education Aid**

School districts which conduct special classes for handicapped children receive state assistance to help pay the salaries of essential personnel. Essential personnel are designated as those concerned with speech correction, with educable mentally retarded or trainable mentally retarded children, with orthopedically handicapped children, with children having impaired hearing or vision or other special learning disabilities, and such personnel who are engaged with home and hospital work and summer programs.

At \$85,350,000 for the current biennium, aid for special education is up \$31,950,000 from the preceding biennium.

In 1975-76 these state aid funds will be used to pay 65 percent, but not more than \$10,000 (previously \$5,600) of normal school year salaries of essential personnel. This calculation is based on the previous year's salaries. A pro rata amount is paid for summer school. Beginning in 1976-77 this aid will be based on the current year's costs instead of the previous year's costs as at present, and a new formula will be developed for distributing the aid to the local school districts.

#### **Aid to Children Attending Non-Public Schools**

The 1975 Legislature appropriated \$12 million annually to provide educational aids to children attending non-public schools. The aid is to be in the form of instructional materials loaned or given to students; equipment loaned or provided to non-public schools for use by students, and auxiliary services, such as counseling and psychological services, provided by the local public school district whenever possible. (Chap. 396)

(Pursuant to a U.S. Supreme Court decision, *Meek vs. Pittenger* (State of Pennsylvania), the Minnesota State Department of Education, on advice of their Counsel, is proposing to implement only the instructional material portion of the law at an estimated cost of four million dollars annually in lieu of the \$12 million appropriated annually.)

### **OTHER LEGISLATION PERTAINING TO ELEMENTARY AND SECONDARY EDUCATION**

#### **Reduction of School Aid to Districts that Practice Discrimination**

The 1975 Legislature provided for a reduction in state aid to school districts that do not comply with state laws pro-

hibiting discrimination because of race, color, creed, religion, national origin, sex, marital status, disability or status with regard to public assistance. (Chap. 173)

#### **Sex Discrimination in Athletics**

The Legislature declared that it is not discriminatory to provide separate athletic teams for children 12 years old or more and in the seventh grade or above if the separation is necessary to guarantee equal opportunity to participate and if the two teams receive substantially equal funding per participant, except for gate receipts or other revenues generated by the sport.

Schools and public services were given until 1977-78 to phase out athletic programs for children under 12 years of age and in the sixth grade or below which separate children by sex. (Chap. 338)

#### **Lease of Excess School Buildings**

School boards were authorized by the 1975 Legislature to lease unneeded schoolhouses to any person or organization (Chap. 199). Net proceeds must be used to reduce the tax levy for school bonds and in turn, reduce the levy for general and special school purposes. Leased school property would lose its tax exemption.

## **COMMUNITY COLLEGES**

Appropriations to the State Board for Community Colleges total \$48,973,058 for the 1975-77 biennium reflecting an increase of \$10,062,895 or 25.86 percent over the 1973-75 biennium.

Student enrollments are estimated at 17,750 for each year of the biennium, computed on a full-time equivalent basis using 45 credit hours per school year. Actual school enrollments in 1973-74 were 17,743, or 243 above the projected estimate. In the current year, enrollment is 18,403, or 903 above the estimate of 17,500.

All eighteen of the Community Colleges are in operation — six in the metropolitan area and 12 outstate (Map page 8).

#### **Academic Salaries Increased**

The 1975 Legislature allowed for cumulative academic salary increases of 8.1 percent in fiscal 1976 and 2.6 percent in fiscal 1977, at an estimated biennial cost of \$3,295,881.

#### **Staffing Ratios, New Positions**

The faculty-student staffing ratio, including counselors, librarians and administrative positions at the colleges, was continued at 1 to 17.0 for both years.

#### **Endowment School Apportionment**

As of July 1, 1975, the sum of \$283,076,506 had accumulated over the years in the State's Permanent School Trust fund — from occupation and royalty taxes on iron ore, from the sale of timber and land, and from mineral permits and leases — all on state-owned school fund lands (Sections 16 and 36 in each township).

Earnings of this invested money are distributed as the Endowment School Apportionment to school districts on the basis of the preceding year's average daily attendance of pupils aged 5 through 21. Aid from this source is a part of, and not additional to, the computed amount of Foundation Aid payable to a district. The estimated \$28,250,000 to be distributed is \$3,750,000 more than was disbursed in the 1973-75 biennium.

#### **Aid to School Districts for Agricultural Mill Rate Differential**

It is estimated that \$43,100,000 will be required to pay the agricultural mill rate differential for the 1975-77 biennium — up \$16,100,000 from 1973-75.

School districts which include agricultural lands or other real estate devoted to temporary and seasonal residential occupancy for recreational purposes receive state aid equivalent in amount to the money that would be produced by applying an ad valorem tax rate of 12 mills on the property receiving the homestead credit provided by M.S. Section 273.13, Sub-division 6, and 10 mills on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes.

**Tuition Rates Increased**

Tuition rates were increased by the State Board for Community Colleges — effective Fall quarter 1975. For resident students, the regular and summer session rates were increased from \$8.00 per credit hour to \$8.75. For non-resident students, the rate was advanced from \$16.00 to \$17.50 per credit hour.

The quarterly student fee is \$1.50 per credit hour.

**Additional Revenue**

Receipts from tuition and course fees, as estimated by the Board at \$6,758,297 for fiscal 1976 and \$7,092,455 for fiscal 1977, are additional to the state appropriations.

**Student Loans — State Matching**

State matching funds of \$160,000 for the biennium, were continued for the student loan program. The program provides low-cost, long-term loans to college students, with the Federal government supplying 90 percent and the State 10 percent of the loan funds.

**Occupational Program Development**

The sum of \$450,000, an increase of \$50,000 over the 1973-75 appropriations, was provided for new occupational and technical programs generally of a para-professional nature.

**Contingent Funds**

The sum of \$300,000 was provided for meeting emergencies or necessary obligations beyond the limits of the enacted appropriations.

**Special Assessment Program**

The sum of \$41,500 was provided by the 1975 Legislature to reimburse the City of Worthington for improvements to state-owned properties at the Worthington Community College.

**STATE UNIVERSITIES**

Appropriations to the State University Board (previously the State College Board) were increased \$23,893,128 to \$113,339,648 or 26.71 percent.

Total enrollments at the six State Universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud and Winona (See Map page 8), computed on full-time-equivalent basis using 45 credit hours per school year, is estimated at 30,754 for the 1975-76 school year, and 30,777 for 1976-77. Actual enrollment was 31,683 in the 1974-75 school year.

Appropriations to the Board includes the sum of \$2,406,182 for the Metropolitan State University, an increase of \$656,182 over the 1973-75 biennium. Enrollment for the Metropolitan State University is estimated at 1,035 for the 1975-76 school year and 1,055 for 1976-77. No staffing ratios were set by the 1975 Legislature.

**Academic Salaries Increased**

Cumulative academic salary increases of 15.0 percent in fiscal 1976 and 5.0 percent in fiscal 1977 were provided by the Legislature, at an estimated biennial cost of \$11,644,438.

**Staffing Ratios, New Positions**

The present faculty-student ratio for undergraduate students of 1 to 19 was continued at all the institutions except Southwest which was allowed to continue 25 positions in excess of the staffing ratio. An additional 10 academic positions are to be eliminated by direct action or through normal attrition. The ratio of 1 to 13.0 was continued for graduate students.

**Tuition Rates Increased**

Tuition rates and other fees, as set by the Board will be slightly higher during the 1975-77 biennium than in the 1974-75 school year:

	Per Credit Hour		
	1973-75	1976	1977
Regular School Year — Resident . . .	8.00	9.00	9.25
Regular School Year — Non-resident .	16.25	18.00	18.50
Summer Session — Resident . . . . .	8.00	9.00	9.25
Summer Session — Non-resident . . .	16.25	18.00	18.50
Regular School Year and Summer Session — Graduate Resident . . . .	10.25	11.50	12.00
Regular School Year and Summer Session — Graduate Non-resident . .	20.25	22.50	23.25

The quarterly student activity fee at \$15, the placement services registration fee at \$10, and the student union fee at not to exceed \$10 were continued. The student union program fee was increased from \$3 to \$5 per quarter.

**Additional Revenue**

Receipts from tuition, fees and miscellaneous income for the State Universities, including the Metropolitan State University, estimated by the Legislature at \$17,823,839 in 1975-76 and \$18,537,118 in 1976-77 are additional to the state appropriations.

**Student Loans — State Matching**

State appropriations totaling \$350,000 were provided as matching funds for the National Defense Student Loan Program. The state's share is 10 percent and the Federal government 90 percent of the cost of any student aid or loan program.

**Regional and Community Service Projects**

The Board was again authorized to utilize up to \$200,000 of the maintenance and equipment appropriations each year for regional and community service projects provided that the agency or local unit of government receiving such services shall reimburse the college system for not less than one third their cost.

**UNIVERSITY OF MINNESOTA**

The \$302,482,465 appropriated to the University's Board of Regents by the 1975 Legislature represents an increase of \$65,163,309 over the 1973-75 biennium of \$237,319,156, or 27.46 percent.

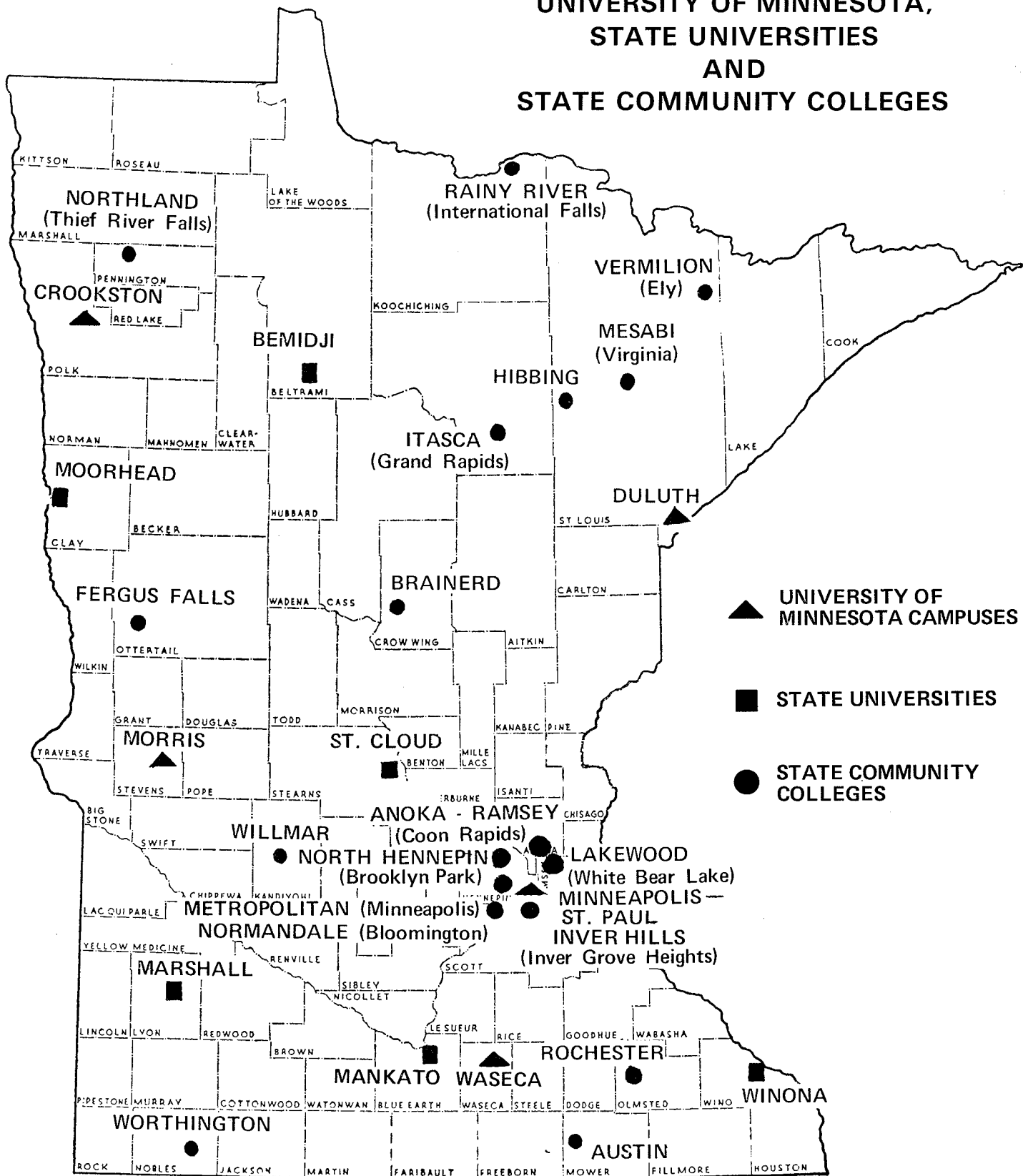
Sources	1973 & 1974 Legislatures	1975 Legislature	Increase or (Decrease)
General Fund . . . . .	\$230,249,156	\$297,386,953	\$67,137,797
Occupation Tax . . . . .	2,750,000	1	(2,750,000)
Trust Fund Earnings . .	4,320,000	5,095,512	775,512
Total . . . . .	\$273,319,156	\$302,482,465	\$65,163,309

**Additional Revenue**

In addition to the appropriated funds it is estimated that during the 1975-77 biennium the University — including the

<sup>1</sup>University portion of Occupation Tax (10%) now credited to State General Fund and made part of regular "Operations and Maintenance" appropriation.

# UNIVERSITY OF MINNESOTA, STATE UNIVERSITIES AND STATE COMMUNITY COLLEGES



coordinated campuses at Crookston and Morris — will receive \$113,900,000 in other income — from tuition and course fees, from overhead charges and earnings from temporary investments, and from dedicated special income from self-supporting activities related to instruction.

Receipts of University Hospitals for services to paying patients are estimated at \$41,246,321 in fiscal 1976 and \$42,039,204 in fiscal 1977. These funds are in addition to the direct appropriations for the hospitals including community services, and educational offset of \$13,800,962 for the biennium.

#### **Tuition Rates Increased**

By action of the Board of Regents, tuition rates were increased effective the Fall quarter of 1975.

For the University's College of Liberal Arts, General and University Colleges, Dental Hygiene at the Twin Cities and Duluth Campuses, and the Duluth and Morris Campuses, resident undergraduate tuition was increased from \$189 to \$210 per quarter; non-resident tuition from \$510 to \$625.

For the University's Colleges of Home Economics, Education, Forestry, Agriculture, and Business Administration, resident undergraduate tuition was raised from \$205 to \$228 per quarter; non-resident tuition from \$562 to \$690.

For the University's Colleges of Biological Sciences, Nursing, and Technology, resident undergraduate tuition was raised from \$220 to \$244 per quarter; non-resident tuition from \$603 to \$740.

For the University's Colleges of Law, Pharmacy, and Mortuary Science, resident undergraduate tuition was raised from \$285 to \$316 per quarter; non-resident tuition from \$740 to \$905.

For the Colleges of Veterinary Medicine, Medicine (at the Twin Cities and Duluth Campuses), and Dentistry, resident undergraduate tuition was raised from \$475 to \$530 per quarter; non-resident from \$1,110 to \$1,355.

For the Colleges of Public Health, Medical Technology, Physical Therapy/Occupational Therapy, Graduate School (at both Twin Cities and Duluth Campuses), and Social Work (Duluth), resident undergraduate tuition was raised from \$247 to \$275 per quarter; non-resident tuition from \$630 to \$770.

For the campuses at Crookston and Waseca, resident undergraduate tuition was raised from \$165 to \$190 per quarter; non-resident from \$447 to \$545.

The student incidental fee for all students on the Twin Cities Campuses was reduced from \$49.00 to \$47.25 per quarter. Quarterly student activity fees are \$32 at Crookston Technical Institute, \$28.35 at Duluth, \$31 at Morris, and \$30 at Waseca. In addition, there will be a separate quarterly health services fee of \$11 at Duluth and \$15 at Morris — such services were previously included in a higher student activity fee.

#### **Academic Salaries Increase**

The 1975 Legislature provided for cumulative academic salary increases of 10.0 percent in fiscal 1976 and 5.0 percent in fiscal 1977, plus fringe benefits for all personnel on the main campus and the coordinated campuses (Crookston and Waseca), at an estimated biennial cost of \$22,168,009.

#### **Staffing Ratios, Personnel Complements**

Funds provided by the 1975 Legislature will finance an overall faculty student ratio of 1 to 11.74 in the 1975-76 school year and 1 to 11.98 in 1976-77. The staffing ratios cover the Twin Cities, Duluth and Morris Campuses, and includes librarians, counselors and administrators.

A total of 119 new academic positions were provided in the first year of the biennium, plus an additional 13 in the second year at an estimated cost of \$5,156,611 for the 1975-77 biennium.

Of the new academic positions allowed, 28 were identified for the new Health Science building, plus 46 more which were previously federally-funded for the Physicians Augmentation Program — making a total of 74 additional staff for this facility.

A total of 151.5 new civil service positions also were provided — 127 in the first year and 24.5 more in fiscal 1977 — at an estimated cumulative cost of \$2,287,931 for the 1975-77 biennium.

#### **Enrollments**

Student enrollments for the Twin Cities, Duluth and Morris campuses are estimated at 45,536 for the 1975-76 school year and 46,597 for the 1976-77 school year, computed on a full-time equivalent basis using 45 credit hours per year. Actual enrollments of 43,261 in the 1973-74 school year and 44,969 in 1974-75 were substantially above the estimates of 41,960 and 41,982 on which the 1973-75 appropriations were based. Estimated enrollments for the Crookston Campus are 800 for 1975-76 and 850 for 1976-77. Actual enrollments of 729 in 1973-74 and 755 in 1974-75 were below the estimates of 755 and 805. For Waseca the estimated enrollments are 580 for 1975-76 and 650 for 1976-77. Actual enrollments of 428 in 1973-74 and 540 in 1974-75 also were below the estimates of 550 and 690 on which the appropriations were based. The total estimated enrollments for all campuses are 46,916 for 1975-76 and 48,097 for 1976-77.

#### **Summer School Tuition and Continuing Education Supplement**

Supplemental funds of \$1,519,793 — up \$119,793 over the 1973-75 biennium — were again provided "to equalize tuition rates among undergraduate students for the regular session, summer sessions and extension programs in order to facilitate to the maximum the use of campus units, buildings and staffs".

#### **Care of Indigent County Patients by University Hospitals**

University Hospital charges for indigent patients have been shared 70 percent by the state and 30 percent by the county of residence up to \$5,000. The state has paid the charges in excess of \$5,000. To continue this level of support \$4,250,000 was appropriated for the biennium.

### **SPECIAL APPROPRIATIONS**

Of the \$39,402,916 provided in special appropriations, \$19,770,497 was made available for agricultural extension service, and general agricultural research. The latter appropriation includes funds for research on aquatic plants (including wild rice), soybeans, avian disease, corn improvement and irrigation.

The sum of \$13,906,926 was appropriated for medical or medically-related programs. Included are funds for cancer research, control of hypercholesterolemia, cystic fibrosis and biological regulation in disease.

Also included are funds for the veterinary diagnostic laboratory and teaching hospital, the graduate residency program, and, at the Duluth Campus, the basic sciences program for medical training, and the dental hygiene program.

Also included are funds for medical services and instruction which includes money for the rural health physicians associate program, drug abuse information and education, and the allied health-nurse-clinician generalist program.

Also included are funds for the biological survey program, general research, Lake Superior Basin studies, the industrial relations education program, the graduate school of social work (Duluth Campus), the Hormel Institute (Austin), and the clinical program-law which is to serve the civil needs of persons confined to state institutions.

### New Programs

Appropriations for new activities include \$225,000 for the Freshwater Biological Research Institute, \$25,000 for a Child Care Center to be used as a teaching and research adjunct to the College of Education, and \$175,000 for Intercollegiate Athletics to be used only for the support of a women's intercollegiate athletic program.

## HIGHER EDUCATION COORDINATING COMMISSION

Appropriations to the Minnesota Higher Education Coordinating Commission more than doubled, from \$21,551,556 in the 1973-75 biennium to \$44,449,791 for the 1975-77 fiscal period — or a 106.25 percent increase.

The principal increases were \$3,700,000 for the state scholarship program (total allowance \$10,750,000), \$10,900,000 for the state grant-in-aid program (total allowance \$17,900,000), \$202,800 for the Minitex Library program (total allowance \$700,000), \$4,247,600 for private college subsidies (total allowance \$7,200,000), \$1,735,000 for work study grants (total allowance \$1,750,000), and \$2,980,000 for college reciprocity (total allowance \$4,200,000).

### Regional Coordination and Services

The sum of \$247,813 was provided to the Commission to continue to develop and administer, three experimental

regional post-secondary education projects aimed at improving the efficiency and effectiveness of post-secondary education in meeting regional needs through inter-institutional cooperation and coordination of programs and planning.

### Cross-Registration

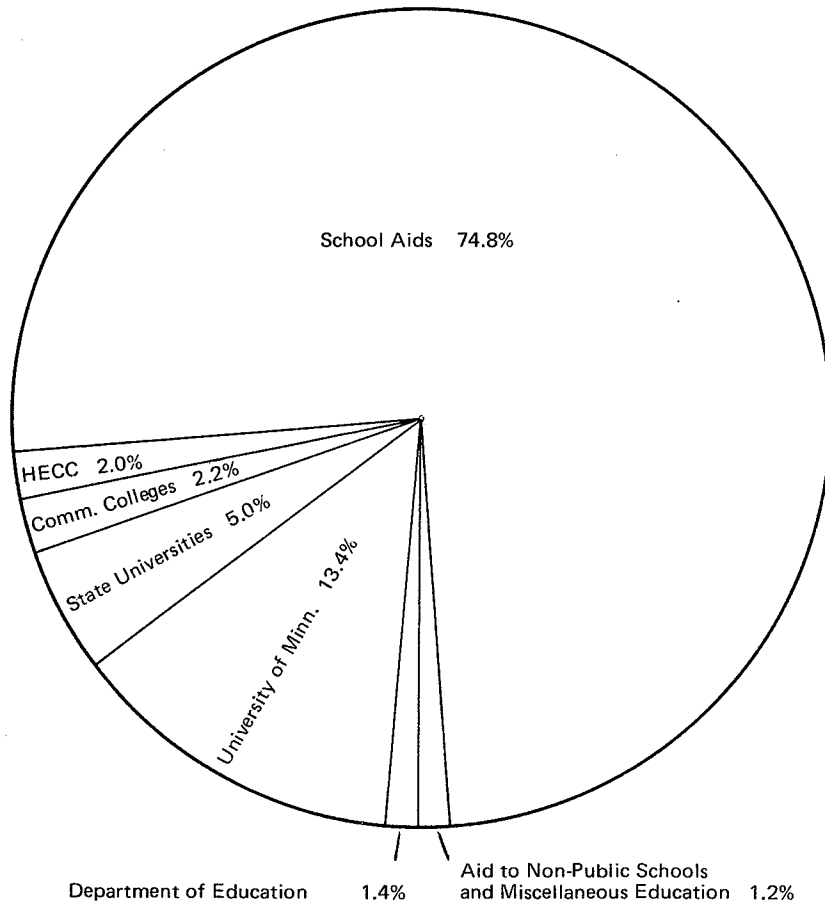
The Commission was directed to continue its efforts to encourage and expand the sharing of facilities and covers offerings, through cross-registration or other appropriate means, between all public and private institutions of higher learning in Minnesota.

### Student Loans

The 1975 Legislature authorized an increase from \$30 to \$90 million in revenue bonds for the state student loan program. The initial authority of \$30,000,000 was provided by the 1973 Legislature.

For medical and osteopathy students who agree to practice in doctor-short areas maximum loans were reduced from \$6,000 per year with a \$24,000 maximum down to \$5,000 yearly with a \$20,000 maximum. Minnesota students attending medical schools out of state may apply for such loans. (Chap. 390) Forgiveness of the loan was changed from a flat three years of service to a sliding scale with a maximum of five years. Osteopathy students attending a school out of the state also may apply for similar student loans. (Chap. 267)

## EDUCATION — \$2,255,049,628



### Work Study Program

The sum of \$1,750,000 was appropriated to the Higher Education Coordinating Commission to develop a work-study program for which post-secondary education students will be eligible without regard to whether or not such students are recipients of state scholarships or grants-in-aid. The Commission shall prescribe criteria, policies, and procedures for participation of institutions and students in the program. Funds to students are to be allocated on the basis of demonstrated need according to guidelines adopted by the Commission.

### Building Plans and Budget Review

The Commission also was given authority to review higher education building plans and to help develop a system to aid review of budget proposals made by higher education institutions.

### Review of Private Post-Secondary Educational Institutions

Private post-secondary educational institutions are required to register with HECC and obtain its approval for any degrees offered and for use of the words college, university, academy, or institute. (Chap. 201)

### Reciprocity with North and South Dakota

At the discretion of the Commission, a collegiate education reciprocity agreement may be instituted with North Dakota based on the adoption of a formula which shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. The

provisions of such an agreement shall also be applied to South Dakota in granting higher education reciprocity. (Chap. 390)

## OTHER LEGISLATION PERTAINING TO HIGHER EDUCATION

Appropriations to the Mayo Medical School at Rochester total \$2,424,000, up \$888,000 from \$1,536,000 provided for the 1973-75 biennium. The appropriation contemplates a state capitation cost of \$8,000 for each student who is a resident of Minnesota for a maximum of 40 such students in each class.

### Free Tuition for Senior Citizens

State residents over 62 years of age can attend state universities, community colleges, area vocational technical institutes and the University of Minnesota tuition-free on a space-available basis under action of the 1975 Legislature. Persons wishing to take courses for credit must pay \$2 per credit hour for administration fees, and all seniors will be responsible for laboratory and material fees. There is no limit on the number of terms a senior citizen can attend courses under the program, and no income limit for determining eligibility. Effective August 1, 1975. (Chap. 219)

### Continuing Education for Nurses

The 1975 Legislature mandated that by January 1, 1978, the Board of Nursing adopt rules requiring continuing education as a requirement for nurses to renew their licenses. An advisory task force was established to recommend rules for Board adoption. (Chap. 240)

## B. Welfare

Federal, state and county funds to be spent this biennium for public welfare activities will total \$1,531,391,354 with federal aid accounting for \$679,671,752.

For the three public assistance programs — Aid to Families with Dependent Children, Minnesota Supplemental Assistance, and Medical Assistance — the 1975 Legislature, through the Omnibus Welfare-Corrections, and Omnibus Tax Bill, appropriated \$298,300,000 in state funds, an increase of \$110,050,000, or 58.46 percent over the sums provided by the 1973 and 1974 Legislatures.

The Omnibus Tax Bill contained provision for an increase in the state subsidy of the Medical Assistance Program, to 90 (previously 50) percent of the non-federal share. These additional state funds provided by open appropriation authority are estimated at \$69,000,000 for the biennium. It was anticipated by the 1975 Legislature that a major portion of the additional state support would result in less reliance on the property tax for funding at the local level.

As the result of the increased state funding, the 87 counties are expected to provide "matching funds" of \$126,225,000; a decrease of \$39,829,000 from the sum estimated for the 1973-75 biennium. The federal government share is estimated at \$557,375,000, or \$96,845,000 more than the 1973-75 estimate.

For general assistance (maintenance and medical services) the legislature provided \$36,500,000 for the biennium. The counties' obligation for the 1975-77 biennium is estimated at \$26,480,000. Medical costs under general assistance have been a 100 percent county responsibility. Effective January 1, 1976, the state, under provision in the Omnibus Tax Bill, will assume 90 percent of the local cost of medical expenses for the indigents estimated at \$23,900,000 for the 18-month period, which sum is included above. The bill also provides that the Commissioner of Public Welfare set statewide eligibility standards for the program.

To cover the 50 percent reimbursement of allowable county administrative expenses for public assistance programs, the legislature also provided \$21,000,000 for the biennium.

For program and administrative support, the Department of Public Welfare was given \$13,389,000 for the biennium. The legislature appropriated \$11,285,000 for centralized disbursements for the two-year period, and included provision for 12 new positions in an effort to increase the yield from support payments.

Community based residential services received the sum of \$10,288,000 for the biennium — \$1,576,000 for the mentally retarded, \$8,012,000 for the chemically dependent, and \$699,800 for the mentally ill. As the state's share of the cost of operating community mental health centers, the legislature provided \$14,157,625 for the biennium, and \$13,637,900 for the daytime activity centers for the retarded — the latter sum including a new item of \$4,200,000 in transportation aids.

State appropriations for cost of care grants, representing not more than 70 percent of the actual cost, amount to \$8,479,300 — with \$6,267,300 for care of the mentally retarded, and \$2,212,000 for care of the emotionally disturbed.

Day care services development and funding received \$1,799,500 for the coming biennium, of which \$352,000 was identified for migrant labor day care services. Appropriations for vocational rehabilitation of the blind for 1975-77 are \$2,209,500. Special financial aids to counties amount to \$5,638,500 for the 1975-77 biennium. Programs for the aging, which require dollar-for-dollar matching with federal funds, received \$270,000 for the two-year period, while the foster grandparent program was appropriated \$462,000.

For the operation of institutions under the direction of the Department of Public Welfare, state appropriations increased \$27,566,368 to \$157,563,150 for the 1975-77 biennium, an increase of 21.21 percent over the 1973-75 period. The legislature authorized 200 new positions at an estimated



biennial cost of \$1,800,000 for the "Big 10" state hospitals, bringing the approved total complement for these institutions to 5,317 on July 1, 1975, and 5,367 on July 1, 1976. The new positions granted are to be direct patient care positions, and phased in — 150 in fiscal 1976 and 50 in fiscal 1977. However, as populations decrease, the supportive staff complement shall be reduced in direct proportion. For the special state schools and hospitals a total of 41 additional positions were provided — 4 for the regional library for the blind and 37 for the state-operated nursing homes — at a total estimated biennial cost of \$698,000.

In addition to operating funds made available in the appropriations for the "Big 10" state hospitals, the sum of \$300,000 was provided for the Lake Owasso Children's Home, annex of the Cambridge State Hospital. This facility will be transferred to Ramsey County some time in the future and the supplemental appropriation is intended to hold Ramsey County free of any obligation during the period of transfer. The State, in agreement with Ramsey County, is to provide funding for operation and maintenance for a period of four years subsequent to the transfer. (Chap. 242)

For the Northwest Citizens Advisory Task Force and the West Central Citizens Advisory Task Force the sum of \$100,000 was appropriated. The task forces are to advise the Legislature on or before January 2, 1977, regarding the use of the Fergus Falls State Hospital.

For Community Action Programs the 1975 Legislature continued the same appropriations of \$1,200,000 as were made available by the 1973 and 1974 Legislatures.

For the Human Service Boards the sum of \$450,000 annually was appropriated for 1975-77, up \$717,000 from the sum provided for the 1973-75 fiscal period. The funds are to be used in "implementing a program for standardization of personnel policies evaluation and fiscal practices forms and procedures among the departments of public welfare, health, corrections, employment services and the division of vocational rehabilitation . . .".

For all other welfare purposes, state appropriations total \$1,794,065 and include a new activity — a Nutrition Program for the Elderly — in the amount of \$650,000. (Chap. 400)

Total state appropriations for public welfare are \$599,273,450 for the current biennium — up \$206,492,486, or 52.57 percent over 1973-75. County funds total an estimated \$252,446,062 and Federal support \$679,671,752 for the two-year period.

## PUBLIC ASSISTANCE PROGRAMS

The 1975 Legislature provided \$298,300,000 for the three public assistance programs — Aid to Families with Dependent Children, Minnesota Supplemental Assistance, and Medical Assistance. The total sum authorized is an increase of \$110,050,000, or 58.46 percent, over the appropriations for 1973-75, and includes a substantial increase of \$69,000,000 by reason of an increase in the state subsidy of the medical assistance program to 90 (previously 50) percent of the total non-federal costs. Also included is a 4 percent increase in the AFDC maintenance grants effective July 1, 1975.

### Projected Caseloads

The cost estimates for the public assistance programs again were based on a current analysis of caseload and payment trends. The AFDC program is experiencing a continuing increase in costs as a result of caseload increases. The AFDC caseload is expected to grow from an estimated annual average of 44,507 in fiscal 1975 to 46,937 in fiscal 1976 and 48,345 in 1977.

The General Assistance caseload also is expected to grow from an estimated annual average of 10,667 in fiscal 1975 to 11,734 for each year of the 1975-77 biennium.

Minnesota Supplemental Assistance is expected to grow only slightly — from an average annual caseload of 8,692 in fiscal 1975 to an estimated 9,000 in each year of the 1975-77 biennium.

A major portion of the funding in the Medical Assistance program is for cost of care of persons in nursing homes facilities. The appropriation also covers cost of care of mentally retarded persons in state institutions. The number of recipients is expected to grow from an estimated monthly average of 116,100 persons in fiscal 1975 to 119,600 in fiscal 1976, and 120,800 in fiscal 1977.

### Special Financial Aids to Counties (Equalization Aid)

Payments of equalization aid to distressed counties continue to be based on a four factor formula: recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare. Counties which received such supplemental aid during fiscal year 1975 biennium and likely to be eligible for support during the 1975-77 biennium are:

Aitkin	Koochiching	Pine
Becker	Mahnomen	Red Lake
Beltrami	Mille Lacs	Todd
Cass	Morrison	Wadena
Hubbard		

The state appropriation for 1975-77 is \$5,638,500 — up \$1,085,500 from the sum provided for 1973-75. The formula used for equalizing welfare costs also is to be used for computing distressed county aid for daytime activity centers and community mental health centers. State funds included in the appropriation for the Red Lake Band of Chippewa Indians in excess of the county costs for this purpose shall cancel to the state general fund. Reimbursements for General Relief — Indians, and the Red Lake Band of Chippewa Indians shall be prorated if the sums included in the appropriation are insufficient to provide full reimbursement.

## WELFARE INSTITUTIONS

### State Hospitals

Appropriations for 1975-77 are \$136,240,750, up \$27,163,893 from 1973-75, for the "Big 10" state hospital complexes located at Anoka, Fergus Falls, Hastings, Moose Lake, Rochester, St. Peter, Willmar, Faribault, Brainerd and Cambridge (including the Children's Home at Lake Owasso). The budgeted population for the state hospitals is estimated at 5590 in fiscal 1976 and 5315 in fiscal 1977. The actual annual average population for fiscal 1974 was 6282.

In addition to the sums appropriated to the State Hospitals, the 1975 Legislature made available \$730,000 for the purchase of special equipment for the state hospitals, special schools and state-operated nursing homes — an increase of \$607,700 over the 1973-75 fiscal period.

### Special Schools

For the two special schools — the Braille and Sight Saving School and School for the Deaf — the appropriations are \$5,826,600, up \$1,182,185 from the sums provided for the 1973-75 period. Included in the funds for the current biennium is the sum of \$137,000 to rehabilitate Dow Hall at the Braille and Sight Saving School.

The budgeted populations for 1975-77 are 75 for the Braille and Sight Saving School, and 230 for the School for the Deaf.

The Commissioner of Public Welfare was directed to begin consolidation of support services for the Faribault State Hospital, School for the Deaf, and the Braille and Sight Saving School, as soon as feasible. Such consolidation to include, but not limited to: laundry service, food service, maintenance and business office functions.

**State Operated Nursing Homes**

The 1975 Legislature appropriated \$14,765,800 for the two state operated nursing homes — Ah-Gwah-Ching Nursing Home, and the Glen Lake State Sanatorium and Oak Terrace Nursing Home.

The budgeted patient populations for 1975-77 are estimated at 425 for Ah-Gwah-Ching, and 350 for the Glen Lake Sanatorium and Oak Terrace Nursing Home.

**Community Mental Health Centers**

Appropriations for the Community Mental Health Centers are \$14,157,625<sup>1</sup> up \$3,457,625, or 32.3 percent over the funds provided for the 1973-75 biennium.

Grants-in-aid are made to 25 areas, each consisting of one or more counties, embracing 26 publicly-operated centers and six private facilities. The centers, with all 87 counties participating, provide a variety of health services, including out-patient assistance to the mentally ill, mentally retarded, and chemically dependent, and also may accept cases from juvenile courts for diagnostic evaluation.

The state funds provide a 50 percent share, except in a few instances, of the approved expenditures of local community mental health centers. An appropriation "rider" provides that 75 percent shall be used to equally reduce local and state funding, and surplus state funds resulting from federal funds

shall cancel to the general fund. Twenty-five percent of the federal funds may be used for program expansion.

The 1975 Legislature mandated that after June 30, 1977, all community mental health services programs be contained within the boundaries of an economic development region except that a community mental health board established to administer these programs could encompass two regions. After that date, no program will be eligible for a grant unless it meets this requirement. The change is designed to streamline administration of the program and to make the mental health service boundaries compatible with those of the economic development regions.

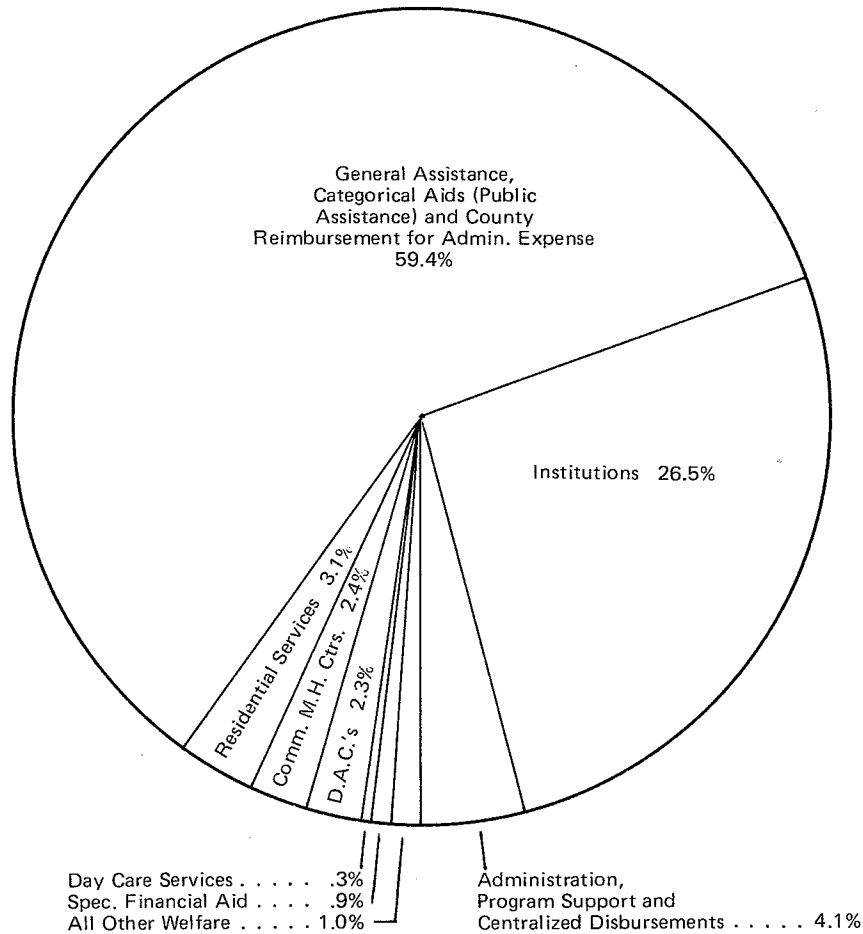
**Daytime Activity Centers**

State support for daytime activity centers for the mentally retarded was dramatically increased 213.51 percent — up \$9,287,900 from the \$4,350,000 provided in the 1973-75 period to \$13,637,900 for the current biennium. The grant-in-aid money is intended to fund up to 60 percent of the operating costs of 117 centers. In certain distressed counties the state matching may be up to 75 percent of approved expenditures.

An appropriation "rider" provides that 75 percent of the federal funds received as reimbursement shall be used to equally reduce local and state funding, and surplus state funds resulting from federal funds shall cancel to the general fund. Twenty-five percent of the federal funds may be used for program expansion.

<sup>1</sup>Includes 1975 deficiency appropriation of \$123,125.

**WELFARE — \$599,273,540**



### Home Care for Mentally Retarded Children

An experimental program to subsidize families who agree to carry out a planned program of home care and training for their mentally retarded children was approved by the 1975 Legislature. Subsidies are not to exceed \$250 per month, and the program is limited to children who would otherwise be eligible for care in state hospitals or licensed community residential facilities. (Chap. 293)

Funding of the new program — up to \$150,000 each year — is to come from the appropriation, Cost of Care Grants — Mentally Retarded contained in the Omnibus Welfare-Corrections-Health Appropriations bill.

School boards were directed by the 1975 Legislature to transport handicapped persons to day activity centers if a less expensive alternative is not available. Costs are to be fully paid out of grants to the centers by the Department of Public Welfare. (Chap. 238)

### Nutrition Program for the Elderly

The sum of \$650,000 was appropriated by the legislature to the Governor's Citizens Council on Aging through the Commissioner of Public Welfare to supplement the federal nutrition program for the elderly. The Governor's Citizens Council on Aging will use the money for grants to any public or private non-profit organization, institution, agency or Indian tribal organization to provide nutritionally sound meals and supportive social services for the elderly. (Chap. 400)

### Community Residences for the Mentally Retarded and Physically Handicapped

To help implement community residency programs for mentally retarded and physically handicapped persons, the 1975 Legislature provided that a state licensed group home or foster home serving six or fewer such persons be considered a single family residence for zoning purposes and a state licensed facility serving 7 through 16 persons be considered multi-family residence for zoning.

The Welfare Commissioner cannot grant licenses that would contribute to a concentration of community residential facilities in any area, and specifically cannot license any facility within 300 feet of an existing community residential facility unless the affected governmental unit approves it. (Chap. 60)

### Maltreatment of Children

Reports to local welfare agencies or police departments on cases of suspected child abuse are required by physicians, social workers, teachers, police officers, and other professionals who deal with children under action of the 1975 Legislature. Welfare agencies are given the responsibility to investigate reports. Persons required to make reports who fail to do so are guilty of a misdemeanor. (Chap. 221)

### Institutional Modifications

The Commissioner of Public Welfare was directed by appropriation "rider" to present a comprehensive report to the legislature by January 5, 1976, setting forth in detail a plan to phase down or cease operations at one or more state hospitals, which report shall be submitted to and acted upon by the 1976 Legislature.

The commissioner also was given authority to enter into negotiations with other units of government or private agencies or organizations to explore transfer and control of any building, facility, or institution under the jurisdiction of the commissioner.

By appropriations "rider" the Department of Public Welfare is to consolidate the laundries of the state hospitals as follows:

Rochester to Faribault  
Fergus Falls to Brainerd  
Glen Lake to St. Peter  
Hastings to Faribault

## C. Corrections

For the 1975-77 biennium, total appropriations for corrections activities are \$64,496,045, an increase of \$18,273,348, or 39.53 percent over the \$46,222,697 provided for 1973-75.

For operation of the institutions under direction of the Department of Corrections, state appropriations are \$38,844,300 for the 1975-77 biennium, up \$7,123,665, or 22.46 percent over those for the 1973-75 two-year period.

For administration \$10,158,267 was provided, up \$3,399,267, or 50.29 percent from the \$6,759,000 appropriated for 1973-75.

For the Corrections Subsidy Act, the 1975 Legislature provided \$7,369,900 for the 1975-77 biennium, an increase of \$5,869,900, or 391.3 percent over the \$1,500,000 appropriated for the 1973-75 period. The Commissioner of Corrections is authorized to make grants to assist counties in the development, implementation, and operation of community based corrections programs. No county or group of counties electing to provide correctional services is eligible for a subsidy until its comprehensive plan has been approved by the Commissioner. At present, there are five participating counties — Crow Wing, Dodge, Morrison, Olmsted, and Ramsey. It is anticipated that an estimated 20 additional counties will enter the subsidy program by the end of the 1975-77 biennium, accounting for the sharp increase in state funding. An appropriation "rider" provides that as counties begin participating in the corrections subsidy act, the complement of the central office shall be reduced by the number of positions transferred to the counties entering the program.

For health care services the Legislature appropriated \$2,312,000, an increase of \$812,000 or 54.1 percent over the \$1,500,000 provided for 1973-75. This appropriation is used to provide professional health care to persons confined in institutions under control of the Commissioner of Corrections and to cover costs of care in hospitals and other medical facilities not under the control of the Commissioner, including the security treatment unit operated by the St. Paul-Ramsey Hospital.

Appropriations for all other corrections activities total \$5,811,578, up \$1,068,516 from the 1973-75 biennium.

### Correctional Institutions

Appropriations total \$38,844,300, up \$7,123,665 from the sums provided for the 1973-75 biennium, for the seven<sup>1</sup> correctional institutions — the Minnesota State Prison (at Stillwater), the State Reformatory for Men (at St. Cloud), the Minnesota Correctional Institution for Women (at Shakopee), the State Training School for Boys (at Red Wing), the Willow River Camp, the Minnesota Home School (at Sauk Centre), and the Metropolitan Training Center (at Lino Lakes). The total budgeted population for these institutions is estimated at 1,490 for each fiscal year.

The approved employee complement was set at 1086.75, a reduction of 52 from the 1973-75 level, at an estimated biennial saving of approximately \$600,000.

<sup>1</sup>No state appropriation is made to the Thistledeew Camp (near Togo) which operates with dedicated receipts.

### **Probationary Services**

Reimbursement to counties for probationary services was increased by \$140,000 to \$1,540,000 for 1975-77.

### **Personnel Training**

The sum of \$616,700 was appropriated for personnel training, including funds for the training of group home parents in county homes.

### **Foster Group Care**

An appropriation of \$800,000, a reduction of \$200,000 from 1973-75, was provided to be used for those foster group care facilities under the Commissioner of Corrections, and to reimburse counties for up to 50 percent of the operating costs of county group homes after federal and state aids, grants or relief programs have been deducted. Reimbursement to the counties is to be prorated if the appropriation is insufficient.

### **Regional Jails, Area Lockups, and Detention Centers**

The sum of \$562,600 was appropriated for regional jails, area lock-ups, and detention centers.

### **Work Release and Newgate Programs**

The work release program includes the Newgate program — an educational program conducted at the University of Minnesota for selected inmates from the State Reformatory for Men, the State Prison, the State Training School, and referrals from any court services in the State.

The appropriation was increased from \$360,000 for 1973-75 to \$457,000 for the current biennium, with \$217,000 specifically identified for the Newgate program.

### **Community Corrections Centers**

The appropriation for community corrections centers remains the same at \$425,000 for 1975-77. The Commissioner of Corrections is authorized to make grants not to exceed \$425,000 or 65 percent, whichever is the lesser, of the costs of operating such programs.

### **Special Projects**

The sum of \$364,400, up from \$50,000 in the 1973-75 biennium, was provided as state matching funds in applications for federal grants.

### **Planning and Implementing Institutional Population Changes**

A new appropriation of \$335,000 was made available to provide for a committee of ten and necessary staff to be appointed by the Commissioner of Corrections to recommend to the 1976 Legislature regarding the following:

- a. The placement of inmates in the Minnesota Security Hospital who are under the exclusive control of the Commissioner of Corrections.
- b. An action plan to assure reduction of the prison population to a maximum of 350 and where the excess population will be located.
- c. The necessary construction and demolition to accomplish a maximum population of 350 in the State Prison.

### **Use of Correctional Facilities**

The Corrections Commissioner was authorized to utilize corrections facilities in what he feels is the most efficient and beneficial manner under action of the 1975 Legislature. This will allow the department to convert some juvenile facilities for adult use and make other program changes as desired. The law forbids the department from closing the Minnesota State Prison at Stillwater or the St. Cloud Reformatory without legislative consent.

The act also authorized the operation of all types of private business or commercial enterprise on the grounds of an adult institution, deemed by the Commissioner to be consistent with the proper training and rehabilitation of inmates. The law also requires that inmate-employees of these private businesses be paid at least the prevailing minimum wage for similar work in the local area. (Chap. 304)

By legislative "rider" in the omnibus appropriations bill, the youthful offender reception center shall be at the Reformatory for Men until June 30, 1977.

## **D. Health**

Appropriations to the State Board of Health and for health-related activities total \$20,950,300 for the current biennium, up \$11,314,200, or 117.41 percent, from the 1973-75 fiscal period.

For preventive and personal health services, for health systems quality assurance, and for management, planning, and information services, the 1975 Legislature appropriated \$16,097,000 for the 1975-77 biennium, up \$6,605,400 or 69.59 percent over the 1973-75 fiscal period.

Four new appropriations were made to the State Board of Health — \$142,500 for Dental Health Services, \$80,000 for the treatment of adults having cystic fibrosis, \$1,000,000 for a nutritional program for women and children, and \$2,500,000 for Water Filtration and Purification System grants for construction of such facilities on Lake Superior. The State General Fund is to be reimbursed by July 1, 1977, from the counties' (except for Itasca) share of the new taconite production tax. (Chap. 437)

The sum of \$40,000 annually was provided to develop and conduct a treatment program including medical care and hospital treatment for persons aged 21 or over who suffer from cystic fibrosis. (Chap. 409)

To provide nutritional supplements to high risk women and children, the sum of \$1,000,000 was made available in what shall be known as the "Maternal and Child Nutrition Act of 1975". The program is designed for needy pregnant and lactating women and children needing nutritional supplements. The Commissioner of Public Welfare is to cooperate with the

Board of Health in identifying eligible individuals receiving any form of public assistance. (Chap. 346)

### **OTHER LEGISLATION PERTAINING TO HEALTH**

#### **Health Care Facilities**

The Legislature broadened the certificate of need law for health care facilities to automatically include projects costing over \$100,000. Previously projects required a certificate only if they expanded the scope of services or increased bed capacity. The new law eliminates the governor's appeal board process and provides for judicial review and also requires that the Board of Health must determine if physicians are attempting to evade the law by purchasing equipment. (Chap. 299)

#### **Smoking Restrictions**

The 1975 Legislature prohibited smoking in indoor public places and in some places of work except for designated areas. Bars need not have no-smoking areas, and the state Board of Health may waive provisions of the act for compelling reasons. A smoker violating the new law is guilty of a petty misdemeanor. (Chap. 211)

#### **Anatomical Gifts**

The legislature authorized licensed morticians and other qualified persons to remove eyes for use after the donor's death. A written release must be obtained before the eye removal, and the person removing the eye is freed of civil or criminal liability for the operation. (Chap. 198)

## E. Highways and Mass Transit

Funds totalling \$575,700,000 will be available to the Trunk Highway Fund during the 1975-77 biennium for planning, constructing, and maintaining Minnesota's 12,197 miles of state trunk highways.

Gasoline and motor vehicle registration taxes will provide \$322,100,000<sup>1</sup> of the state money, \$215,000,000 will come from federal funds, and \$38,600,000 from earned interest and other miscellaneous income. An additional \$14,000,000 was provided for fiscal year ended June 30, 1975 by a supplemental highway construction appropriation from the state general fund. Included in the estimated fuel tax revenue of \$221,700,000 is the sum of \$49,900,000 anticipated from the enacted two-cent increase in the gasoline tax, raising the rate from seven to nine cents per gallon.

The sum of \$207,000,000 was made available through the Omnibus Highway Appropriation Bill, up \$23,450,059, or 11.28 percent, from the 1973-75 biennium.

A comparison of the omnibus appropriation bills for 1973-75 and 1975-77 bienniums follows:

	FY 1974-75	FY 1976-77
Administration Operations . . . . .	\$ 7,393,250	\$ 9,260,000
Legal Division . . . . .	980,974	1,044,000
Maintenance Division . . . . .	89,383,840	104,416,602
Highway Development Support . . . . .	68,331,602	72,400,000
Research and Standards . . . . .	2,384,455	2,000,000
State Aid Administration . . . . .	437,614	475,832
Planning and Programming . . . . .	5,119,556	5,300,000
Equipment . . . . .	7,173,000	10,043,931
Buildings and Improvements . . . . .	1,100,250	1,759,830
Interstate Safety Rest Area Facilities	626,400	299,805
Trunk Highway Safety Rest		
Area Facilities . . . . .	300,000	—
Weigh Station Facilities near Scanlon	319,000	—
<b>TOTAL . . . . .</b>	<b>\$183,549,941</b>	<b>\$207,000,000</b>

After deducting from the trunk highway 1975-77 state revenue funds of \$360,700,000, the Highway Department appropriations of \$207,000,000, the Public Safety Department appropriations of \$44,000,000, the debt service on trunk highway bonds of \$28,600,000, the reserve for increased price of materials and salary adjustments of \$28,900,000, and transfers to the general fund of \$2,200,000; the balance of state funds of \$50,000,000 is available by open appropriation authority to be used primarily for highway construction contracts.

In addition, state aids also financed from gasoline and motor vehicle registration taxes and estimated at \$197,800,000<sup>1</sup> will

<sup>1</sup>Net after refunds.

be distributed to the County State Aid Highway, and Municipal State Aid Street Funds according to provision under the State Constitution. Together with an estimated \$10,000,000 in earned interest on investments the sum of \$157,100,000 will be distributed to the 87 counties and \$50,700,000 to 101 cities for highway and local street work outside the trunk highway and interstate systems.

As of June 30, 1975, 762 miles of the 921 miles federal interstate system had been completed, 71 miles were under construction, and 88 miles were in preliminary phase; design, preliminary engineering, or right-of-way.

### MASS TRANSIT

Chapter 203, covering the increase in the excise tax on gasoline and gasoline substitutes also appropriates the sum of \$42,110,000 — including \$26,000,000 as a supplement to the public transit aid program; \$2,000,000 to supplement the public transit demonstration program; \$25,000 to the Metropolitan Council for an Interstate Transit Study; \$85,000 to the State Planning Agency for administering the public transit aid, and demonstration programs, and \$14,000,000 to the Commissioner of Highways to enable the Department of Highways to complete its 1975 fiscal year construction program.

### OTHER LEGISLATION PERTAINING TO HIGHWAYS

#### Constitutional Amendment

A proposed amendment to the State Constitution was approved for submittal to voters at the General election in 1976. The question proposed shall read:

"Shall Article XIV of the Constitution of the State of Minnesota be amended to permit proceeds resulting from any increases in motor fuel taxes (beyond present rate of nine cents) to be used for general purposes and to remove certain restrictions on highway bonds?" (Chap. 203)  
(Parenthesized language added)

#### Construction Restrictions

Chapter 203 prohibits the construction or acquisition of land for freeways in the metropolitan area. These restrictions apply to I-335, I-35E, I-394, I-94, I-35, and Trunk Highway route No. 55. In lieu thereof, parkway facilities or other alternatives may be constructed at some of these locations.

## F. Other Executive Branch Functions

The major portion of the state budget is consumed by appropriations for education, welfare, corrections, and highways plus tax relief, shared taxes and other aids to local units of government. However, other executive branch functions including the State Planning Agency, the Office of the Attorney General, the Departments of Administration, Public Safety, Commerce, Aeronautics, Agriculture, Revenue, Natural Resources and the Public Service Commission received state appropriations of \$365,823,703 for the 1975-77 biennium, up \$112,874,776, or 44.62 percent, from the 1973-75 period. These appropriations will be supplemented by an estimated \$61,135,726 in federal grants to such departments and agencies as the State Planning Agency, the Pollution Control Agency, the Veterans Home, the Governor's Crime Commission, and the Departments of Aeronautics, Natural Resources and Public Safety.

### THE GOVERNOR

State appropriations to the Governor by the 1975 Legislature total \$3,154,598, up \$957,248, or 43.56 percent, over those for the 1973-75 period. About one third of the appropriations made to the Governor's office are for agencies and commissions over which the Governor has direct supervision.

For administration of the executive offices \$1,548,000 was appropriated by the 1975 Legislature — up \$536,000 from the 1973-75 biennium.

Activities over which the Governor has direct authority, or for which appropriations have been made to him, include security protection to the governor and others, \$800,000; the National Governor's Conference, \$32,300; the Midwest Governor's Conference, \$40,000; the Commission on Crime Prevention and Control, \$123,254; the Bicentennial Commission,

\$236,850; the Upper Great Lakes Regional Commission, \$142,000; the Great Lakes Basin Commission, \$48,900; the Upper Mississippi Basin Commission, \$95,200; the Missouri River Basin Commission, \$29,925; and the Governor's portrait, \$2,500.

There was one new appropriation to the Governor's office, Environmental Research and Consultation, \$50,000. Appropriations of \$5,669 for workmen's and unemployment compensation complete the list of funds to the Governor's Office.

#### **Bicentennial Commission**

A Minnesota American Revolution Bicentennial Commission was established by the 1975 Legislature to assume the duties of the commission created by the governor through executive order in 1972. The commission will coordinate the state's two-hundredth anniversary observance of the founding of the United States. The 1975 Legislature appropriated \$236,850 for operations of the commission — an increase of \$36,850 over the sum provided during the 1973-75 biennium. The commission expires on December 31, 1976. (Chap. 411)

## **LIEUTENANT GOVERNOR**

Appropriations to the Office of the Lieutenant Governor for the 1975-77 biennium total \$327,538, of which \$323,538 is for salaries, supplies and expense and \$2,000 per year for personal expenses. The legislative-approved complement is nine positions.

## **GENERAL STATE GOVERNMENT**

Appropriations to the State Treasurer, the State Auditor, the Supreme and District Courts, the Departments of Administration, Revenue, Finance, Economic Development, War Veterans Affairs, and Natural Resources, and to a variety of other state and quasi-state departments and agencies, total \$108,913,412 for the 1975-77 biennium.

The \$33,065,495 going to the Department of Revenue is once again the largest single departmental appropriation in the "general state government" category. Other sizeable appropriations include the \$23,049,709 to the Department of Administration; \$8,895,611 to the Department of Finance; \$7,752,772 to the State Planning Agency; \$4,358,858 to the Department of Economic Development; and \$3,499,745 to the Department of Personnel.

#### **New Pay Plan for Classified State Employees**

A new pay plan for employees in the classified service — the seventh consecutive biennial plan — was provided at an estimated biennial cost of \$117,000,000, of which \$90,000,000<sup>1</sup> was estimated to be the general fund liability for the 1975-77 biennium. (Chap. 431)

The plan provides for a general wage adjustment, effective July 9, 1975, of 5½ percent for those employees assigned to classes in the professional salary schedule (Schedule 'A'), 52 cents per hour increase for those in the maintenance and related trades schedule (Schedule 'B'), and \$20 per month increase for persons assigned to classes in the clerical, technical service and related salary schedule (Schedule 'C') — plus cost-of-living adjustments in January 1976, July 1976, and January 1977. In addition, the approved plan allows for an increase in health and hospital insurance for dependents, adjustments in severance pay and for shift differentials.

In addition to Schedules A, B, and C, there is provision in Chapter 431 for a special teachers salary schedule.

<sup>1</sup>An additional \$16,000,000 was provided to cover an estimated unfunded liability for the cost-of-living increase granted January 1975 which was not included in the several individual budget submissions.

A select group of managerial positions are to be eliminated from Schedule "A" and placed in a special compensation schedule under provisions of Chapter 276.

#### **Career Executive Compensation Schedule**

The four previous ranges of the compensation schedule for career executives were eliminated by the 1975 Legislature and in lieu thereof "individuals appropriated to the career executive service shall be paid according to a compensation plan developed by the commissioner (of personnel). Salaries established under this plan shall be limited to amounts 20 percent above the maximum of the salary range for the employee's job classification in the classified civil service." The commissioner "shall ensure that the salary administration provisions of the plan and the methods of compensation provide sufficient incentives and flexibility to encourage responsiveness, innovation, and efficiency in incumbents appointed to the career executive services." (Chap. 431)

#### **Special Salary Ranges for Physicians**

The special rates of pay for physicians in state service remain as follows: Range A \$23,000 to \$32,000; Range B \$28,000 to \$38,000; and Range C \$30,000 to \$45,000.

#### **Administrative Procedures Act**

The 1975 Legislature established an office of hearing examiners, under the direction of a chief hearing examiner appointed by the governor for a six-year term, to conduct hearings required before state agencies adopt, amend, suspend or repeal the rules they are authorized to make. Previously, the agencies handled this chore. An appropriation of \$167,000 will pay start-up costs for the new state office of hearing examiners. The act also redefines what is a rule subject to the hearing process and establishes a state register in which all rules must be published before and after the public hearing. The register will be available on a subscription basis after July 1, 1976. The sum of \$189,000 was appropriated from the general fund to the Department of Administration publication account to cover implementation of the state register. (Chap. 380)

#### **Small Business Procurement Act**

Approximately 10 percent of the value of state contracts for goods and services, including construction, will be set aside for award to small businesses under action of the 1975 Legislature. The commissioners of Economic Development and Administration were assigned to publicize the new program, and \$40,000 was appropriated for its implementation. (Chap. 383)

#### **Advisory Task Force on Small Business**

An Advisory Task Force on Small Business was created and given an appropriation of \$60,000 for the 1975-77 biennium to study possible negative impact of state laws, rules and regulations on the economic conduct and management of small businesses and to study methods for improving small businesses in Minnesota, including economic incentives, long-range planning and other positive initiatives. The task force is to report its findings and recommendations to the Legislature and governor on or before November 15, 1976. The Department of Economic Development, which was given a biennial appropriation of \$60,000 is to provide administrative and professional support to the task force. (Chap. 344)

#### **Area Redevelopment Act**

Funding for the Area Redevelopment Act program for industrial loans was increased by \$1,000,000 with \$250,000 designated for pilot community development corporation projects in depressed areas, at least one of which will be in the metropolitan area and one in outstate Minnesota. (Chap. 331). Legislation permitting Indian economic enterprises to apply for Area Redevelopment Act funds also was approved. (Chap. 421)

### State Office Consolidation

The 1975 Legislature authorized the Administration Department to conduct a demonstration project on the consolidation of all state offices in one region at one location. Plans are to consolidate the eleven different state offices currently located in Bemidji into one facility. (Chap. 416)

### Capitol Complex Repairs

Restoration, repair and rehabilitation of the Capitol building exterior will be financed out of a \$485,000 appropriation by the 1975 Legislature made to the Commissioner of Administration. (Chap. 64). In addition, \$200,000 was provided in the Omnibus State Departments Bill for Capitol Complex repairs. (Chap. 204)

### State Board of the Arts

The Legislature renamed the State Arts Council, redefined how its membership is to be chosen, and detailed the duties it is to perform. The new Board of the Arts will have 11 members appointed by the governor with one chosen from each of the state's eight congressional districts and three chosen at large. No more than four members may be officers, directors or employees of organizations that receive board grants. The board's duties are to include distributing available assistance equitably throughout the state on a population and geographical basis. The sum of \$1,000,000 was provided in the confereed Omnibus Semi-State Activities Bill not passed by the 1975 Legislature. (Chap. 297)

### Vietnam Veterans Bonus

A general fund appropriation of \$5,000,000 was approved by the 1975 Legislature to pay bonuses to Minnesotans who served in the armed forces during the Vietnam War era. The appropriation is a supplement to \$60,000,000 in bonding authorized by the 1973 Legislature. (Chap. 3)

### Administration of Veterans Home, and Appeals of Bonus Awards

The 1975 Legislature abolished the Minnesota Veterans Home Board of Trustees and gave the Commissioner of Veterans Affairs responsibility for operation of the Home, with a Home Administrator to be appointed by the commissioner. The commissioner must appoint a seven member advisory committee to examine the operation of the department and make recommendations. Vietnam Veterans Bonus Boards of Review will be abolished after June 30, 1977, except to hear appeals filed before that date. Any future appeals will be heard in district court. (Chap. 61)

### State Personnel

The Personnel Commissioner was directed by the 1975 Legislature to promulgate a code of ethics for state employees performing their official duties. The Act also places in the unclassified service Department of Administration employees permanently assigned to the ceremonial house and makes other changes in state personnel laws. (Chap. 381)

### Summer Jobs for Youth

A \$4,000,000 appropriation was made by the 1975 Legislature to provide summer jobs for youth in the summers of 1975 and 1976. The Department of Employment Services will administer the program which will employ persons up to 22 years of age for approximately 12 weeks for not more than 32 hours a week in state, county, and local governments, school districts and non-profit organizations. Employees will be paid the federal minimum wage of \$2.10 an hour. Supervisory employees may receive a higher wage. All agencies receiving funds under the program other than state agencies, must provide 20 percent matching money, but half the matching requirement may be waived by the department. In

allocating funds to counties, the department must consider youth population, unemployment rate, and the number of families living below the poverty level. (Chap. 205)

### Executive Council Powers in Disaster Relief

The State Executive Council was granted authority by the 1975 Legislature to provide relief, in conformance with federal disaster relief laws and regulations, to individuals or families adversely affected by a major disaster. Grants are to be refunded to the State if the needed financial assistance is received from another source. (Chap. 48)

## PROTECTION TO PERSONS AND PROPERTY

Protection to persons and property takes place in a variety of undertakings involving many state departments and agencies.

The 1975 Legislature provided for such services with appropriations totaling \$117,384,255 up \$21,863,212, or 22.89 percent, over the 1973-75 fiscal period.

The major single appropriation in this expenditure category continues to be the Department of Public Safety with appropriations totaling \$69,771,218 for the 1975-77 biennium. Now included in the Department, by action of the 1975 Legislature, is the Liquor Control Commission which previously was a separate state agency.

Appropriations to the Attorney General include \$2,900,119 for office and legal staff; \$817,068 for the Peace Officers Training Board; \$200,000 for Antitrust Enforcement; and \$50,000 for the Special Contingent fund to the Attorney General.

In the Department of Commerce, appropriations for the Divisions of Banking, Securities and Insurance total \$6,904,935.

Appropriations to the Department of Public Service total \$6,804,730 for the 1975-77 biennium, a decrease of \$2,296,474 from the sums provided in the 1973-75 fiscal period. A major portion of this reduction was occasioned by the transfer of the grain inspection and livestock licensing activities to the Department of Agriculture.

In addition to its varied other duties, the department has been responsible for the regulation of telephone rates. Beginning January 1, 1975, the regulation of gas and electric rates was added (Laws 1974, Chap. 429). It has been estimated that approximately one-half of the gas and electric utilities (not including municipal) will request hearings on their rate structure during the 1975-77 biennium. Municipal utilities are not subject to rate regulation, except upon protest by their customers living outside municipal boundaries. There are 6 private electric companies, 12 private gas companies, 2 private gas and electric companies and 55 cooperative electric companies in the State.

In the rate-making process, Minnesota Statutes 1974, (Chapter 216B.03) provides that:

"Every rate made, demanded, or received by any public utility . . . shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial or discriminatory, but shall be sufficient, equitable and consistent in application to a class of consumers. Any doubt as to reasonableness should be resolved in favor of the consumers. For rate making . . ."

For the added gas and electric rate-regulation responsibilities, the 1975 Legislature provided 32 new positions, plus 6 more in other areas — making a total of 38 new positions for the 1975-77 biennium.

Other departments or agencies in the "protection group" include the Department of Labor and Industry, \$6,586,144;

the Bureau of Mediation Services, \$1,114,000; the Livestock Sanitary Board, \$1,918,656; the Department of Human Rights, \$1,064,423; the Department of Military Affairs, \$5,261,469; Aeronautics, \$1,275,588 for administrative expenses and technical assistance, \$10,713,995 for airport construction and improvements and navigational aids, \$52,000 for striping airport runways, and \$47,800 for operation and improvement of state-owned airports.

New direct appropriations include the Boards of Abstractors, Accountancy, Architects-Engineers, Barbers, Cosmetology, Electricity, and Watchmaking. Previously these activities operated on dedicated receipts which, by action of the 1975 Legislature have been credited to the general fund and the necessary direct appropriations provided to cover cost of operations.

#### **Uniform Health Insurance Claim Forms**

The legislature directed the Commissioner of Insurance to prescribe uniform health insurance claim forms for use by insurers, service plan corporations and state agencies that require claims forms for their records. Effective August 1, 1975. (Chap. 387)

#### **Health Insurance Coverage**

The 1975 Legislature required that all group health insurance policies which provide coverage for inpatient hospital treatment of mental or nervous disorders also provide coverage for outpatient treatment of those disorders at least up to 90 percent of the first \$600 annually. (Chap. 89)

#### **Insurance Coverage**

The legislature mandated that health, medical hospitalization, and accident and sickness insurance policies that provide for inpatient hospital and medical expenses also must provide coverage for the treatment of emotionally handicapped children in residential treatment facilities on the same basis as inpatient hospital medical coverage is provided. (Chap. 40)

#### **Donor Designation on Driver's License**

Provision was made by the legislature to have the word "donor" printed on the driver's license or non-qualification certificate of persons over 18 years of age who wish to donate their bodily organs for transplantation upon their death, with the "donor" designation constituting sufficient legal authority for the removal of body organs and parts. The legislature appropriated \$35,000 to cover costs. (Chap. 393)

#### **Personalized License Plates**

The 1975 Legislature authorized personalized license plates (Chap. 245) for a \$50 additional one-time fee, and license plates for the handicapped (Chap. 217) for \$10 less than the regular tax, and authorized 15-year-olds to obtain drivers licenses upon proof of personal or family medical reasons.

#### **Public Service Changes**

The Public Service Department was given authority to regulate public warehousing statewide (Chap. 313). Previously, communities of 5,000 or less were excluded from this form of regulation. Chapter 325 appropriated the sum of \$105,000 for the purpose of enforcing, within the State, federal railroad administration track safety standards under the Federal Railway Safety Act of 1970 (Pub. L. 91-458).

## **NATURAL RESOURCES**

Appropriations by the 1975 Legislature for the development and conservation of natural resources total \$121,579,579, up \$44,737,871 from the 1973-75 fiscal period. Appropriations to the Department of Natural Resources total \$75,572,993 representing 62.16 percent of the total made available for natural resource purposes.

The sum of \$23,133,650 was provided to accelerate the acquisition and development of natural resources, up \$1,397,710 from 1973-75. Included is \$4,325,000 for acquisition of state lands and trails, state forests and wildlife habitat, \$4,000,000 for grants-in-aid for local recreation and natural areas, \$4,000,000 for regional recreation and natural areas, \$3,336,000 for state land recreation development, \$1,325,000 for restoration of Ft. Snelling historic site (including \$75,000 for preservation and restoration of Officer's Row), \$500,000 to the City of St. Paul for acquisition of property known as the Crosby Farm, \$570,000 for grants-in-aid for the restoration of major historical structures, \$920,000 for a regional copper-nickel environmental impact statement, and \$600,000 for implementation of the Minnesota Outdoor Recreation Act of 1975. A variety of appropriations, amounting to \$3,557,650 make up the balance of the Natural Resources Acceleration appropriation.

#### **Outdoor Recreation System Established**

The legislature appropriated \$600,000 to establish an outdoor recreation system, to classify the units of the system — parks, areas, trails, sites, and others — and to specify their role in the system. The new law requires master plans for some units and a registry of all units. (Chap. 353)

#### **Voyageurs National Park Citizen's Advisory Committee Established**

A Citizen's Committee on Voyageurs National Park was created to review the establishment and operation of the park and make recommendation to state and federal agencies regarding its operation. The 16-member committee expires on June 30, 1983. (Chap. 235)

#### **Water Pollution Control**

Pollution Control Agency funding for grants to municipalities and state agencies for water pollution control and sewer construction projects was increased by the 1975 Legislature in the sum of \$40,000,000 — \$11,000,000 from the state general fund and \$29,000,000 in additional bonding authority. The general fund appropriation is to be obligated prior to the sale of the additional bonds authorized. (Chap. 354)

#### **Land Acquisitions**

The legislature prescribed a procedure for the Natural Resources and Administration Departments to use for DNR land purchases. The procedure includes a DNR written request for the purchase followed by an appraisal by the Department of Administration. Lands cannot be purchased for more than 10 percent above the appraised value. The new law also allows the Department of Administration to sell excess land purchased for the Minnesota Valley Trail through sealed bids and authorizes the lease of excess land during the period before it is sold. (Chap. 144)

Two new riding and hiking trails were designated in northeastern Minnesota by the 1975 Legislature. The two, along with the previously designated Taconite Trail, will extend from Duluth to the Canadian border, and the Grand Marais to International Falls Trail will extend between those two cities by way of Ely and Tower. The Department of Natural Resources was granted authority to acquire land for the two trails through eminent domain. (Chap. 113)

#### **Parks and Open Space**

The 1975 Legislature appropriated \$15,000,000 for Department of Natural Resources acquisition of parks, recreation areas, trails, forests, fish management lands, wildlife management areas, wetlands, land adjoining wild, scenic and recreational rivers, canoe and boating routes, portages and camp sites. In addition, \$20,000,000 in DNR bonding was authorized.



ed to provide grants to the Metropolitan Council and local government units for acquisition of regional recreation areas. (Chap. 415)

## AGRICULTURE

Appropriations to the Department of Agriculture and to the societies and associations for development and conservation of natural resources total \$14,791,859, up \$8,681,539 from the \$6,110,320 provided for the 1973-75 biennium. Included is a new appropriation — \$50,000 for a state farm census. Funds to the department for operation of a shade tree disease control program by local governments were substantially increased — from \$65,000 made available to the Department of Agriculture and \$35,000 to the University of Minnesota (College of Agriculture) by the 1974 Legislature to \$1,595,000 for the 1975-77 biennium.

## G. Legislative

State appropriations to the legislative branch of state government total \$32,103,462 for the 1975-77 biennium — or approximately one-half of one percent (.0053) of estimated state spending, exclusive of federal funds. For the 1975-77 biennium the appropriations are up \$8,466,753, or 35.82 percent, over appropriations for the 1973-75 fiscal period.

Specifically for the legislature — for the House of Representatives and for the Senate — the sum of \$21,210,000 was provided. Legislators' salaries and insurance benefits represent 16.2 percent of this total. Most of the balance is for costs incidental to the conduct of legislative work; salaries of a research staff, clerks, stenographers, committee secretaries, pages, and many other employees; the travel and per diem expense of legislative members; the printing of bills and Senate and House Journals; materials and supplies; and a variety of miscellaneous expenses.

For the Legislative Joint Coordinating Committee, the legislature appropriated \$2,693,164 — of which \$465,909 is for the Legislative Reference Library, \$2,145,755 for the Revisor of Statutes and \$81,500 for the Office of Legislative Research. For the Revisor of Statutes, whose legal and clerical staff, at the request of the legislators, drafts most of the bills introduced each session, plus editing and publishing the session laws and statutes, the appropriations of \$2,145,755 are up \$608,074 from 1973-75.

The Legislative Audit Commission (including both the Commission and the Auditor) was appropriated \$2,183,017. The Legislative Auditor was directed to establish (1) a financial audits division and (2) a program evaluation division.

To perform financial audits, the Legislative Auditor shall post-audit and make a complete examination and verification of all accounts, receipts, inventories, vouchers, funds, securities, and other assets of all state departments, boards, commissions, and other state agencies at least once a year, if funds and personnel permit, and oftener if deemed necessary, or as directed by the legislature or the Legislative Audit Commission.

To perform program evaluation, the Legislative Auditor shall determine the degree to which the activities and programs entered into or funded by the State are accomplishing their goals and objectives, including an evaluation of goals and objectives, measurement of program results and effectiveness, alternative means of achieving the same results, and efficiency in the allocation of resources.

Work of the Legislative Retirement Study Commission was continued with a biennial appropriation of \$155,000, as well as the Mississippi River Parkway Commission whose appropriation is \$16,000 and the Tax Study Commission with an appropriation of \$200,000.

### State Farm Census

Chapter 318 authorizes and directs the Commissioner of Agriculture to collect, compile and supply statistics and information in regard to the agricultural products of the state and agricultural industries. To obtain these results, a farm census shall be made at least once in two years, and annually if the commissioner deems it advisable.

### Dutch Elm and Oak Wilt Disease Control Program

The sum of \$1,595,000 was provided to the Commissioner of Agriculture to assist local units of government in the implementation of the shade tree disease control programs by expanding diseased wood destruction programs, increasing public awareness of shade tree disease, accelerating training of tree inspectors and research for disease prevention and subsidizing private property owners for the removal of diseased elm and oak trees. (Chap. 253)

A new appropriation — Privacy of Records Commission — was added to the legislative branch and given an appropriation of \$25,000. The Commission, composed of three Senators and three Representatives was created by the 1975 Legislature to study data collection on individuals by public and private agencies and report to the 1977 Legislature. The new law also defined three types of information on individuals — public, confidential and private — and limits the use of confidential and private information. (Chap. 401).

The criminal justice contingent appropriation of \$1,620,000 and the general contingent fund of \$4,000,000 complete the appropriations to the legislative branch.

### Activated Standing Committees

All Senate Standing Committees have been activated for the interim between the annual sessions. The standing committees include — Committee on Committees; Education; Finance; Governmental Operations; Health, Welfare and Corrections; Judiciary; Labor and Commerce; Local Government; Metropolitan and Urban Affairs; Natural Resources and Agriculture; Rules and Administration; Taxes and Tax Laws; and Transportation and General Legislation. The regular subcommittee structure and such additional subcommittees as are deemed necessary may be activated.

All House Standing Committees are being continued during the recess between annual sessions. The House Standing Committees include — Agriculture; Appropriations; Commerce and Economic Development; Crime Prevention and Corrections; Education; Environment and Natural Resources; Financial Institutions and Insurance; General Legislation and Veterans' Affairs; Governmental Operations; Health and Welfare; Higher Education; Judiciary; Labor-Management Relations; Local and Urban Affairs; Rules and Legislative Administration; Taxes and Transportation. The regular subcommittee structure and such additional subcommittees as are deemed necessary may be activated.

Necessary committee and subcommittee expenses were provided for in the appropriations made to the Legislature.

### Commissions and Committees

The legislative commissions and committees, many of which are permanent, which will be operating during the interim between legislative sessions are as follows:

Administrative Rules, Commission to Review  
Capitol Spaces and Land Use, House and Senate Ad Hoc  
Committee  
Education Commission of the States  
Ethical Conduct, Special Senate Committee  
Fluctuating School Enrollments, Advisory Council

Great Lakes Commission  
 Indian Affairs Board  
 Interstate Cooperation Commission (Senate & House Committees)  
 Iron Range Resources and Rehabilitation Board  
 Joint Legislative Review Committee (Commission on Minnesota's Future)  
 Legislative Advisory Committee  
 Legislative Audit Commission  
 Legislative Commission on Claims<sup>1</sup>  
 Legislative Coordinating Commission  
 Minnesota Department of Highways, Study Commission to evaluate the policies, programs, projects, costs and financing  
 Minnesota Resources, Legislative Commission  
 Minnesota-Wisconsin Boundary Area Commission  
 Mississippi River Parkway Commission  
 Pensions and Retirements, Legislative Commission  
 Privacy Study Commission  
 Science and Technology (Subcommittee), Legislative Coordinating Committee

<sup>1</sup>Now operating as subcommittee of House Appropriations, and Senate Finance.

Small Business, Advisory Task Force  
 Tax Study Commission  
 Tuition Policy at Post-Secondary Vocational Schools, Joint Committee to Review  
 Voyageurs National Park, Citizens Committee  
 Women's Affairs, Advisory Committee

#### Statistics of the 69th Legislature

#### 1975 Session

Bills Introduced — House	1861
Bills Introduced — Senate	1782
Bills Enacted into Law	437
Bills Vetoed by Governor	1

#### Legislative Periods:

Constitutional Limitation — 120 Days

#### 1975 Session

Convened — January 7, 1975

Recessed — May 19, 1975

Session Days — 57

#### 1976 Session

Will convene — January 27, 1976 (Definite date)

Session Days Remaining — 63

## H. Judicial

State appropriations to the judicial branch of state government total \$9,402,841 for the 1975-77 biennium — or approximately .16 percent of estimated state spending, exclusive of federal funds.

Appropriations to the Supreme Court total \$2,836,264, up \$632,329 from 1973-75.

For District Courts (the State pays the basic salaries of District Court judges), the appropriation of \$5,351,080 covers the salaries (\$32,000 annually) of 72 judges, plus mileage allowances and travel expenses. Each district judge in Hennepin, Ramsey and St. Louis Counties receives an additional \$1,500 annually from county funds.

For the State Public Defender, the appropriations total \$579,500, up \$110,399 from the 1973-75 biennium. An appropriation "rider" provides that no portion of the Public Defender monies may be used for the defense of misdemeanors unless the city or county public defenders, if any, shall refuse or be unable to defend and then only by order of the court.

Appropriations of \$423,028 to the State Law Library, \$73,704 to the Commission on Judicial Standards, \$6,000 to the Judicial Council and \$133,264 to the Tax Court complete the \$9,402,841 provided by the 1975 Legislature for judicial purposes, an increase of \$1,859,020 over the 1973-75 fiscal period.

## I. Miscellaneous

Miscellaneous appropriations total \$484,889,263 for the 1975-77 biennium, up \$133,962,236 from the 1973-75 fiscal period.

The major item, which also accounts for a large portion of the biennial increase, is regular income tax refunds estimated at \$307,550,000 for individuals and fiduciaries, and \$28,000,000 for corporate income taxpayers. Net individual income tax collections also will be reduced by an estimated \$31,400,000 by reason of the "working poor" tax credit.

An economic package estimated at \$106,000,000<sup>1</sup> for the biennium provides for average salary increases of nearly 4.0 percent effective July 1, 1975, for all full and part-time classified and unclassified positions, excluding the faculty at the community colleges, the state universities, and both faculty and civil services positions at the University of Minnesota. The personal services package also provides for an estimated increase of 10.5 percent to be granted in three portions effective January 1976, July 1976, and January 1977,

representing an anticipated rise in the cost-of-living index. Also included is provision for improvements in vacation and sick leave allowances, shift differentials, severance pay, and in insurance and hospitalization benefits. (Chap. 431)

#### Benefits to Survivors of Peace Officers Increased

To provide an increase in benefits to survivors of peace officers killed in the line of duty the open appropriation authority was increased to an estimated \$800,000 for the biennium by the 1975 Legislature. A "peace officer" has been defined, with certain qualifications, as a police officer, a highway patrol officer, a sheriff or full-time deputy sheriff, a state conservation officer, a person employed by the Bureau of Criminal Apprehension, a corrections officer, a fire fighter employed on a full-time basis by any governmental subdivision of the state or a regularly enrolled member of a volunteer fire department, or a "good samaritan" who complies with a request or direction of a peace officer to assist the officer.

The Act provides that \$50,000 (previously \$25,000) shall be paid in each such death to the surviving spouse, dependent child or children, or parent or parents. (Chap. 128)

#### Crime Victims Reparation Board

Appropriations to the Crime Victims Reparation Board were increased from \$100,000 in the 1973-75 biennium to

<sup>1</sup>Of which \$90,000,000 is the estimated general fund liability. In addition, \$16,000,000 in general funds were carried forward from fiscal year 1975 to cover the unfunded 4.4 percent cost-of-living increase granted January 1975 which had not been incorporated in the various budget submissions. The balance of the funds necessary to cover the "economic package" will come from the appropriations in various dedicated state funds and from federal monies.

\$400,000 for the 1975-77 fiscal period. The Board was established by the 1974 Legislature and operations began October 1, 1974. Claims for reparations are evaluated against specific guidelines. Claims of less than \$100 are not considered, while the upper limit for payment is \$10,000.

#### **Handgun Regulation**

Permits are required to carry handguns under action of the 1975 Legislature. Permits cannot be issued to unsupervised youths under 18, persons convicted of violent crime or drug possession, persons confined as mentally ill or alcoholics. To obtain a permit an applicant must offer proof of ability to use a pistol safely and show an occupation or personal safety hazard that requires him to carry a pistol. Rifles are not regulated, and permits are not needed to keep a pistol at home or place of business or to transport it for repair, hunting or target shooting, or if it is unloaded and packaged.

The sale and manufacture of so-called "Saturday night specials" is outlawed. The law provides a mandatory one-year, one-day sentence upon conviction for a crime in which the person convicted either carried a gun or used a dangerous weapon. (Chap. 378)

#### **Workers' Compensation**

Chapter 359 made these changes in the workers' compensation program:

. . . Maximum weekly benefit for injuries or death occurring after July 31, 1975, was raised from the current \$100 to \$135. Minimum compensation is raised from the present \$17.50 per week up to 20 percent of the state average weekly wage. Beginning in August 1975 the minimum compensation became \$34 per week.

. . . Current maximum of \$40,000 in benefits to dependents after the death of a worker was removed.

. . . Yearly adjustments will be made on injuries occurring after October 1, 1975, involving temporary total, permanent

total, temporary partial disability and death. The adjustments will be based on the state average weekly wage and the first adjustment will take effect October 1, 1976.

#### **Unemployment Compensation**

Chapter 336 increased the maximum weekly unemployment benefits from \$85 to \$105 (62 percent of the state average weekly wage in 1974). The average will be redetermined on June 30 of each year and maximum benefits may go as high as \$116 under the new provisions. For claims filed after June 30, 1975, individual benefits will be paid, up to the \$105 maximum, on 60 percent of the first \$85 of the individual's average weekly wage, 40 percent of the next \$85 and 50 percent of the remainder. The old formula was 50 percent of the individual's average weekly wage with an \$85 maximum benefit.

The Act also raises, effective January 1, 1976, the taxable wage base, on which employer contributions are determined, from \$4,800 to \$6,200 (70 percent of the 1974 state average wage). Future increases in the base up to \$6,500 are possible without legislative action. Also, the maximum tax rate on employers who have been paying the current maximum 5 percent tax for three successive years will be assigned a 6 percent maximum rate.

Chapter 104 provides that a person eligible for unemployment compensation may receive \$25 of holiday pay per week without having his weekly benefits reduced. Holiday pay above that amount will be deducted from benefits. Formerly, benefits were reduced by the full amount of holiday pay.

Chapter 1 approved the payment of extended unemployment compensation benefits as soon as they were authorized by federal law instead of waiting for higher unemployment figures which would activate the existing State law. The change allowed the payment of extended benefits to begin on January 26, 1975, instead of February 9, 1975. The maximum period of extended benefits is 13 weeks per recipient.

## IV. RETIREMENT PROGRAMS

Employer contributions to the retirement benefit programs of State and local public employees in Minnesota during the current biennium will reach an estimated \$346,281,140, an increase of \$99,113,680 over the 1973-75 biennium.

Of the total, approximately \$246,281,140 is made available by legislative enactments; an estimated \$100,000,000 will come from local units of government.

The major item among the State appropriations is the estimated \$187,160,595 that will go to the State Teachers Retirement Association and to separate teacher retirement groups in Minneapolis, St. Paul and Duluth.

Most of the balance of the State contributions — \$59,120,545 — intended for retirement benefits for State employees, Supreme and District court judges and legislators (employer contribution) — is included in departmental budgets as part of normal payroll costs.

### Minnesota State Retirement System (MSRS)

Membership in the Minnesota State Retirement system is composed, generally, of employees or officers in the classified and unclassified services of the State. MSRS administers three retirement funds — the State Employees Retirement Fund, the Highway Patrolmen's Retirement Fund and the Judge's Retirement Fund — plus seven retirement plans or accounts.

The employer "matching" contributions by the State (4 percent matching plus 2 percent for the past service accrued liability) are estimated at \$42,600,000 for the 1975-77 biennium.

Retirement and disability benefits are based upon the employee's highest five successive years of covered salary. To compute an employee's annuity, the retirement service credit is converted to a percentage using the following formula:

- 1 percent per year for the first 10 years:
- 1½ percent for each year of service over 10.

The resulting percentage is then applied to the average of the five highest successive years of salary (salary for high 5 years divided by 60). This procedure determines the amount of monthly benefit payable at age 65. For example, an employee with 30 years of service and a 5-year average of \$900 per month would receive \$360 per month. Another with 40 years of service and a 5-year average of \$1400 per month would receive \$770 per month.

The mandatory retirement age has been lowered to 65 effective July 1, 1975. Employees with 30 years of service may retire at age 62 with full benefits.

A separate Correctional Employees Retirement Plan is in effect for certain employees having direct inmate contact. The mandatory retirement age of these person will decrease, in steps, from 59 years effective July 1, 1975, to 57 years effective January 1, 1976, and 55 years effective July 1, 1976.

### Public Employees Retirement Association (PERA)

Membership in the Association consists largely of elected officials (for whom membership is optional), appointed officers and employees, other than teachers, of governmental subdivisions. Also included in membership are district court reporters, employees of the League of Minnesota Municipalities, and officers and employees of public hospitals owned or operated by, or an integral part of, any governmental subdivision.

Employer contributions by local units of government are estimated at \$100,000,000 for the 1975-77 biennium.

The Association operates with three distinct funds — a basic fund, a coordinated fund, and a police and fire fund. The

coordinated fund includes employees covered by an agreement made between the State and the Secretary of Health, Education and Welfare making the provision of the Federal Old Age, Survivors and Disability Insurance Act applicable to such members.

The contribution rate of both the employer and employee is 8 percent for those employees under the basic fund and 4 percent for those under the coordinated fund. In addition to matching the employee's contribution, the employer (the local governmental subdivision) pays 2½ percent under the basic plan and 1½ percent under the coordinated plan. The employee contribution rate under the police and fire fund is 8 percent, and the employer contribution is 12 percent.

Annuities are based on the average annual salary paid the employee during his highest five successive salary years. Under the basic fund the pension is 2 percent of such average salary for each of the first 10 years of service and 2.5 percent for each year of service thereafter. Under the coordinated fund, the pension will be 1 percent of such average salary for each of the first 10 years of service and 1.5 percent for each year of service thereafter. Under the police and fire fund, the pension will be 2.5 percent of such average salary for each of the first 20 years of service and 2.0 percent for each year of service thereafter.

### Teachers Retirement Association (TRA)

Membership in the Teachers Retirement Association consists principally of persons who have served or are serving as teachers, supervisors and other professional personnel in the public schools located outside the cities of the first class, or in any charitable or State institutions supported, in whole or in part, by public funds. Membership also is extended to like employees of the State universities and community colleges. Also included are former members of the association currently employed by a teacher organization, i.e. Minnesota Education Association, Minnesota Federation of Teachers, and others.

Annuities are based on the use of the average monthly salary for the five highest successive years.

Retirement service credit is determined using the following percentages:

	Basic System	Coordinated System
Each year of service during first 10 . . . . .	2.0%	1.0%
Each year of service thereafter . . . . .	2.5%	1.5%

The resulting total percentage applied to the average monthly salary for the five highest successive years produces the monthly annuity payable at age 65.

Member contributions are 8 percent in the basic system and 4 percent in the coordinated system. In addition to matching the employee contribution, the employer (local subdivision) pays 2½ percent under each system to amortize the deficit in the fund.

### SUMMARY EMPLOYER RETIREMENT CONTRIBUTIONS (Estimated Amounts)

By the State	1973-75	1975-77
Minnesota State Retirement System	\$ 34,733,000	\$ 42,600,000
Teachers Retirement Association . . . . .	135,595,000	187,160,595
Highway Patrolmen's Retirement Association . . . . .	3,400,000	5,100,000
Supplemental Retirement Benefits		
For certain State Universities and Community College personnel . . . . .	2,697,598	2,767,519
For certain employees in:		
MSRS . . . . .	270,000	245,000
PERA . . . . .	222,000	190,400
TRA . . . . .	22,000	20,000

**SUMMARY  
EMPLOYER RETIREMENT CONTRIBUTIONS (Continued)**

By the State (Continued)	1973-75	1975-77
Elected State Officers' Retirement Programs . . . . .	57,510	100,249
Legislative Retirements . . . . .	216,000	831,853
Legislative Retirement Adjustments . . . . .	1,124,916	—
Special Retirement Accounts		
Retired Attorney General, Retired Clerk of the Supreme Court, and for District Court Judges and their surviving spouses . . . . .	829,436	5,242,824

By the State (Continued)	1973-75	1975-77
Supplemental Appropriations for Retired District and Supreme Court Judges and their widows . . . . .	—	2,022,700
Total State Contribution . . . . .	\$179,167,460	\$246,281,140

By Local Units of Government	1973-75	1975-77
For Public Employees Retirement Association . . . . .	68,000,000	100,000,000
Total Amounts . . . . .	\$247,167,460	\$346,281,140

## V. STATE BORROWING

The 1975 Legislature authorized the issuance and sale of \$81,875,000<sup>1</sup> in general obligation bonds, the proceeds of which are for capital outlay and other purposes. In addition, issuance of an additional \$60,000,000 in revenue bonds by the Higher Education Coordinating Commission was authorized. (Chaps. 354, 390, 415 and 436)

### State Building Program

For State building purposes, the 1975 Legislature authorized the sale of \$32,875,000<sup>1</sup> of general obligation bonds, maturing serially within 20 years from the date of issuance. (Chap. 436)

#### Major Items Include:

- ... At the University of Minnesota — \$10,500,000 to construct a new law school building at the Minneapolis campus. In addition, \$1,800,000 was provided for sitework, equipment, and other non-construction costs.
- ... For a Desegregation Plan — \$4,000,000 to the State Board of Education to be used to match local district funds used for construction, enlargement, or modification of school buildings wherever such alterations are directly related to reducing or eliminating racial imbalance.
- ... To Metropolitan Community College — \$1,075,000 for land acquisition, demolition and site preparation for Metropolitan Community College expansion.
- ... Vocational-Technical building bonds — \$15,500,000 or so much thereof as is determined to be needed, was appropriated for the acquisition and betterment of public land, buildings and capital improvements needed for the area vocational-technical education program of the State.

### Regional Open Spaces

The 1975 Legislature also appropriated from the Minnesota State Building fund to the Commissioner of Natural

<sup>1</sup>Section 4 of the bill authorizes the sale and issuance of state building bonds in an amount of \$16,875,000 — \$500,000 less than the total of the individual items.

Resources the sum of \$20,000,000 for grants to the Metropolitan Council and local government units for the cost of acquisition and betterment of regional open space. (Chap. 415)

In addition, \$15,000,000 was appropriated from the general fund to the Commissioner of Natural Resources with the following sums of money for the purposes specified. (Chap. 415)

State Parks and Recreation Areas . . . . .	\$ 7,000,000
State Trails . . . . .	1,000,000
State Forests . . . . .	2,000,000
Fish Management Lands . . . . .	1,000,000
State Wildlife Management Areas . . . . .	2,750,000
Wetlands outside of designated Wildlife Management Areas . . . . .	750,000
Wild, Scenic & Recreational Rivers . . . . .	500,000
TOTAL . . . . .	\$15,000,000

### State Water Pollution Control Bonds

Minnesota Statutes Section 116.18, Subdivision 1, was again amended to increase the issuance of Minnesota state water pollution control bonds from \$55,000,000 to \$84,000,000. The funds are to provide "grants to municipalities and agencies of the State for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution . . .". In addition, an appropriation of \$11,000,000 was made from the general fund for the same purposes previously mentioned, with the proviso that such funds be obligated prior to the sale of the additional bonds authorized. (Chap. 354)

### Student Loan Program

The Higher Education Coordinating Commission was authorized to issue an additional \$60,000,000 in revenue bonds (initially \$30,000,000 by the 1973 Legislature) for the purpose of providing loans to encourage young men and women to continue their education and to provide financial assistance for those who would not otherwise be able to do so. (Chap. 390)

## VI. THE TAX LAWS

The 1975 Session of the Legislature enacted a number of changes in the property, income and sales tax laws.

The major emphasis again was in the property tax field where the legislature enacted an income adjusted (circuit breaker) tax credit and took over some county and municipal costs by enactment of new State aids for welfare and general municipal expenditures. The 1975 Legislature also enacted an income tax forgiveness and relief program for low income workers and a number of other programs.

### PROPERTY TAX

#### Income Adjusted Property Tax Relief (Circuit Breaker)

A circuit breaker property tax relief program was enacted and superimposed on the existing homestead credit property tax relief.

The homestead credit remains at 45 percent of the total property tax bill, minus the amount of taxes for non-school bonded indebtedness. The maximum homestead credit remains at \$325.

The circuit breaker replaces the renter credit and the low income senior citizens and disabled persons property tax credit.

Circuit breaker relief is determined by a schedule based on income and property tax payments.

The credit will be paid to claimants whose property taxes exceed the following percentages of their income, up to the maximum benefits listed below:

\$ 0 to 2,499	1.0 percent, up to \$475;
2,500 to 19,999	1.5 percent, up to \$475;
20,000 to 22,999	1.6 percent, up to \$475;
23,000 to 25,999	1.8 percent, up to \$425;
26,000 to 30,999	2.0 percent, up to \$375;
31,000 to 35,999	2.2 percent, up to \$350;
36,000 to 40,999	2.4 percent, up to \$325;
41,000 to 44,999	2.6 percent, up to \$325;
45,000 to 52,999	2.8 percent, up to \$325;
53,000 to 65,999	3.0 percent, up to \$325;
66,000 to 81,999	3.2 percent, up to \$325;
82,000 to 99,999	3.5 percent, up to \$325;
100,000 and over	4.0 percent, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule: between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

Twenty percent of the annual rent paid shall be considered the amount of property tax paid for purposes of the circuit breaker.

The amount of the circuit breaker relief will be the amount calculated under the above formula minus the homestead credit received by the claimant. Senior citizens and disabled persons will be given credit under the same schedule, except that their maximum allowable credit will be \$200 higher, regardless of income, than shown in the above schedule.

Claims forms distributed by the Department of Revenue will need be filed in order to secure the credit.

Payments to renters, senior citizens and disabled claimants will be made within 60 days of filing. Homeowners under 65 will receive their payments between October 1st and October 15th.

The 1975 Legislature also amended the Senior Citizens Property tax freeze by eliminating high income senior citizens from benefits. The amended law phases out the freeze in five

percent increments for each \$500 in income above \$10,000 a year. Thus the freeze is completely eliminated for senior citizens with incomes in excess of \$19,500. Under the freeze, eligible senior citizens get a full rebate for property taxes they pay over the amount they paid in the year they turned 65 (unless this occurred before 1973, in which case 1972 taxes, payable in 1973, are used as the base.)

The circuit breaker, senior citizens freeze and homestead credit is estimated to cost \$622,385,000 in the 1975-77 biennium, \$258,464,000 more than the "rent" credit, homestead credit, and senior citizens freeze, and senior citizens and disabled persons property tax credit appropriations made by the 1973 Legislature.

In addition to providing this direct property tax relief for homeowners and renters, the 1975 Legislature further reduced the property tax burden by increasing aids to local units of government. This was done through a partial takeover of county welfare costs and by increasing local government aids.

#### Takeover of Some County Welfare Costs

Effective January 1, 1976, the State will increase its funding of the medical assistance and indigent medical care programs. (Chap. 437)

The State will pay 90 percent of medical assistance costs not covered by federal funds. The State is presently paying 50 percent of the non-federal costs. This provision is estimated to shift \$69,000,000 of county welfare costs to the State.

The State will also pick up 90 percent of costs of indigent medical care (General Assistance-Medical). The cost of this program has been entirely financed by the counties, with no money coming from the Federal or State governments. This provision is estimated to cost \$23,900,000 for the biennium.

The Act further provides that the Commissioner of Public Welfare shall establish state-wide eligibility standards for the new indigent medical care program.

#### Local Government Aid Revision

This Act (Chap. 437) provides local government aid of \$42 per capita in 1976 and \$45 per capita in 1977. This is an increase from the 1975 aids of \$36 per capita for the non-metropolitan counties and \$37 per capita for the metropolitan counties.

As in the present formula, the per capita aids will be distributed within the counties. The seven county metropolitan area is considered as one county. A new distribution formula was established for the distribution of aids to the cities and towns within each county. This new formula will increase the proportion of aids going to communities with high mill rates.

County governments (excluding counties which include a city of the first class) and special taxing districts will receive aids equal to the amount they received in 1975. Hennepin, Ramsey and St. Louis County governments will receive no aids in 1976 or 1977 because these counties benefited the most from the increased welfare financing.

The increased local government aids will cost the State an additional \$29,000,000 during the 1975-77 biennium.

#### Taconite Production Tax Increase

The 1975 Legislature also provided additional property tax relief to property taxpayers in the taconite areas of northeastern Minnesota and to owners of agricultural and seasonal recreational property.

Chapter 437 provides for a production tax increase of 39 cents for each ton of taconite and iron sulphide concentrate produced after December 31, 1974. This tax will be in addition to the present production tax which is estimated to be 35.95

cents for concentrate produced in 1975 and 37.74 cents for concentrate produced in 1976. The 39 cent increase is estimated to raise an additional \$36,621,000 in the 1975-77 biennium.

The proceeds of the 39 cent increase will be distributed as follows:

- a. 10 cents per taxable ton to the county in which the taconite is mined or quarried or in which the concentrate is produced.
- b. 20 cents per taxable ton to qualifying school districts. Part of these monies will go to replace the school district aids received from the occupation tax. The remainder will be distributed in proportion to the amount each school district was permitted to levy in the prior year.
- c. 1 cent per taxable ton to the Iron Range Resources and Rehabilitation Board for environmental grants in Koochiching, Carlton, and Aitkin Counties.
- d. 8 cents per taxable ton to the taconite property tax relief fund.

The increase in monies going to the taconite property tax relief fund will finance substantial increases in the taconite homestead credit. However, the regular homestead credit will be calculated on the net taxes after the taconite homestead credit instead of on the gross tax as is presently done.

This article also eliminated the taconite occupation tax distribution to qualifying counties, cities and towns, and school districts. This distribution has been 25 percent of the total taconite occupation tax.

The Act also provides an appropriation of \$2,500,000 to the State Health Board to help install water filtration and purification systems for communities using Lake Superior as a drinking water source. The money is to be made available July 1, 1975, and is to be repaid by July 1, 1977, out of the counties' share of the new production tax (excluding the Itasca County share).

#### **Agricultural Mill Rate Differential Aid Increases**

Presently, all agricultural and seasonal recreational property receives an 8-1/3 school mill rate reduction financed by the State. Chapter 437 raises this aid to 12 mills for the first 120 acres of agricultural homestead property and to 10 mills for the excess over 120 acres and for non-homestead agricultural and non-commercial seasonal, recreational residential property.

This increase is estimated to cost the State an additional \$6,200,000 for the 1975-77 biennium.

#### **Levy Limitation on County, City, and Town Governments**

The 1975 Legislature enacted several other major property tax provisions.

In order to limit increases in property taxes, the 1975 Legislature extended the levy limits law originally passed in 1971.

Generally, this Act establishes 1975 as a new base year for calculating the limits, with the new base including several items not presently covered.

Because of the high inflation rate over the past two years, the 1975 Legislature provided a one-time levy limit adjustment above the annual six percent increase for cities and towns. The adjustment, effective for the 1976 budgets, will be equal to 17.5 percent of its 1976 local government aid. This amount will be added to the levy limit base in future years.

The Act also exempted communities under 2,500 from the levy limits. The old exemption was for communities under 500 in population.

The legislature also authorized the Levy Limit Review Board to increase a governmental subdivision's levy limit base for one of the following reasons:

- a. the governmental unit was meeting its current needs out of reserve funds in 1971, the original base year. It may then have its base increased by the amount of those reserves actually spent; or
- b. increased costs were incurred as the *indirect* result of State legislation, or
- c. the unit experiences a boundary change or reorganization which necessitates new or expanded services.

#### **Property Reassessment**

Chapter 437 also changes the reassessment limitation and establishes new guidelines for assessment frequency.

The five percent limitation on year-to-year market value increases for homesteads, agricultural property, and seasonal, recreational property is repealed. This is replaced by a "ten percent or a quarter of the increase" limitation, whichever is greater, which applies to all property beginning with the 1975 valuation.

The Act also provides that newly assessed properties and improvements to properties already assessed be valued initially at the average level of assessment for that assessment district. These properties are to be brought up to market value according to the same procedures used for reassessed properties.

The Act also provides that at least one-fourth of all parcels be viewed every year, starting with the 1976 valuation. If an assessor fails to view at least one-fourth of the parcels in his district for two consecutive years, the Commissioner of Revenue must appoint a special assessor to carry out the required reappraisal.

#### **Adjustments in Homestead Base Value**

Chapter 437 also provides for increases in the homestead base value (the first \$12,000 of market value of homesteads which is subject to a lower tax rate than the remainder of market value) as the average statewide market value of homesteads inflates. Beginning with the 1976 reassessment, the homestead base value will be increased \$500 for every 3½ percent increase in the average homestead market value above the 1974 base.

#### **Apportionment of Tax Levies in Overlapping Taxing Districts**

Chapter 295 permits the State Board of Equalization (the Commissioner of Revenue) to apportion the tax levy of a taxing district that overlaps two or more counties in order to compensate for unequal assessments. This procedure can only be used if assessment levels differ by more than ten percent and only after the other equalization procedures of the State Board have been used.

#### **Redemption Period for Tax-Forfeited Land**

The redemption period, during which a property owner may redeem property which has been forfeited through failure to pay taxes, is reduced from five to three years for property that is in an incorporated area and is not homestead, agricultural, or seasonal recreational property. The redemption period for all other property remains at five years. (Chap. 437)

## **INCOME TAX**

Several major provisions relating to the income tax were enacted by the 1975 Legislature. Included were increased credits for low income persons and an exemption of the Federal income tax rebates from state taxation.

#### **Expansion of "Working Poor" Credit**

Chapter 437 increases the amount of total income a person may receive without being subject to state income taxes as follows:

For a single person, from the current \$3,200 to \$4,400; or a claimant with one dependent, from \$3,800 to \$5,200; or a claimant with two dependents, from \$4,600 to \$6,000; or a claimant with three dependents, from \$5,400 to \$6,700; or a claimant with four dependents, from \$6,000 to \$7,300; and for a claimant with five or more dependents, from \$6,400 to \$7,800.

Persons earning more than these amounts pay 15 percent of the excess income or their regular tax, whichever is less.

This Act also clarifies that dependents are not eligible for this credit.

The working poor credit will be in effect for income earned in 1975 and thereafter. The increased benefits are estimated to cost the State an additional \$17,000,000 for the 1975-77 biennium.

A separate Act (Chap. 349) allows employees who anticipate they will owe no state income taxes because of the "working poor" law to be exempt from State income tax withholding.

#### **State Income Tax Exemption for Federal Income Tax Rebates**

Chapter 437 also exempts from State income tax the federal tax rebates received in 1975.

#### **Tax Loss Farming**

Chapter 437 also raises to \$15,000 (from \$10,000) the amount of non-farm income that can be written off dollar-for-dollar by farm losses in excess of farm income. For every dollar that non-farm income exceeds \$15,000, the maximum deduction is reduced by two dollars.

#### **Increase in the Tax Exempt Contributions to Individual Retirement Accounts**

Chapter 349 allows tax exempt contributions to "Keogh" individual retirement plans of 15 percent of income up to a maximum of \$7,500. Prior law provided for a tax exempt contribution of ten percent up to \$2,500. This provision will cost an additional \$10,000,000 for the 1975-77 biennium.

#### **Tax Credit for the Blind and Deaf**

Chapter 355 raises the income tax credit for the unmarried blind from \$21 to \$25 and establishes a \$25 tax credit for a deaf taxpayer and each deaf dependent.

#### **Tax Reductions for Substandard Rentals**

Chapter 226 prohibits anyone receiving rental income from a substandard building, as defined in the Act, from deducting interest or depreciation on his state income tax. Substandard buildings are those that a public agency has determined are dangerous to their occupants or, if unoccupied, represent a safety, health, or fire hazard.

## **SALES TAX**

#### **"Meals on Wheels" Exempt from the Sales Tax**

Persons over 60 years of age and their spouses, persons permanently and totally disabled and their spouses, are exempt from the State sales tax on food and drink purchased from a "Meals on Wheels" program or from a non-profit organization. (Chap. 312)



## VII. STATISTICS

### A. Comparison of Appropriations, 1973 and 1974, and 1975 Sessions

#### 1. BY APPROPRIATION MEASURES

##### OMNIBUS APPROPRIATION BILLS

Direct appropriations in the Omnibus State Departments, Semi-State Activities<sup>1</sup>, Welfare-Corrections, Education, School Aids, and Omnibus Tax Bill enacted by the 1975 Legislature amount to \$3,080,377,294, up \$688,066,120 or 28.76 percent over the \$2,392,311,174 provided by the 1973 and 1974 Legislatures.

The Omnibus Highway appropriation bill is \$207,000,000 for the current biennium, up \$23,450,059 from the 1973-75 fiscal period. In addition, the gasoline excise tax bill (Chap. 203, Laws 1975) contained general fund direct appropriations of \$42,110,000, including a supplemental appropriation of \$14,000,000 to the Commissioner of Highways to complete the 1975 fiscal year construction program.

Omnibus Appropriation Bills and Tax Bills (Direct Appropriations)	1973 & 1974 Legislatures	1975 Legislature	Increase	
			Amount	Percent
State Departments (Chap. 204) . . . . .	\$ 265,298,366	\$ 352,564,633	\$ 87,266,267	32.89%
Semi-State Activities . . . . .	6,785,586	9,745,362 <sup>1</sup>	2,959,776	43.62
Welfare-Corrections (Chap. 434) . . . . .	433,316,717	586,952,669	153,635,952	35.46
Education				
School Aids (Chap. 432) . . . . .	1,283,725,000	1,589,876,200	306,151,200	23.85
Other-than-School Aids (Chap. 433) . . . . .	403,185,504 <sup>2</sup>	537,538,428 <sup>2</sup>	134,352,924	33.32
Tax Bill (Direct Approp.) (Chap. 437) . . . . .	—	3,700,000	3,700,000	NM
	<u>\$2,392,311,174</u>	<u>\$3,080,377,294</u>	<u>\$688,066,120</u>	<u>28.76%</u>
Highway Department (Chap. 435)				
Direct Appropriations for:				
Administrative operations, equipment, buildings and improvements, research and standards, State aid administration, planning and programming, interstate safety rest areas — plus the legal, maintenance and highway development divisions . . . . .	183,549,941	207,000,000	23,450,059	12.78
Gasoline Excise Tax Bill (Chap. 203)				
Direct Appropriations for:				
Public transit aid, demonstration programs, administering of supplemental transit aid program, and review of uncompleted sections of interstate system in seven county metropolitan area — plus supplemental appropriation in the sum of \$14,000,000 from general fund to commissioner of highways to enable department to complete 1975 fiscal year construction program . . . . .	—	42,110,000	42,110,000	NM
Total . . . . .	<u>\$2,575,861,115</u>	<u>\$3,329,487,294</u>	<u>\$753,626,179</u>	<u>29.26%</u>

NM—Not Meaningful

<sup>1</sup>Amount of conference report — not passed in 1975 Session — included for comparative purposes.

<sup>2</sup>Includes occupation tax, and trust fund revenues estimated at \$7,070,000 in 1973-75, and trust fund earnings of \$5,095,512 in 1975-77.

## MISCELLANEOUS APPROPRIATION BILLS

Each session the legislature enacts several miscellaneous appropriation bills providing direct spending authority not included in the omnibus appropriation measures. Some of the appropriations so made are recurring items, such as miscellaneous claims, the youth employment program, and maintenance of State buildings. Some of these appropriations are to supplement items previously provided in an omnibus appropriation bill, or will become a continuing part of the State's service and be funded in one of the omnibus ap-

propriation bills in succeeding legislative sessions. Some are for new activities which may or may not be continued beyond the 1975-77 biennium. Other appropriations are for activities which it is felt will not be continued beyond the current biennium and are classified as nonrecurring.

The total of miscellaneous appropriations increased from \$43,501,729 in the 1973-75 biennium (including \$11,967,679 by the 1974 Legislature) to \$72,935,439 for 1975-77 — an increase of \$29,433,710.

### 1973 - 1974 AND 1975 SESSIONS (Including deficiencies and appropriations made immediately available)

<u>Recurring Items</u>	<u>1973 &amp; 1974 Legislatures</u>	<u>1975 Legislature</u>	<u>Increase or (Decrease)</u>
Miscellaneous Claims . . . . .	\$ 613,627	\$ 109,174	\$ (504,453)
State Buildings — Current			
Maintenance . . . . .	4,482,092	—	(4,482,092)
Dutch Elm Disease . . . . .	—	1,595,000	1,595,000
Youth Employment Program . . . . .	3,000,000	4,000,000	1,000,000
Judges' Retirement . . . . .	—	2,022,700	2,022,700
Fluctuating School Enrollments . . . . .	—	60,000	60,000
Lake Owasso Children's Home . . . . .	—	300,000	300,000
Pollution Control (Sewers) . . . . .	—	11,000,000	11,000,000
Outdoor Recreation Act . . . . .	—	15,000,000	15,000,000
TOTAL . . . . .	\$ 8,095,719	\$34,086,874	\$25,991,155
<u>Major Appropriation Bills</u>			
Supplemental Appropriations . . . . .	\$16,003,344	\$ 5,137,565	\$(10,865,779)
<u>New Activities</u>			
Nutritional Program for Elderly . . . . .	\$ —	\$ 650,000	\$ 650,000
Nutritional Program for Mothers and Children . . . . .	—	1,000,000	1,000,000
ARA Loan Revolving Program . . . . .	—	1,000,000	1,000,000
Non-Public School Aid . . . . .	1	24,000,000	24,000,000
Railroad Track Safety Standards . . . . .	—	105,000	105,000
Administrative Procedures Act . . . . .	—	356,000	356,000
Treatments of Adults having Cystic Fibrosis . . . . .	—	80,000	80,000
State Procurement Procedures . . . . .	—	40,000	40,000
Advisory Task Force on Small Business . . . . .	—	60,000	60,000
State Farm Census . . . . .	—	50,000	50,000
Privacy Bill . . . . .	—	25,000	25,000
Anatomical Gifts . . . . .	—	35,000	35,000
Various Appropriations . . . . .	14,417,218	—	(14,417,218)
TOTAL . . . . .	\$14,417,218	\$27,401,000	\$12,983,782
<u>Non-Recurring Items</u>			
Restoration and Rehabilitation of State Capital Building . . . . .	\$ —	\$ 485,000	\$ 485,000
Vietnam Bonus . . . . .	—	5,000,000	5,000,000
Redemption of Forfeited Property at Jonathan . . . . .	—	825,000	825,000
Various Appropriations . . . . .	4,985,446	—	(4,985,446)
TOTAL . . . . .	\$ 4,985,446	\$ 6,310,000	\$ 1,324,554
GRAND TOTAL . . . . .	\$43,501,729	\$72,935,439	\$29,433,710

<sup>1</sup>See Open and Standing Appropriations — "Tax Credit to Parents with Children in Non-Public Schools."

## OPEN AND STANDING APPROPRIATIONS – STATE FUNDS

Open and standing appropriations from state funds are estimated at \$2,648,465,497 for the 1975-77 biennium. Of this sum, \$1,982,881,047 will be financed from the general fund – an increase of \$689,826,683, or 53.35 percent over

the estimates made for such appropriations in the 1973-75 period. The remainder – \$665,584,450 – will be financed from a number of other state sources.

### OPEN AND STANDING APPROPRIATIONS

#### State Funds

General Fund	1973 & 1974 Legislatures	1975 Legislature	Increase or (Decrease)
Income Tax Refunds – Individual . . . . .	\$ 261,444,000	\$ 307,550,000	\$ 46,106,000
– Corporate . . . . .	20,000,000	28,000,000	8,000,000
Renter Credit . . . . .	44,280,000	–1	(44,280,000)
Senior Citizen Credit . . . . .	24,541,000	–1	(24,541,000)
Tax Relief to "Working Poor" . . . . .	–	14,400,000	14,400,000
Tax Credit to Parents with Children in Non- Public Schools . . . . .	21,286,000	–2	(21,286,000)
Sales Tax Refunds . . . . .	400,000	1,600,000	1,200,000
Other Tax Refunds . . . . .	–	4,540,000	4,540,000
Non-Department of Revenue Tax Refunds . . . . .	2,800,000	2,600,000	(200,000)
Agricultural Land Tax Differential Aid . . . . .	27,000,000	36,900,000	9,900,000
Aid to Local Governments . . . . .	255,925,000	277,800,000	21,875,000
Exempt Tax Reimbursement . . . . .	10,000,000	–	(10,000,000)
Tax Reimbursement for Exempt Attached Machinery . . . . .	10,400,00	17,600,000	7,200,000
Taconite Apportionment . . . . .	–	42,859,000	42,859,000
Homestead Credit . . . . .	293,900,000	425,000,000	131,100,000
Aid to Police Departments . . . . .	7,500,000	6,890,997	(609,003)
Aid to Fire Departments and Surcharge for Firemen's Relief . . . . .	8,375,000	7,792,854	(582,146)
Peace Officer's Survivors Benefits . . . . .	200,000	400,000	200,000
Inheritance Apportionment . . . . .	–	4,600,000	4,600,000
Tax Relief – Airport – School District #16 . . . . .	10,500	–3	(10,500)
Retirements:			
Supreme and District Court Judges . . . . .	–	5,200,000	5,200,000
Legislative Retirement . . . . .	1,340,916	831,853	(509,063)
Constitutional Officers . . . . .	57,510	100,249	42,739
Minnesota State Retirement System . . . . .	270,000	245,000	(25,000)
Teachers – Supplemental . . . . .	22,000	20,000	(2,000)
Public Employees – Supplemental . . . . .	222,000	190,400	(31,600)
Teachers – State Universities & Community Colleges . . . . .	2,697,598	2,767,519	69,921
Teachers – Cities of First Class . . . . .	–	29,823,765	–
Teachers – Statewide . . . . .	229,995,000	157,336,830	69,465,595
Debt Service and Interest (Revised) . . . . .	–	112,300,000	–
Cancelled Warrants Suspense . . . . .	20,000	20,000	–
R. Weber Compensation . . . . .	2,400	2,400	–
Tower Soudan State Park . . . . .	1,000	–	(1,000)
Economic Opportunity Act			
State Universities – EDA Work Study . . . . .	750,000	800,000	50,000
Community Colleges – EDA Work Study . . . . .	244,440	320,000	75,560
Security Protection to Governor and Others . . . . .	460,000	800,000	340,000
Voyageurs National Park . . . . .	65,000	65,000	–
Uninsured Employers . . . . .	–	300,000	300,000
Military Land School Aid . . . . .	4,000	–	(4,000)
Military Forces Emergency . . . . .	–	42,100	42,100
St. Croix Wild River State Park . . . . .	–	7,480	7,480
Minnesota Voting Machine Commission . . . . .	–	600	600
Unclaimed Dividends . . . . .	–	10,000	10,000
Treasurer Escheats . . . . .	–	200,000	200,000
EQC Power Plants . . . . .	–	872,000	872,000
Economic Package – Salary Increases and Fringe Benefits . . . . .	39,385,000	90,000,000	50,615,000

**OPEN AND STANDING APPROPRIATIONS (Continued)**

<u>General Fund — Continued</u>	<u>1973 &amp; 1974 Legislatures</u>	<u>1975 Legislature</u>	<u>Increase or (Decrease)</u>
Economic Package — (Carried Forward) . . . . .	—	16,000,000	16,000,000
Unclassified Pay Plan . . . . .	845,000	—	(845,000)
Tuition Reciprocity — Wisconsin . . . . .	1,220,000	3,000,000	1,780,000
Campaign Fund Check-Off . . . . .	—	630,000	630,000
Land Exchange Review Board . . . . .	50,000	—	(50,000)
State Athletic Commission . . . . .	40,000	—	(40,000)
Dairy Marketing Research . . . . .	250,000	—	(250,000)
Bond Sale Expense . . . . .	6,000	—	(6,000)
Group Insurance Legislation . . . . .	3,130,000	— <sup>4</sup>	(3,130,000)
Apportionments (Bank Excise Tax, Cigarette Tax & Liquor Tax) . . . . .	10,175,000	—	(10,175,000)
Vietnam Bonus Bonds . . . . .	7,475,000	—	(7,475,000)
Zoo Bonds . . . . .	2,250,000	—	(2,250,000)
Pollution Control Bonds . . . . .	2,800,000	—	(2,800,000)
Property Tax Relief to Disabled Persons . . . . .	1,200,000	—	(1,200,000)
<b>TOTAL</b> . . . . .	<u>\$1,293,039,364</u>	<u>\$1,600,418,047</u>	<u>\$307,378,683</u>
 <b>1975 Session Additions and Changes</b>		<b>1975 Legislature</b>	
Increased Agricultural Land Tax Differential Aid		\$ 6,200,000	
Increased Aid to Local Governments . . . . .		29,000,000	
Increase to Peace Officers' Survivors Benefits . . . . .		400,000	
Welfare "Take Over" (Estimates)			
Increased Medical Assistance . . . . .		69,000,000 <sup>5</sup>	
General Assistance — Medical . . . . .		23,900,000 <sup>6</sup>	
Income Adjusted Property Tax			
Credit (Circuit Breaker) . . . . .		197,385,000 <sup>7</sup>	
Increased Taconite Apportionment . . . . .		32,438,000	
Tuition Reciprocity — North & South Dakota . . . . .		1,200,000	
Increase in Teachers' Retirement for Cities of First Class . . . . .		— <sup>8</sup>	
Increased Tax Relief to "Working Poor" . . . . .		17,000,000	
Additional Debt Service on New Borrowing			
Authorized . . . . .		5,940,000	
<b>TOTAL</b> . . . . .		<u>\$ 382,463,000</u>	
<b>TOTAL GENERAL FUND</b> . . . . .		<u>\$1,982,881,047</u>	
 <b>Other State Funds</b>		<b>1975 Legislature</b>	
General Dedicated . . . . .		\$ 247,818,234	
Debt Service . . . . .		17,585,144	
Miscellaneous Special Revenue . . . . .		16,685,471	
Endowment School Fund Apportionment . . . . .		28,250,000	
Iron Range Resources & Rehabilitation . . . . .		2,778,142	
Game and Fish . . . . .		17,200	
Consolidated Conservation . . . . .		412,425	
State Airports . . . . .		2,260,000	
Trunk Highway . . . . .		107,581,600	
Highway User . . . . .		24,000,000	
County State Aid Highway . . . . .		157,100,000	
Municipal State Aid Street . . . . .		50,700,000	
Trust Funds . . . . .		75,000	
Revolving Funds . . . . .		10,321,234	
<b>TOTAL OTHER FUNDS</b> . . . . .		<u>\$ 665,584,450</u>	
<b>TOTAL OPEN &amp; STANDING APPROPRIATIONS</b>		<u>\$2,648,465,497</u>	

<sup>1</sup> & <sup>7</sup>The estimated amounts for renter credit (\$47,200,000); Senior Citizens income property tax credit (\$23,085,000); Senior Citizens freeze credit (\$61,100,000) have now been incorporated in the circuit breaker total — leaving \$66,000,000 in additional revenue provided by the 1975 Legislature.

<sup>2</sup>Replaced by direct appropriation of \$24,000,000 for instructional materials and equipment, and auxiliary services.

<sup>3</sup>Changed to direct appropriation in School Aid Bill.

<sup>4</sup>Provision for adjustment included in lump sum amount for economic package.

<sup>5</sup>Amount depends on eligibility standards to be promulgated.

<sup>6</sup>Assumes continuation of 100 percent of state funds for non-federal share of charges for care of mentally retarded persons in state institutions.

<sup>8</sup>Subject to study by and report of Legislative Retirement Study Commission. Any increase in state liability by reason of enactment of Laws 1975, Chapter 306, contingent on legislative action.

## FEDERAL FUNDS

Federal funds, to augment state moneys for various purposes, are expected to total \$1,185,563,294 for the 1975-77 biennium — up \$113,740,630, or 10.6 percent, over a similar estimate for the 1973-75 fiscal period.

<u>Activity</u>	
Education . . . . .	\$ 203,891,342
Welfare-Corrections-Health . . . . .	705,432,916
Highways . . . . .	215,000,000
General State Government . . . . .	61,135,726
Judiciary . . . . .	103,310
Total . . . . .	\$1,185,563,294

## TOTAL SPENDING

Authorized expenditures by the state government during the 1975-77 biennium — including both direct and open appropriations, but excluding those from federal funds — are estimated at \$6,050,888,230. With the addition of federal funds, the two-year spending total becomes \$7,236,451,524.

		<u>Percent of total</u>
Omnibus Appropriation Bills . . . . .	\$3,329,487,294	46.01%
Miscellaneous		
Appropriation Bills . . . . .	72,935,439	1.01
Open and Standing		
Appropriations . . . . .	2,648,465,497	36.60
	\$6,050,888,230 <sup>1</sup>	83.62%
Federal Funds . . . . .	1,185,563,294 <sup>1</sup>	16.38
Total Spending . . . . .	\$7,236,451,524	100.00%

<sup>1</sup>Gross Amount. General Fund appropriation Cancellations estimated at \$50,000,000 for 1975-77 biennium.

## CONFERENCE REPORTS NOT PASSED

There were four conference reports that, due to time limitations on the final day of the 1975 Session, were not considered. They are:

Housing Finance Agency . . . . .	(HF 1137)	\$40,000,000
Community Health . . . . .	(HF 645)	2,750,000
Drainage (Public Waters) . . . . .	(SF 1308)	1,040,000
Alcohol and Drug Abuse . . . . .	(HF 1199)	7,380,000
		\$51,170,000

A fifth conference report — the Omnibus Semi-State Activities bill — was not passed, but has been included in the Fiscal Review for comparative purposes.

## 2. SUMMARY OF LEGISLATIVE APPROPRIATIONS—BY FUNCTION 1973, 1974, AND 1975 SESSIONS

<u>Function</u>	<u>1973 &amp; 1974 Legislatures</u>	<u>1975 Legislature</u>	<u>Increase 1975 Over 1973-1974</u>	<u>Percent Increase</u>
Property Tax Relief, Shared Taxes & Aids				
To Local Governments . . . . .	\$ 936,358,913	\$1,319,904,446	\$ 383,545,533	40.96%
Education				
Department of Education . . . . .	\$ 22,550,880	\$ 31,119,666	\$ 8,568,786	38.0 %
School Aids . . . . .	1,341,177,475	1,680,669,000	339,491,525	25.31
Special School Aids . . . . .	2,972,000	5,949,000	2,977,000	100.17
State Community Colleges . . . . .	38,910,163	48,973,058	10,062,895	25.86
State Universities . . . . .	89,446,520	113,339,648	23,893,128	26.71
University of Minnesota . . . . .	237,319,156	302,482,465	65,163,309	27.46
Higher Education Coordinating Commission . . . . .	21,551,556	44,449,791	22,898,235	106.25
Aid to Private Schools . . . . .	—	24,000,000	24,000,000	NM
Miscellaneous Education . . . . .	2,098,000	4,067,000	1,969,000	93.85
Total Education . . . . .	<u>\$1,756,025,750</u>	<u>\$2,255,049,628</u>	<u>\$ 499,023,878</u>	<u>28.42%</u>
Welfare, Corrections & Health				
Department of Public Welfare . . . . .	\$ 233,530,154	\$ 382,918,065	\$ 149,387,911	63.97%
Institutions . . . . .	129,996,782	157,563,150	27,566,368	21.21
All Other Welfare . . . . .	29,254,118	58,792,325	29,538,207	100.97
Department of Corrections . . . . .	14,502,062	25,651,745	11,149,683	76.88
Institutions . . . . .	31,720,635	38,844,300	7,123,665	22.46
Board of Health . . . . .	9,491,600	19,819,500	10,327,900	108.81
Miscellaneous . . . . .	844,500	2,355,800	1,511,300	178.96
Total Welfare, Corrections & Health	<u>\$ 449,339,851</u>	<u>\$ 685,944,885</u>	<u>\$ 236,605,034</u>	<u>52.66%</u>
Highways & Mass Transit				
Department of Highways . . . . .	\$ 183,784,941	\$ 221,000,000	\$ 37,215,059	20.25%
Other Transit Appropriations . . . . .	6,032,500	28,025,000	21,992,500	NM
Total Highways . . . . .	<u>\$ 189,817,441</u>	<u>\$ 249,025,000</u>	<u>\$ 59,207,559</u>	<u>31.19%</u>
Other Executive Branch Functions				
Governor . . . . .	\$ 2,197,350	\$ 3,154,598	\$ 957,248	43.56%
General State Government . . . . .	72,278,506	108,913,412	36,634,906	50.71
Protection to Persons & Property . . . . .	95,521,043	117,384,255	21,863,212	22.89
Natural Resources . . . . .	76,841,708	121,579,579	44,737,871	58.22
Agriculture . . . . .	6,110,320	14,791,859	8,681,539	142.08
Legislative . . . . .	23,636,709	32,103,462	8,466,753	35.82
Judicial . . . . .	7,543,821	9,402,841	1,859,020	24.64
Retirement . . . . .	5,439,460	11,420,544	5,981,085	109.96
Miscellaneous . . . . .	350,927,027	484,889,263	133,962,236	38.17
Total Other State Government . . . . .	<u>\$ 640,495,944</u>	<u>\$ 903,639,818</u>	<u>\$ 263,143,874</u>	<u>41.08%</u>
Total . . . . .	<u>\$3,972,037,902</u>	<u>\$5,413,563,780</u>	<u>\$1,441,545,878</u>	<u>36.29%</u>
Additional Open Appropriations (State)		637,324,450		
Total State Funds . . . . .		<u>\$6,050,888,230</u>		
Federal Funds . . . . .		1,185,563,294		
Grand Total . . . . .		<u>\$7,236,451,524</u>		

NOTE: Columns may not add due to dropping of cents.

NM — Not Meaningful.

## 2. APPROPRIATIONS BY FUNCTION (Continued)

	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
<b>Property Tax Relief, Shared Taxes &amp; Aids to Local Governments</b>			
Aids to Fire Departments	\$ 7,500,000	\$ 6,942,854	\$ (557,146)
Surcharge for Firemen's Relief	875,000	850,000	(25,000)
Aid to Police Departments	7,500,000	6,890,997	(609,003)
To Counties a/c Non-tax Areas	48,000	24,000	(24,000)
Special Aid to Cities	417,500	—	(417,500)
Special Aid to Counties	75,000	—	(75,000)
Special Aid to Towns	3,000	—	(3,000)
Property Tax Relief			
Exempt Personal Property Reimbursement	10,400,000	17,600,000	7,200,000
Elimination of State Mill Levy	229,995,000	299,460,595	69,465,595
New Debt Service	12,525,000	5,940,000	(6,585,000)
Homestead Credit	293,900,000	425,000,000	131,100,000
65 and Over Property Tax Relief	24,541,000	1	(24,541,000)
Renters Credit	44,280,000	1	(44,280,000)
Circuit Breaker	—	197,385,000 <sup>1</sup>	197,385,000
City of Staples — Gross Earnings Aid	12,730	—	(12,730)
Aid to Local Government	255,925,000	306,800,000	50,875,000
Class 3 Property Reimbursement	10,000,000	—	(10,000,000)
Property Tax Relief to Disabled Persons	1,200,000	1	(1,200,000)
City of Bloomington a/c Special Assessments	102,557	—	(102,557)
Apportionments:			
Bank Excise Tax	3,100,000	—	(3,100,000)
Cigarette Tax	3,923,000	—	(3,923,000)
Liquor Tax	3,152,000	—	(3,152,000)
Inheritance Tax	6,676,000	4,600,000	(2,076,000)
Taconite Occupation & Production Taxes	20,208,126	48,411,000	28,202,874
	<b>\$ 936,358,913</b>	<b>\$ 1,319,904,446</b>	<b>\$ 383,545,533</b>
<b>Education</b>			
Department of Education	\$ 14,626,201	\$ 19,501,484	\$ 4,875,283
Vocational Rehabilitation	3,900,627	6,687,982	2,787,355
Community Library Services	3,644,052	4,500,000	855,948
SW and WC Educational Service Areas	100,000	—	(100,000)
Educational Assessment	100,000	250,000	150,000
Shared Time-Deficiency	—	170,000	170,000
Reporting Systems — Deficiency	—	10,200	10,200
Miscellaneous	180,000	—	(180,000)
School Aids			
Foundation	997,049,000	1,184,000,000	186,951,000
Transportation	91,700,000	129,483,000	37,783,000
Special Education	53,840,000	85,350,000	31,510,000
Secondary Vocational	20,700,000	30,000,000	9,300,000
Post-Secondary Vocational	64,200,000	112,700,000	48,500,000
Post-Secondary Vocational Foundation Aid	47,000,000	29,400,000	(17,600,000)
Vocational Construction	750,000	1,500,000 <sup>2</sup>	750,000
Adult Vocational	5,500,000	8,000,000	2,500,000
Veteran Cooperative Training	792,000	2,000,000	1,208,000
Agricultural Land Tax Differential	27,000,000	43,100,000	16,100,000
Endowment School Apportionment	24,500,000	28,250,000	3,750,000
Taconite Apportionment to School Districts	8,146,475	26,886,000	18,739,525
Special School Aids			
Gross Earnings	1,800,000	1,500,000	(300,000)
Tax Exempt Land	800,000	400,000	(400,000)
School Districts a/c Non-tax Areas	48,000	24,000	(24,000)
Military Reservation	4,000	—	(4,000)
Airport	320,000	160,000	(160,000)
Adult Education	—	630,000	630,000
G.E.D. Reimbursement	—	120,000	120,000
Community Education	— <sup>3</sup>	2,800,000	2,800,000
Eligible Teacher	—	150,000	150,000
Tax Delinquency	—	165,000	165,000
Early Childhood Pilots — CQE	250,000	1,000,000	750,000
Lake County — I.S.D. #381	—	190,000	190,000
Flexible School Year Planning Grants	—	100,000	100,000
State Community Colleges			
Maintenance and Equipment	36,537,236	46,622,527	10,085,291
Occupational Program Development	400,000	450,000	50,000
Student Loan Program	160,000	160,000	—
Community College Contingent	800,000	300,000	(500,000)
Economic Opportunity Act	244,440	320,000	75,560
Repairs and Betterments	503,775 <sup>4</sup>	754,778	251,003

## 2. APPROPRIATIONS BY FUNCTION (Continued)

<u>Education (Continued)</u>	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
Special Assessments	\$ 169,622	\$ 41,500	\$ (128,122)
Workmen's Compensation	53,951	108,502	54,551
Unemployment Compensation	41,139	215,751	174,612
<b>State Universities</b>			
Maintenance and Equipment	84,497,576	107,527,466	23,029,890
Metropolitan State University	1,750,000	2,406,182	656,182
State University Contingent	750,000	750,000	—
Student Loans	548,944	350,000	(198,944)
General Research	50,000	50,000	—
Economic Opportunity Act	750,000	800,000	50,000
Repairs and Betterments	1,100,000	1,456,000	356,000
<b>University of Minnesota</b>			
Maintenance and Operations <sup>5</sup>	186,083,413	245,963,794	59,880,381
Crookston	2,269,548	—	(2,269,548)
Waseca	1,700,532	—	(1,700,532)
Equipment and Library Supplement	1,000,000	1,400,000	400,000
Summer School Tuition & Continuing Education	1,400,000	1,519,793	119,793
Student Loans	395,000	395,000	—
University General Hospital	4,800,000	4,250,000	(550,000)
Special Hospitals, Community Services, & Educational Offset	7,887,538	9,550,962	1,663,424
Agricultural Extension Service	7,413,045	10,124,217	2,711,172
General Agricultural Research	6,205,787	9,646,280	3,440,493
Hormel Institute	200,000	200,000	—
Veterinary Diagnostic Lab. & Hospital	630,680	905,123	274,443
Geological Research	244,010	533,040	289,030
Lake Superior Basin Studies	100,000	108,332	8,332
General Research	3,634,769	2,908,843	(725,926)
Industrial Relations Education Program	361,600	639,353	277,753
Medical Research	1,710,405	2,272,512	562,107
Duluth-Specials	2,823,760	3,869,291	1,045,531
Graduate Residency Programs	4,713,000	5,768,000	1,055,000
Medical Education — St. Paul Ramsey	90,000	—	(90,000)
Medical Services and Instruction	2,981,142	1,802,925	(1,178,217)
Freshwater Biological Research Institute	—	225,000	225,000
Intercollegiate Athletics	—	175,000	175,000
Clinical Law Program	100,000	200,000	100,000
Child Care Center	—	25,000	25,000
Miscellaneous	574,927	—	(574,927)
<b>Higher Education Coordinating Commission</b>	1,076,956	1,477,128	400,172
State Scholarship Program	7,050,000	10,750,000	3,700,000
State Grant-in-Aid Program	7,000,000	17,900,000	10,900,000
Inter-Institution Television	375,000	—	(375,000)
Minitex Library	497,200	700,000	202,800
Private College Contracts	2,952,400	7,200,000	4,247,600
Regional Coordination and Service	175,000	247,813	72,813
Student Loans — Reserve Fund	1,100,000	44,850	(1,055,150)
Work Study Grants	15,000	1,750,000	1,735,000
Education of P.O.W. or M.I.A. Dependents	10,000	20,000	10,000
Foreign Student Loans	80,000	160,000	80,000
College Reciprocity	1,220,000	4,200,000	2,980,000
Mayo Medical School	1,536,000	2,424,000	888,000
Nursing Scholarships	250,000	250,000	—
The Education Commission of the States	32,000	43,000	11,000
Aid to Private Schools-Auxiliary Services	—	24,000,000 <sup>Z</sup>	24,000,000
Fluctuating Enrollments — Advisory Commission	30,000	60,000	30,000
	<u>\$1,756,025,750</u>	<u>\$2,255,049,628</u>	<u>\$ 499,023,878</u>
<b>Open Appropriations</b>			
Tuition and Course Fees, and Miscellaneous Income (Community Colleges, State Universities, and University of Minnesota)		164,111,709	
University of Minnesota Hospital Receipts		83,285,525	
Higher Education Coordinating Commission (Special Revenue Funds)		129,678	
Trust Funds (Endowment Trust Expenditures)		75,000	
Federal Funds		<u>203,891,342</u>	
		<u>\$2,706,542,882</u>	
<b>Welfare, Corrections and Health</b>			
<b>Department of Public Welfare</b>			
Administration	8,258,600 <sup>8</sup>	13,389,000 <sup>9</sup>	5,130,400
Centralized Disbursements	1,000,000	11,285,000	10,285,000
County Reimbursement Administration Expense	12,000,000	21,000,000	9,000,000



## 2. APPROPRIATIONS BY FUNCTION (Continued)

Welfare, Corrections and Health (Continued)	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
State Aid for General Assistance	\$ 10,700,000	\$ 36,500,000 <sup>10</sup>	\$ 25,800,000
Public Assistance	188,250,000	298,300,000 <sup>10</sup>	110,050,000
Medical Assistance to Needy-Deficiency	11,500,000	—	(11,500,000)
Fergus Falls Study	—	100,000	100,000
Community Action Programs	1,200,000	1,200,000	—
Workmen's and Unemployment Compensation Institutions	621,554	1,144,065	522,511
State Hospitals	109,076,857	136,240,750	27,163,893
Special Schools	4,644,435	5,689,600	1,045,165
Rehabilitation of Dow Hall	—	137,000	137,000
State Operated Nursing Homes	10,982,900	14,765,800	3,782,900
Special Equipment	122,300	730,000	607,700
Gillette State Hospital	5,170,290	—	(5,170,290)
All Other Welfare			
Community Residential Services			
Mentally Retarded	50,000	1,576,000 <sup>9</sup>	1,526,000
Chemically Dependent	2,925,000 <sup>11</sup>	8,012,200 <sup>9</sup>	5,087,200
Mentally Ill	—	699,800 <sup>9</sup>	699,800
Community Mental Health Centers	10,700,000	14,157,625 <sup>9</sup>	3,457,625
Programs for Aging	250,000	270,000	20,000
Vocational Rehabilitation for the Blind	420,000	2,209,500 <sup>9</sup>	1,789,500
Special Financial Aid to Counties	4,553,000 <sup>12</sup>	5,638,500	1,085,500
Daytime Activity Centers			
Grants-in-Aid	4,350,000	9,437,900 <sup>9</sup>	5,087,900
Transportation	— <sup>13</sup>	4,200,000	4,200,000
Cost of Care Grants — Mentally Retarded	3,196,900	6,267,300	3,070,400
Cost of Care Grants — Emotionally Dist.	1,301,000	2,212,000	911,000
Foster Grandparents	400,000	462,000	62,000
Day Care Services	860,000	1,799,500	939,500
Nutritional Programs			
Elderly	—	650,000	650,000
Lake Owasso Children's Home	—	300,000 <sup>14</sup>	300,000
Religious Activity Center	15,218	—	(15,218)
Bridge Runaway Youth, Inc.	50,000	—	(50,000)
Human Services Board	183,000 <sup>15</sup>	900,000	717,000
Department of Corrections			
Administration	6,759,000	10,158,267	3,399,267
County Reimbursement — Probation Services	1,400,000	1,540,000	140,000
Health Care Services	1,500,000	2,312,000	812,000
Community Corrections Centers	425,000	425,000	—
Personnel Training	497,000	616,700	119,700
Vocational Training	140,000	140,000	—
Foster Group Care	1,000,000	800,000	(200,000)
Work Release Program	360,000	457,000	97,000
Corrections Subsidy Act	1,500,000	7,369,900	5,869,900
Regional Jails, Area Lock-ups & Detention Centers	550,000	562,600	12,600
Special Projects	50,000	364,400	314,400
Sheriff's Expense Conveying Prisoners	56,000	60,000	4,000
Correctional Institutions Study	—	335,000	335,000
Workmen's and Unemployment Compensation	156,062	232,278	76,216
Correctional Institutions	31,720,635	38,844,300	7,123,665
Corrections Ombudsman	109,000	278,600	169,600
Board of Health			
Health Services	9,491,600 <sup>16</sup>	11,706,400	2,214,800
Health Systems Quality Assurance	—	2,016,600	2,016,600
Management, Planning and Information Services	—	2,374,000	2,374,000
Dental Health Education	—	142,500	142,500
Water Filtration & Purification System Grants	—	2,500,000	2,500,000
Cystic Fibrosis — Adults	—	80,000	80,000
Nutritional Program — Women & Children	—	1,000,000	1,000,000
Health-Related Boards	144,500	1,130,800 <sup>17</sup>	986,300
Contingent Fund — State Institutions	700,000	1,225,000	525,000
	\$ 449,339,851	\$ 685,944,885	\$ 236,605,034
Open Appropriations			
Health, Health-Related Boards and Corrections		2,391,117	
Federal Funds		705,432,916	
		<u>\$1,393,768,918</u>	

## 2. APPROPRIATIONS BY FUNCTION (Continued)

	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
<b>Highways &amp; Mass Transit</b>			
<b>Department of Highways</b>			
Legal Division	\$ 980,974	\$ 1,044,000	\$ 63,026
Administrative Operations	7,393,250	9,260,000	1,866,750
Maintenance	89,383,840	104,416,602	15,032,762
Highway Development Support	68,331,602	86,400,000 <sup>18</sup>	18,068,398
Research and Standards	2,384,455	2,000,000	(384,455)
State Aid Administration	437,614	475,832	38,218
Planning and Programming	5,119,556	5,300,000	180,444
Equipment	7,173,000	10,043,931	2,870,931
Buildings and Improvement	1,335,250	1,759,830	424,580
Interstate Safety Rest Areas	626,400	299,805	(326,595)
Trunk Highway Rest Areas	300,000	—	(300,000)
Weigh Station Facilities	319,000	—	(319,000)
<b>Other Transit Appropriations</b>			
Carpool Program	32,500	—	(32,500)
Public Transit Demonstration Program	500,000	2,000,000	1,500,000
Supplemental Public Transit Aid Program	5,500,000	26,000,000	20,500,000
Metropolitan Council — Interstate /Transit Study	—	25,000	25,000
	<u>\$ 189,817,441</u>	<u>\$ 249,025,000</u>	<u>\$ 59,207,559</u>
<b>Open Appropriations</b>			
Debt Service (Trunk Highway Fund)		28,681,600	
Revenue Refunds (Highway User Fund)		24,000,000	
Special Revenue Funds (Highway User Funds)		120,000	
County State Aid Highway Fund		157,100,000	
Municipal State Aid Street Fund		50,700,000	
Trunk Highway Construction and Reserve		78,900,000	
Federal Funds		<u>215,000,000</u>	
		<u>\$ 803,526,600</u>	
<b>Other Executive Branch Functions</b>			
<b>Governor</b>			
Salaries, Supplies and Expense	\$ 982,000	\$ 1,518,000	\$ 536,000
Personal Expenses	30,000	30,000	—
Governor's Portrait	2,000	2,500	500
National Governors Conference	17,000	32,300	15,300
Midwest Governors Conference	40,000	40,000	—
Security Protection for Governor & Others	460,000	800,000	340,000
Commission on Crime Prevention & Control	100,000	123,254	23,254
Office and Function Study	100,000	—	(100,000)
Bicentennial Commission	200,000	236,850	36,850
Environmental Research & Consultation	—	50,000	50,000
Upper Great Lakes Regional Commission	142,000	142,000	—
Missouri River Basin Commission	20,350	29,925	9,575
Upper Mississippi River Basin Commission	60,000	95,200	35,200
Workmen's Compensation	—	3,932	3,932
Unemployment Compensation	—	1,737	1,737
Great Lakes Basin Commission	44,000	48,900	4,900
	<u>\$ 2,197,350</u>	<u>\$ 3,154,598</u>	<u>\$ 957,248</u>
<b>General State Government</b>			
Lieutenant Governor	335,050	327,538	(7,512)
State Auditor	1,307,545	330,279	(977,266)
Workmen's Compensation	260	—	(260)
State Treasurer	613,415	723,474	110,059
Secretary of State	1,004,730	2,176,459	1,171,729
Department of Administration	16,773,225	21,718,709	4,945,484
Postage Contingent	125,000	250,000	125,000
Capitol Complex Repairs	440,000	685,000	245,000
Administrative Procedures Act	—	356,000	356,000
State Procurement Procedures	—	40,000	40,000
Workmen's Compensation	26,377	—	(26,377)
Department of Economic Development	3,042,000	3,297,925	255,925
ARA Loan Revolving Program	—	1,000,000	1,000,000
Small Business Task Force	—	60,000	60,000
Bicentennial Agricultural Exposition	100,000	—	(100,000)
Workmen's Compensation	2,285	933	(1,352)
Unemployment Compensation	2,994	—	(2,994)
Department of Employment Services — Youth Summer Employment	3,000,000	4,000,000	1,000,000
Indian Affairs Commission	145,000	100,000	(45,000)
Unemployment Compensation	1,664	1,039	(625)

## 2. APPROPRIATIONS BY FUNCTION (Continued)

<u>Other Executive Branch Functions (Continued)</u>	<u>1973 &amp; 1974</u> <u>Legislatures</u>	<u>1975</u> <u>Legislature</u>	<u>Increase</u> <u>(Decrease)</u> <u>Over 1973</u>
Department of Finance	\$ 2,128,252	\$ 8,985,611	\$ 6,857,359
Department of Personnel	2,221,420	3,396,095	1,174,675
Personnel Board	—	103,650	103,650
Workmen's Compensation	196	—	(196)
Department of Revenue	24,724,600	32,912,433	8,187,833
Assessor's Tuition	120,000	120,000	—
Workmen's Compensation	—	33,062	33,062
Department of Veterans Affairs	2,924,717	3,227,826	303,109
Vietnam Bonus Administration	100,000	—	(100,000)
Veterans Preference Enforcement	5,000	10,000	5,000
Vietnam Bonus Payments	—	5,000,000	5,000,000
State Planning Agency			
Operation and Management	2,340,303	4,891,918	2,551,615
Commission on Minnesota's Future	140,000	160,000	20,000
Environmental Quality Council	446,000	1,828,854	1,382,854
Power Plant Siting	500,000	872,000	372,000
Recreational Vehicle Lanes	25,000	—	(25,000)
Transportation of Grain Study	25,000	—	(25,000)
Capitol Area Architectural & Planning Commission	138,000	124,763	(13,237)
Energy Agency	380,000	1,372,695	992,695
Board of Investment	893,863	1,354,976	461,113
Ethics Commission	120,000	245,220	125,220
Land Exchange Review Board	50,000	—	(50,000)
Minnesota Academy of Science	27,000	[32,400]	5,400
Minnesota Commission for the Handicapped	200,376	266,000	65,624
Workmen's Compensation	15	—	(15)
Unemployment Compensation	—	2,210	2,210
Minnesota Housing Finance Agency — Bond Security	1,000,000	—	(1,000,000)
Minnesota Historical Society	3,533,157	[5,741,367]	2,208,210
Science Museum Extension Program	125,000	[200,000]	75,000
Unemployment Compensation	—	[11,318]	11,318
Minnesota Municipal Commission	157,242	216,735	59,493
Minnesota Safety Council	95,000	[95,000]	—
Minnesota State Arts Council	600,000	[1,000,000]	400,000
Minnesota Humane Society	30,000	[30,000]	—
Minnesota Veterans Home	1,054,046	[1,360,449]	306,403
Workmen's Compensation	6,478	[5,891]	(587)
Unemployment Compensation	854	[5,587]	4,733
Miscellaneous Veterans Associations	42,980	[41,000]	(1,980)
Minnesota — Wisconsin Boundary Area Comm.	49,500	[93,200]	43,700
Public Examiner	1,072,173	—19	(1,072,173)
Workmen's Compensation	935	—	(935)
Sibley House	22,450	[30,000]	7,550
State Athletic Commission	45,000	53,000	8,000
Uniform Laws Commission	14,400	[19,800]	5,400
Deficiency	—	2,995	2,995
	<u>\$ 72,278,506</u>	<u>\$ 108,913,412</u>	<u>\$ 36,634,906</u>
<b>Protection to Persons and Property</b>			
Attorney General	1,908,259	2,897,912	989,653
Anti-Trust Enforcement	200,000	200,000	—
Minnesota Peace Officers Training Board	895,906	817,068	(78,838)
Special Contingent	50,000	50,000	—
Special Counsel Fees	51,355	—	(51,355)
Unemployment Compensation	—	2,207	2,207
Department of Aeronautics	1,002,560	1,214,388	211,828
Aeronautics Proceedings	15,000	18,000	3,000
Aeronautics Safety and Education	40,000	43,200	3,200
Airport Construction and Improvement			
Key Systems Airports	2,850,000	6,132,486	3,282,486
Intermediate Systems Airports	1,142,500	1,659,612	517,112
State Landing Strips	1,299,430	1,676,197	376,767
Navigational Aids	800,000	1,245,700	445,700
Striping Airport Runways	48,150	52,000	3,850
Construction/Operation of State Owned Airports	1,810,302	47,800	(1,762,502)
Department of Commerce	5,439,775	6,904,935	1,465,160
Workmen's Compensation	186	—	(186)
Unemployment Compensation	8,814	—	(8,814)
Department of Human Rights	781,630	1,064,423	282,793
Department of Labor and Industry	4,974,580	6,583,100	1,608,520

## 2. APPROPRIATIONS BY FUNCTION (Continued)

Other Executive Branch Functions (Continued)	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
Workmen's Compensation . . . . .	\$ 5,647	\$ —	\$ (5,647)
Unemployment Compensation . . . . .	—	3,044	3,044
Department of Military Affairs . . . . .	4,332,530	5,192,536	860,006
Military Forces — Emergencies . . . . .	—	42,100	42,100
Workmen's Compensation . . . . .	7,034	22,743	15,709
Unemployment Compensation . . . . .	—	4,090	4,090
Department of Public Safety . . . . .	48,616,633	59,358,456	10,741,823
Weigh Scale and Motor Vehicle Inspection . . . . .	760,000	1,004,750	244,750
Sheriff's Teletype Operation . . . . .	666,532	2,519,293	1,852,761
Police Schools . . . . .	244,715	288,937	44,222
State Aids for Air Warnings . . . . .	60,000	60,000	—
License Plates . . . . .	4,606,811	5,501,977	895,166
Motor Vehicle Contingent . . . . .	150,000	150,000	—
Traffic Safety Contingent . . . . .	300,000	50,000	(250,000)
Postage Contingent . . . . .	125,000	250,000	125,000
Fire Service — Advisory Council . . . . .	15,000	—	(15,000)
Civil Air Patrol . . . . .	60,000	60,000	—
Crime Information System . . . . .	—	60,000	60,000
Crime Victims Reparation Board . . . . .	100,000	400,000	300,000
Private Detective Licensing Board . . . . .	20,000	6,000	(14,000)
Anatomical Gift Act . . . . .	—	35,000	35,000
Workmen's Compensation . . . . .	15,436	26,805	11,369
Department of Public Service . . . . .	8,992,398	6,694,881	(2,297,517)
Railroad Track Safety . . . . .	—	105,000	105,000
Contracts of Passenger Service . . . . .	100,000	—	(100,000)
Workmen's Compensation . . . . .	4,764	4,849	85
Unemployment Compensation . . . . .	4,042	—	(4,042)
Bureau of Mediation Services . . . . .	991,935	1,114,000	122,065
Examining Boards — Non-Health Related . . . . .	—20	1,802,108	1,802,108
County Attorneys Council . . . . .	150,000	[100,000]	(50,000)
Livestock Sanitary Board . . . . .	1,874,116	1,906,874	32,758
Workmen's Compensation . . . . .	—	11,782	11,782
	\$ 95,521,043	\$ 117,384,255	\$ 21,863,212
Development and Conservation of Natural Resources			
Department of Natural Resources . . . . .	46,624,001	58,305,186	11,681,185
Game & Fish Contingent . . . . .	100,000	100,000	—
Soudan State Park . . . . .	1,000	—	(1,000)
Sanitary Facilities — North Shore . . . . .	15,000	10,000	(5,000)
Forest Inventory Supplement . . . . .	—	650,000	650,000
Environmental Impact Statement — Reserve Mining . . . . .	—	200,000	200,000
Canoe and Boating River Sites . . . . .	—	300,000	300,000
Youth Conservation Corps . . . . .	—	150,000	150,000
Reservation Conservation Enforcement . . . . .	—	150,000	150,000
Outdoor Recreation Act . . . . .	—	15,000,000	15,000,000
Camp Release State Park . . . . .	6,400	—	(6,400)
Workmen's Compensation . . . . .	150,233	126,098	(24,135)
Unemployment Compensation . . . . .	441,496	581,709	140,213
Minnesota Pollution Control Agency . . . . .	3,505,452	6,469,669	2,964,217
Special Studies . . . . .	140,000	245,000	105,000
Automobile Recycling . . . . .	1,600,000	1,600,000	—
Packaging Program . . . . .	—	84,000	84,000
Recycling Solid Waste . . . . .	1,500,000	616,000	(884,000)
Water Pollution Control (Sewers) . . . . .	—	11,000,000	11,000,000
Zoological Board . . . . .	492,185	2,500,000	2,007,815
Minnesota Water Resources Board . . . . .	110,000	150,786	40,786
The Great Lakes Commission . . . . .	50,000	[55,000]	5,000
Voyageurs National Park . . . . .	65,000	65,000	—
St. Croix Wild River State Park — Roads . . . . .	200,000	—	(200,000)
St. Croix Wild River State Park — Cty. Reim. . . . .	—	7,480	7,480
Southern Minnesota Rivers Basin Commission . . . . .	55,000	[80,000]	25,000
Arrowhead Regional Development Commission . . . . .	50,000	—	(50,000)
Natural Resources Acceleration . . . . .	21,735,940	23,133,650	1,397,710
	\$ 76,841,708	\$ 121,579,579	\$ 44,737,871
Agriculture			
Department of Agriculture . . . . .	5,164,363	12,409,508	7,245,145
Soybean Promotion Board . . . . .	15,000	—	(15,000)
Beef Industry Advisory Board . . . . .	25,000	—	(25,000)
Dairy and Marketing Research . . . . .	250,000	—	(250,000)

## 2. APPROPRIATIONS BY FUNCTION (Continued)

<u>Other Executive Branch Functions (Continued)</u>	1973 & 1974 <u>Legislatures</u>	1975 <u>Legislature</u>	Increase (Decrease) Over 1973
State Farm Census . . . . .	\$ —	\$ 50,000	\$ 50,000
Shade Tree Disease . . . . .	65,000	1,595,000	1,530,000
Workmen's Compensation . . . . .	4,514	35,977	31,463
Unemployment Compensation . . . . .	17,543	17,023	(520)
Societies and Associations for the Develop. & Conserv. of Nat. Res. . . . .	553,900	[684,350]	130,450
Paddy Wild Rice Advisory Board . . . . .	15,000	—	(15,000)
	\$ 6,110,320	\$ 14,791,859	\$ 8,681,539
 Total Other Executive Branch Functions . . . . .		 \$ 365,823,703	
Open Appropriations — Other Funds			
Iron Range Resources and Rehabilitation		2,778,142	
Consolidated Conservation		412,425	
State Airports		2,260,000	
Game and Fish		7,200	
Special Revenue		14,044,676	
General Dedicated Funds (Departments of Agriculture, and Personnel and Office of the State Treasurer)		421,000	
Federal Funds		61,135,726	
		\$ 446,882,872	
 <b>Legislative</b>			
Legislature . . . . .	17,500,000	21,210,000	3,710,000
Workmen's Compensation	250	—	(250)
Joint Coordinating Committee			
Legislative Reference Library	393,710	465,909	72,199
Revisor of Statutes	1,537,681	2,145,755	608,074
Office of Legislative Research	—	81,500	81,500
Legislative Audit Commission	—	2,178,449	2,178,449
Workmen's Compansation	—	4,568	4,568
Legislative Retirement Study Commission	130,000	155,000	25,000
Tax Study Commission	150,000	200,000	50,000
Organized Crime Commission	10,000	—	(10,000)
Privacy of Records Commission	—	25,000 <sup>21</sup>	25,000
Criminal Justice Contingent	1,733,068	1,620,000	(113,068)
General Fund Contingent	2,150,000	4,000,000	1,850,000
Mississippi River Parkway Commission	10,000	16,000	6,000
Legislative Building Commission	2,000	—	(2,000)
Unemployment Compensation	—	1,280	1,280
State Claims Commission	20,000	—	(20,000)
	\$ 23,636,709	\$ 32,103,462	\$ 8,466,753
 <b>Judicial</b>			
District Courts . . . . .	4,254,221	5,348,768	1,094,547
Workmen's Compensation	—	2,312	2,312
State Public Defender	463,702	579,500	115,798
Workmen's Compensation	5,399	—	(5,399)
Supreme Court	2,203,935	2,836,264	632,329
Remodeling	70,000	—	(70,000)
Judicial Council	4,950	6,000	1,050
State Law Library	415,751	423,028	7,277
Commission on Judicial Standards	10,000	73,704	63,704
Tax Court	109,607	132,567	22,960
Workmen's Compensation	6,255	697	(5,558)
	\$ 7,543,821	\$ 9,402,841	\$ 1,859,020
 Federal Funds . . . . .		 103,310	
		\$ 9,506,151	
 <b>Retirement</b>			
Supplemental Retirements —			
MSRS . . . . .	270,000	245,000	(25,000)
PERA . . . . .	222,000	190,400	(31,600)
TRA . . . . .	22,000	20,000	(2,000)
Constitutional Officers Retirements	57,510	100,249	42,739
Legislative Retirements	216,000	831,853	615,853
Legislative Retirement Adjustment	1,124,916	—	(1,124,916)
Retired Supreme Court and District Court Judges	829,436	7,265,524	6,436,088
Supplemental Retirement for Community Colleges and State Universities — TRA	2,697,598	2,767,519	69,921
	\$ 5,439,460	\$ 11,420,545	\$ 5,981,085

## 2. APPROPRIATIONS BY FUNCTION (Continued)

Miscellaneous	1973 & 1974 Legislatures	1975 Legislature	Increase (Decrease) Over 1973
Claims against the State . . . . .	\$ 613,627	\$ 109,173	\$ (504,454)
Bond Sale Expense . . . . .	6,000	-	(6,000)
R. A. Weber Compensation . . . . .	2,400	2,400	-
Cancelled Warrants Suspense . . . . .	20,000	20,000	-
Road Re-Construction Reimbursement — Carlton County	100,000	--	(100,000)
Dover, Eyota and St. Charles Sanitary District . . . . .	100,000	-	(100,000)
Judges and Unclassified Pay Plan . . . . .	845,000	-	(845,000)
Economic Package — State Employees . . . . .	42,515,000	106,000,000	63,485,000
Peace Officers, Survivors Benefits . . . . .	200,000	800,000	600,000
Income Tax Refunds —			
Individuals . . . . .	261,444,000	307,550,000	46,106,000
Corporate . . . . .	20,000,000	28,000,000	8,000,000
“Working Poor” Tax Credit . . . . .	-	31,400,000	31,400,000
Sales Tax Refunds . . . . .	400,000	1,600,000	1,200,000
Revenue Refunds . . . . .	-	4,540,000	4,540,000
Non-Department of Revenue Refunds . . . . .	2,800,000	2,600,000	(200,000)
Tax Credit to Parents with Children in Non-Public Schools	21,286,000	-22	(21,286,000)
Unclaimed Dividends . . . . .	-	10,000	10,000
Treasurer Escheats . . . . .	-	200,000	200,000
Campaign Fund Checkoff . . . . .	-	630,000	630,000
Uninsured Employers . . . . .	-	300,000	300,000
Duluth Port Authority . . . . .	160,000	[160,000]	-
State Compensation Revolving Fund . . . . .	435,000	967,690	532,690
	\$ 350,927,027	\$ 484,889,263	\$ 133,962,236
Open Appropriations			
Debt Service (excluding General, and Trunk Highway Funds)		\$ 17,585,144	
Miscellaneous Revolving Funds . . . . .		10,321,234	
		\$ 512,795,641	
Group Totals — By Function (Direct & Open Appropriation)		\$5,413,563,777	
Additional Open Appropriations . . . . .		637,324,450	
Total State Funds . . . . .		\$6,050,888,230	
Federal Funds . . . . .		1,185,563,294	
Grand Total . . . . .		\$7,236,451,524	

- 1 The estimated amounts for Renters Credit (\$47.2 million), Senior Citizen Income Property Tax Credit (\$23.085 Million) and the Senior Citizen Tax Freeze (\$61.1 million) have been incorporated into the Circuit Breaker total; leaving \$66 million in additional property tax relief provided by the 1975 Legislature.
  - 2 Additionally, the Legislature authorized the sale of \$15.5 million in vocational-technical building bonds in the 1975 Building Bill.
  - 3 In the Department of Education Appropriation.
  - 4 These amounts have been included in the repairs and betterments appropriation bills in past sessions but have been placed here for comparison.
  - 5 Includes Permanent University Fund Investment income for both bienniums, plus University share of occupation tax in 1973-75.
  - 6 In the “Maintenance and Operations” appropriation.
  - 7 The Tax Credit for Parents with Children in Non-public Schools was declared unconstitutional by the Minnesota Supreme Court. For comparison, the cost of that tax credit was estimated to be \$21,286,000 for the 1973-75 biennium.
  - 8 Includes Alcohol and Drug Abuse Administration, Mental Health Research, and Mental Health Training Program appropriations for comparison.
  - 9 Includes federal flow-through funds credited to the General Fund total \$17,019,409. Similar federal funds are *not* included in the 1973 Legislature amounts.
  - 10 Includes Omnibus Tax Bill provisions — \$23.9 million for Medical Care of Indigents; and \$69 million for Medical Assistance.
  - 11 Community Grant Program — Alcohol and Drug Abuse.
  - 12 Includes appropriations for Red Lake Band of Indians, General Relief-Indians, and Children under State Guardianship which were included with Equalization Aid into one appropriation by the 1975 Legislature.
  - 13 Included in the School Aids appropriations for Transportation in the 1973-75 biennium.
  - 14 Chapter 242, Laws of 1975, transfers Lake Owasso Children’s Home from the State to Ramsey County. The amount appropriated is for administrative costs. Ramsey County will take over these costs four years from the transfer date.
  - 15 This amount was appropriated to the State Planning Agency in 1973.
  - 16 Includes Crippled Children Services, Mobile Health Clinics, Health Maintenance Organizations and Health Manpower Credentialing appropriations.
  - 17 Includes all health related examining boards which were self-sustaining entities. All receipts will be put into the General Fund and the agencies will be receiving direct General Fund appropriations.
  - 18 Includes \$14 million appropriated for Construction in the 1975 Gas Tax Bill. Laws of 1975, Chapter 203.
  - 19 The Public Examiner’s powers and duties have been transferred to the Legislative Auditor and the State Auditor.
  - 20 All of the examining boards were self-sustaining from fees on professional groups. Now, they will receive their operating funds from the direct General Fund appropriations, with the fees going into the General Fund.
  - 21 Laws of 1975, Chapter 50, appropriated \$89,200 to the Department of Administration for administrative costs relating to records privacy.
  - 22 See footnote seven.
- [ ] Indicates amounts found in the Semi-State Conference not passed by the 1975 Legislature. The amounts are shown in brackets for comparison, and *are* included in the totals shown in this table. The Semi-State Bill would have appropriated \$9,650,362.48 in General Fund money, and \$95,000 in Trunk Highway funds, for a total appropriation of \$9,745,362.48.

### 3. APPROPRIATIONS BY THE 1975 LEGISLATURE, BY FUND, COMPARED WITH APPROPRIATIONS MADE BY 1973 AND 1974 LEGISLATURES

Fund	1973 & 1974 Legislatures	1975 Legislature	Increase or (Decrease)
General . . . . .	\$3,675,463,431	\$5,077,849,069	\$1,402,385,638
Endowment School . . . . .	24,500,000	28,250,000	3,750,000
Trunk Highway . . . . .	220,364,465	251,929,378	31,564,913
Highway User Tax Distribution . . . . .	10,837,062	13,623,480	2,786,418
State Airports . . . . .	9,028,594	12,099,130	3,070,536
Game and Fish . . . . .	21,722,109	20,717,120	(1,004,989)
State Parks Development . . . . .	1,900,000	1,800,000	(100,000)
Wildlife Acquisition . . . . .	1,101,245	1,200,000	98,755
Teachers Retirement . . . . .	996	—	(996)
Natural Resources Federal Reimbursement . . . . .	50,000	1,000,000	950,000
Social Welfare Account . . . . .	—	86	86
	<u>\$3,964,967,902</u>	<u>\$5,408,468,265</u>	<u>\$1,443,500,363</u>

Portion of the University's Maintenance and Improvements Appropriation to be financed from the University's portion of the occupation tax on iron ore and taconite (1973-75 and 1975-77), plus the earnings of the University's consolidated trust funds (1975-77) . . . . .

7,070,000	5,095,512	(1,974,488)
<u>\$3,972,037,902</u>	<u>\$5,413,563,777</u>	<u>\$1,441,525,875</u>

#### Additional Open Appropriations

General Fund — Dedicated Receipts . . . . .	\$ 247,818,234
Miscellaneous Special Revenue . . . . .	16,685,471
Highway User Tax Distribution . . . . .	24,000,000
Trunk Highway . . . . .	107,581,600
State Airports . . . . .	2,260,000
Game and Fish . . . . .	7,200
Consolidated Conservation . . . . .	412,425
County State Aid . . . . .	157,100,000
Municipal State Aid Street . . . . .	50,700,000
Iron Range Resources and Rehabilitation . . . . .	2,778,142
Debt Service . . . . .	17,585,144
Trust Fund . . . . .	75,000
Revolving Funds . . . . .	10,321,234
	<u>\$ 637,324,450</u>

Total Appropriations — State Funds . . . . . \$6,050,888,230

Federal Funds . . . . . 1,185,563,294

Grand Total . . . . . \$7,236,451,524

# B. General Fund Estimated Resources and Expenditures 1975-77 Biennium

(ESTIMATES AS OF CLOSE OF 1975 SESSION)

<u>Code</u>	<u>1975-77 Biennium Amount</u>
<b>General Fund</b>	
Estimated Free Balance (July 1, 1975) Governor's Budget Address . . . . .	\$ 398,507,923
Plus deficiency and immediately available appropriations (In Budget) . . . . .	12,823,022*
	411,330,945
Revisions of 1975 estimated receipts, expenditures and cancellations . . . . .	(22,500,000)
Adjusted Estimated Cash Balance, July 1, 1975 . . . . .	\$ 388,830,945
 <b>Taxes and Receipts</b>	
<b>Department of Revenue</b>	
Income Tax -- Individual and Fiduciary (Gross) . . . . .	\$2,335,900,000
-- Corporate (Gross) . . . . .	370,000,000
(1) Bank Excise . . . . .	25,900,000
(2) Inheritance . . . . .	46,000,000
Employers Excise . . . . .	33,700,000
Sales Tax . . . . .	868,800,000
(3) Liquor and Malt Beverage . . . . .	98,850,000
(4) Cigarette and Tobacco Products . . . . .	163,900,000
(5) Gross Earnings Taxes . . . . .	122,374,000
Deed and Mortgage Registry . . . . .	16,500,000
(6) Iron Ore Occupation . . . . .	16,000,000
(7) Taconite Occupation and Production . . . . .	60,600,000
(8) Royalty Taxes . . . . .	8,110,000
Other -- Department of Revenue . . . . .	6,894,000
Subtotal -- Department of Revenue . . . . .	\$4,173,528,000
 <b>Other State Agencies</b>	
Insurance -- Gross Premiums and State Fire Marshall . . . . .	\$ 67,658,000
Motor Vehicle Excise . . . . .	103,250,000
Motor Vehicle Recycle . . . . .	1,703,000
Departmental Earnings . . . . .	153,422,000
Investment Income . . . . .	42,000,000
Federal Revenue Sharing . . . . .	87,730,000
Other Federal Grants . . . . .	19,377,000
All Other Non-Dedicated Receipts . . . . .	11,385,000
Subtotal -- Other Agencies . . . . .	\$ 486,525,000
 <b>Other Income Items</b>	
(9) Attributable Costs . . . . .	\$ 2,400,000
Motor Vehicle Transfer of Ownership . . . . .	4,400,000
(10) Gas Tax Collection Reimbursement . . . . .	1,300,000
(11) State Park Receipts . . . . .	1,720,000
All other Items . . . . .	11,730,000
Subtotal -- Other Income Items . . . . .	\$ 21,550,000



<u>Code</u>	<u>1975-77 Biennium Amount</u>
<b>Tax Changes — 1975 Session</b>	
	Estimated cost of permitting deductions similar to those allowed for Federal tax purposes under the Pension Reform Act of 1974 . . . . . \$ (10,000,000)
(12)	Estimated yield from increase in taconite production tax . . . . . 36,621,000
	Reimbursement from counties for construction of water filtration and purification system for communities using Lake Superior as a drinking water source . . . . . 2,500,000
	<u>\$ 29,121,000</u>
	Total Taxes and Receipts . . . . . \$4,710,724,000
	Total Estimated General Fund Resources (Including Opening Balance) . . . . . <u>\$5,099,554,945</u>

**Estimated Expenditures**

**Omnibus Appropriation Bills**

State Departments . . . . .	\$ 258,383,488
Semi-State Activities . . . . .	9,650,362
Welfare-Corrections-Health . . . . .	586,270,969
Education — School Aids . . . . .	1,589,866,450
— Other-than-School Aids . . . . .	532,414,716
Tax Bill . . . . .	3,700,000
	<u>\$2,980,285,987</u>
Gasoline Excise Tax Bill . . . . .	42,110,000
Total . . . . .	<u>\$3,022,395,987</u>
Miscellaneous Appropriations . . . . .	72,572,035
Open and Standing Appropriations . . . . .	1,982,881,047
Total Appropriation Liability . . . . .	\$5,077,849,069
Less — Estimated Cancellations . . . . .	50,000,000
Net Appropriation Liability . . . . .	<u>\$5,027,849,069</u>
Estimated Balance — June 30, 1977 . . . . .	\$ 71,705,876

**Code      Disposition of Tax**

- \* Prior to enacted 1975 deficiency and immediately available appropriations.
- (1) Now credited 100 percent to State General Fund.
- (2) Distributed 90 percent to State, 10 percent to county.
- (3) Liquor tax now 100 percent to State; Beer tax 100 percent to State.
- (4) Credited 100 percent to State general fund with 11.0 percent of cigarette tax designated as follows — 5.5 percent to Natural Resources Account, and 5.5 percent to Natural Resources Acceleration account. Designation by Minnesota Statutes.
- (5) Local share (\$5,640,000) consists of 94 percent of gross earnings tax on taconite railroads.
- (6) Distributed 85 percent to general fund, 10 percent to University, and 5 percent to Iron Range Resources and Rehabilitation Account.
- (7) Distributed to taxing districts in which lands from which taconite was mined or quarried were located — 11½ percent to city or town, 27 percent to school district, 11½ percent to county, 3 percent to State and 47 percent to Taconite Property Tax Relief Account for apportionment to home owners. The additional tax imposed by the 1971 Legislature will be divided as follows: 44.44 percent to taconite municipal aid account, 33 percent to taconite property tax relief account and equal shares of 11.11 percent each to county road and bridge fund in qualifying counties, and to Iron Range Resources and Rehabilitation Commission.
- (8) 100 percent to State General Fund.
- (9) Reimbursement for services (utility and others) furnished to other-than-general fund financial activities.
- (10) Reimbursement for costs incurred in both collecting and refunding of gasoline taxes.
- (11) Excess over \$50,000 balance at end of each fiscal year credited to general fund.
- (12) This Supplemental Additional tax on taconite and iron sulphide concentrate will be divided, per taxable ton, as follows: 10 cents to the county in which the taconite is mined or quarried or in which the concentrate is produced, 20 cents to qualifying school districts, 8 cents to the Taconite Property Tax Relief Account, and 1 cent to the Iron Range Resources and Rehabilitation Commission.

## C. Rates of Principal Taxes

### INCOME TAXES

#### Individual and Fiduciary Income Tax

First	\$ 500	1.6%
Next	500	2.2
Next	1,000	3.5
Next	1,000	5.8
Next	1,000	7.3
Next	1,000	8.8
Next	2,000	10.2
Next	2,000	11.5
Next	3,500	12.8
Next	7,500	14.0
Excess over	20,000	15.0

(Federal income tax paid is deductible in computing taxable income.)

(Personal credits against computed tax: single person, \$21; married couple, \$42; dependents, \$21 each. Additional credits against computed tax: age 65 or over, self, \$21 — spouse, \$21; single blind or deaf, \$25; married blind or deaf, self, \$25 — spouse, \$25; deaf dependent, \$25.)

#### Working Poor Tax Credit

Credit equal to tax liability as follows:

	<u>Maximum Income</u>
Unmarried claimant	\$4,400
Claimant plus one dep.	5,200
Claimant plus two dep.	6,000
Claimant plus three dep.	6,700
Claimant plus four dep.	7,300
Claimant plus five dep.	7,800

Excess income taxed at 15%, or computed tax obligation without the working poor provisions, whichever is less.

#### Corporation Income Tax 12%

(Federal income tax paid is not deductible in computing taxable income.)

#### Bank Excise Tax 12%

(Federal income tax paid is not deductible in computing taxable income.)

### SALES AND EXCISE TAXES

#### Retail Sales and Use Tax 4.0%

(Exempts foodstuffs, clothing, medicines, gasoline and cigarettes.)

#### Liquor Tax (per gallon) 27¢ to \$4.39

#### Beer Tax (per barrel)

3.2% beer \$2.00  
Strong beer \$4.00

(For breweries who produce and sell in Minnesota there is a 50% credit on first 40,000 barrels — tax \$1 barrel on 3.2% and \$2 on strong beer.)

#### Cigarette Tax (per pack) 18¢

#### Tobacco Products 20%

(Tax computed on wholesale price)

#### Gasoline Tax (per gallon) 9¢

### GROSS EARNINGS TAXES

#### Railroad Companies 5%

Telephone Companies  
—service to rural subscribers 4%  
—exchange business in cities of fourth class and villages with 10,000 or less population 4%  
—all other business 7%  
—companies with gross earnings of \$1,000 or less (per connected telephone) 30%

#### Telegraph Companies 6%

#### Sleeping Car Companies 6%

#### Express Companies 5%

#### Freight Line Companies 7%

#### Taconite Railroads 5%

### SEVERANCE TAXES

#### Iron Ore Occupation Tax 15.5%

#### Iron Ore Royalty Tax 15.5%

#### Taconite Occupation Tax 15.0%

#### Taconite Royalty Tax 15.0%

#### Taconite and Iron Sulphides

#### Production Tax

per ton of concentrates 11.5¢  
having content of 55% dry iron plus, for each additional 1% of dry iron content 0.1¢

#### Additional Production Tax on

#### Taconite and Iron Sulphides

#### (per gross ton)

—produced in 1973 and 1974 9¢  
—produced in 1975 and 1976 10¢  
—produced in 1977 and 1978 12¢  
—produced in and after 1979 14¢

(The state tax rate is increased by 0.1¢ for each percentage point by which the 1957-59 base wholesale price index exceeds 119 in January of the tax year.)

#### Supplementary Additional Tax on

#### Taconite and Iron Sulphides

Per ton of merchantable iron ore concentrate produced after December 31, 1974. 39¢

#### Copper-Nickel Occupation Tax 1%

#### Copper-Nickel Royalty Tax 1%

#### Copper-Nickel Production Tax

—per gross ton of concentrate 2.5¢  
—plus, for each 0.1% by which mineral content exceeds 1% .025¢

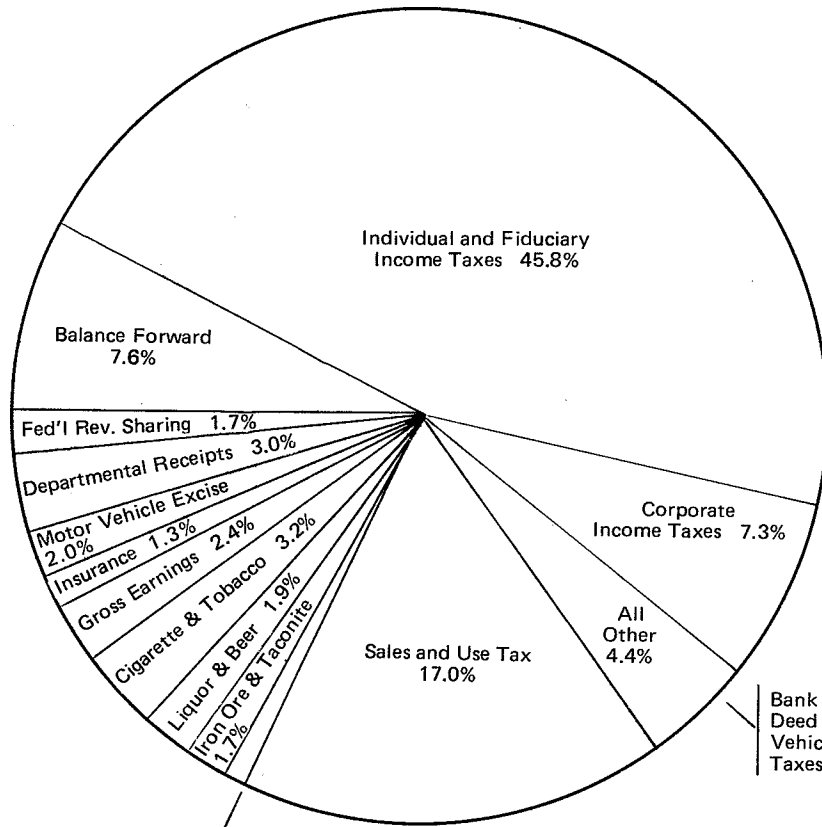
### REAL ESTATE TRANSFER TAXES

—first \$1,000 \$2.20  
—each additional \$500 1.10

### EMPLOYERS EXCISE TAX

Per dollar or total wages paid (Excluding first \$100,000) 0.2¢

# ESTIMATED RESOURCES AND EXPENDITURES GENERAL FUND 1975-77 BIENNIUM



**ESTIMATED RESOURCES**  
**\$5,099,554,945**

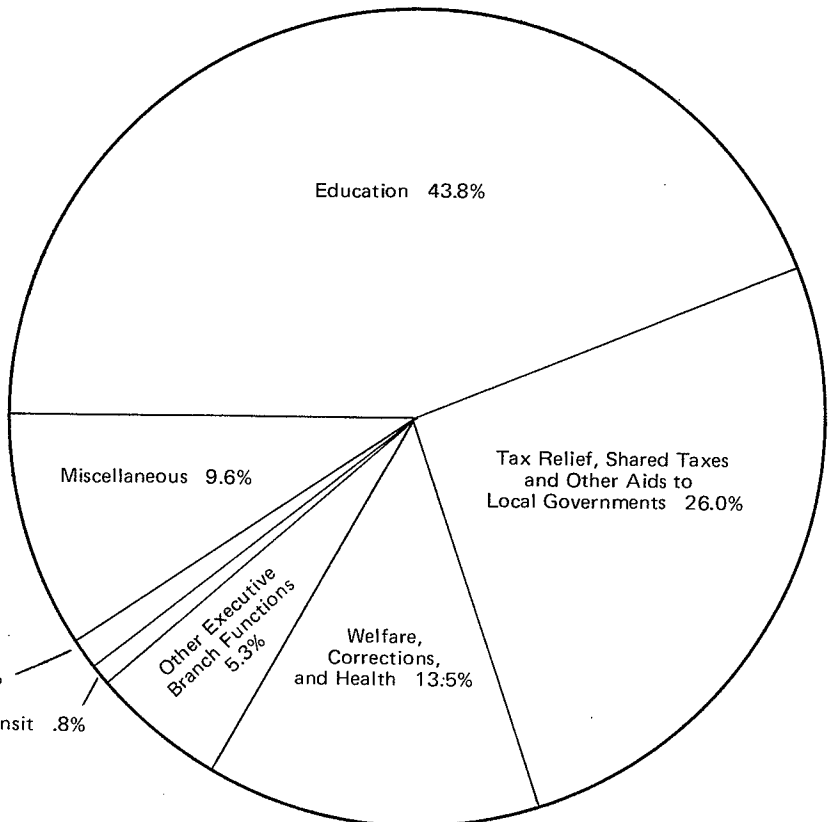
Bank Excise, Employer's Excise, Deed and Mortgage Registry, Motor Vehicle Recycling, Inheritance Taxes, and Investment Income

1975 Changes	.57%
Ind. Income Tax	(.20%)
Taconite Prod. Tax	.72
County Reimb.	.05

## ESTIMATED EXPENDITURES \$5,027,849,069

(Net after deduction of an estimated \$50,000,000 in appropriation cancellations)

Legislative, Judicial, and Retirements 1.0%  
Highways and Mass Transit (General Fund only) .8%



# APPENDIX A

## Annual Salaries of Public Officials, Department Heads and Their Deputies or Assistants, and Heads of Institutions (Excludes those Deputies and Assistants Under Civil Service)

<u>Position</u>	<u>Current Salary or Range (October 1, 1975)</u>
<b>Constitutional Officers</b>	
Governor . . . . .	41,000 <sup>1</sup>
Lieutenant Governor . . . . .	30,000 <sup>1</sup>
Secretary of State . . . . .	25,000 <sup>1</sup>
State Auditor . . . . .	26,000 <sup>1</sup>
State Treasurer . . . . .	25,000 <sup>1</sup>
Attorney General . . . . .	36,500 <sup>1</sup>
<b>Assistants to Constitutional Officers</b>	
Deputy Secretary of State . . . . .	17,500 <sup>1</sup>
Deputy State Auditor . . . . .	20,800 <sup>1</sup>
Deputy State Treasurer . . . . .	17,500 <sup>1</sup>
<b>Attorney General Staff</b>	
Chief Deputy Attorney General . . . . .	24,500 – 31,500 <sup>1</sup>
Deputy Attorney General . . . . .	19,100 – 27,500 <sup>1</sup>
Special Assistant Attorney General I . . . . .	14,000 – 19,000 <sup>1</sup>
Special Assistant Attorney General II and (Assistant Attorney General II) . . . . .	17,000 – 26,000 <sup>1</sup>
Special Assistant Attorney General III and (Assistant Attorney General II) . . . . .	24,000 – 31,000 <sup>1</sup>
<b>Judicial Branch</b>	
Chief Justice, Supreme Court . . . . .	40,000 <sup>1</sup>
Associate Justice, Supreme Court . . . . .	36,500 <sup>1</sup>
District Judge . . . . .	32,000 <sup>1</sup>
<b>County Court and County Municipal Judges</b>	
Judges of a County Court (learned in law) . . . . .	25,000 <sup>1</sup>
Judges of a County Court (not learned in law) . . . . .	21,000 <sup>1</sup>
Judges of a Probate Court of St. Louis County and Duluth Municipal Court . . . . .	(Same as above) <sup>1</sup>
Judges of the County Municipal Courts, the Municipal Courts of the City of St. Paul, and County Courts in the Counties of Hennepin, Ramsey, Washington, Anoka, Scott, Carver and Dakota . . . . .	29,000 <sup>1</sup>
<b>Other Judicial Positions</b>	
Public Defender . . . . .	24,000 – 30,000 <sup>1</sup>
Court Administrator . . . . .	25,000 – 32,000 <sup>1</sup>
County Attorneys Council Executive Director . . . . .	18,000 – 27,500 <sup>1</sup>
<b>Legislative Branch</b>	
Legislators (part-time) . . . . .	8,400
Secretary of the Senate . . . . .	32,850
Chief Clerk of the House . . . . .	32,850
Revisor of Statutes . . . . .	32,500 <sup>2</sup>
Legislative Auditor . . . . .	34,452
<b>Department Heads, Deputies and Assistants</b>	
Administration – Commissioner . . . . .	39,600 <sup>3</sup>
– Deputy Commissioner . . . . .	32,544 <sup>3</sup>
Aeronautics – Commissioner . . . . .	22,032 <sup>3</sup>
Agriculture – Commissioner . . . . .	24,860 <sup>3</sup>
– Deputy Commissioner . . . . .	17,600
Commerce – Commissioner of Banks . . . . .	23,760 <sup>3</sup>
– Commissioner of Insurance . . . . .	22,320 <sup>3</sup>
– Commissioner of Securities . . . . .	22,000

## APPENDIX A (Continued)

<u>Position</u>	<u>Current Salary or Range (October 1, 1975)</u>
<b>Department Heads, Deputies and Assistants (Continued)</b>	
Corrections – Commissioner . . . . .	30,240 <sup>3</sup>
– Deputy Commissioner . . . . .	2@ 24,640 <sup>3</sup>
	1@ 25,088 <sup>3</sup>
	1@ 25,760 <sup>3</sup>
Economic Development – Commissioner . . . . .	23,200 <sup>3</sup>
– Deputy Commissioner . . . . .	19,008 <sup>3</sup>
Education – Commissioner . . . . .	35,760 <sup>3</sup>
Employment Services – Commissioner . . . . .	28,776 <sup>3</sup>
Finance – Commissioner . . . . .	38,223 <sup>3</sup>
– Deputy Commissioner . . . . .	28,400
Health – Commissioner . . . . .	34,845 <sup>3</sup>
Higher Education Coordinating Commission	
– Executive Director . . . . .	30,798 <sup>3</sup>
– Assistant Executive Director . . . . .	20,900
Highways – Commissioner . . . . .	36,624 <sup>3</sup>
Human Rights – Commissioner . . . . .	20,000
Indian Affairs Commission – Executive Director . . . . .	17,500
Investment Board – Executive Secretary . . . . .	35,000 <sup>1</sup>
Labor and Industry – Commissioner . . . . .	29,568 <sup>3</sup>
– Deputy Commissioner . . . . .	2@ 24,265 <sup>3</sup>
– Workmen’s Compensation Commissioner . . . . .	22,000 <sup>1</sup>
– Director, Mediation Services . . . . .	22,680 <sup>3</sup>
Liquor Control – Commissioner . . . . .	19,000
Natural Resources – Commissioner . . . . .	31,979 <sup>3</sup>
– Deputy Commissioner . . . . .	26,664 <sup>3</sup>
Personnel – Commissioner . . . . .	31,000
– Deputy Commissioner . . . . .	24,800
Planning Agency – Director . . . . .	27,000
Pollution Control Agency – Director . . . . .	24,000
Public Safety – Commissioner . . . . .	29,052 <sup>3</sup>
– Deputy Commissioner . . . . .	22,683 <sup>3</sup>
Public Service – Commissioners (5) . . . . .	22,000 <sup>1</sup>
– Director . . . . .	23,381 <sup>3</sup>
Public Welfare – Commissioner . . . . .	36,960 <sup>3</sup>
– Deputy Commissioner . . . . .	30,935 <sup>3</sup>
Revenue – Commissioner . . . . .	32,657 <sup>3</sup>
State University System – Chancellor . . . . .	38,000
Community College System – Chancellor . . . . .	34,000
Tax Court Members (3 Part-time) . . . . .	10,500 <sup>1</sup>
Veterans Affairs – Commissioner . . . . .	16,000

**Heads of State Institutions**

(Pursuant to delegation in Section 15A.021, Subd. 2, Department of Personnel sets salary ranges of unclassified positions comparable to salary ranges for similar positions in the classified service. Appointing authority shall fix the individual salary within the range.)

Note: The appointing authority shall fix the individual salary where there are prescribed ranges, taking into consideration the experience and quality of employee performance of the officer or employee.

<sup>1</sup>Not eligible for Achievement Award.

<sup>2</sup>Salary Fixed by Joint Coordinating Committee (Laws 1975, Chap. 252)

<sup>3</sup>Includes Achievement Award.

# APPENDIX B

## 1975 Direct Legislative Appropriations By Fund, By Year (Excluding Bond Authorizations)

Chapter		1975	1976	1977	Biennial Total	Total Including 1975
<b>General Fund</b>						
3	Vietnam Veterans Bonus . . . . .	\$ 5,000,000.00				\$ 5,000,000.00
16	Interim Claims . . . . .	48,185.92				48,185.92
50	Emergency Deficiency Bill . . . . .	4,781,927.48				4,781,927.48
64	Capitol Restoration & Cleaning . . . . .	485,000.00				485,000.00
158	Claims . . . . .	53,222.22				53,222.22
203	Transportation . . . . .	14,000,000.00			14,000,000.00	14,000,000.00
204	State Departments . . . . .	2,051,684.63	140,613,598.00	115,718,206.00	256,331,804.00	258,383,488.63
205	Youth Summer Employment . . . . .	4,000,000.00				4,000,000.00
242	Lake Owasso Childrens Home . . . . .		300,000.00		300,000.00	300,000.00
253	Shade Tree Disease Control . . . . .		1,595,000.00		1,595,000.00	1,595,000.00
291	Advisory Committee on Fluctuating Enrollments . . . . .		60,000.00		60,000.00	60,000.00
319	State Farm Census . . . . .		50,000.00		50,000.00	50,000.00
325	Railroad Track Safety Standards . . . . .		105,000.00		105,000.00	105,000.00
331	Area Redevelopment Agency . . . . .	1,000,000.00				1,000,000.00
344	Advisory Task Force on Small Business . . . . .		60,000.00		60,000.00	60,000.00
346	Maternal & Child Nutrition . . . . .		1,000,000.00		1,000,000.00	1,000,000.00
354	Water Pollution Control . . . . .		11,000,000.00		11,000,000.00	11,000,000.00
380	Administrative Procedures, State Register . . . . .		356,000.00		356,000.00	356,000.00
383	Procurement Small Business Set Aside . . . . .		40,000.00		40,000.00	40,000.00
393	Donor Designation on Drivers License Aid to Children Attending Non-Public Schools . . . . .		12,000,000.00	12,000,000.00	24,000,000.00	24,000,000.00
400	Nutritional Program for Elderly . . . . .		650,000.00		650,000.00	650,000.00
401	Data Privacy . . . . .		25,000.00		25,000.00	25,000.00
403	Special State Redemption Acct. . . . .		825,000.00		825,000.00	825,000.00
409	Cystic Fibrosis Treatment . . . . .		40,000.00	40,000.00	80,000.00	80,000.00
415	Outdoor Recreation Lands Acquisition		15,000,000.00		15,000,000.00	15,000,000.00
418	Supreme and District Court Judges and Survivor Benefits . . . . .	2,022,700.00				2,022,700.00
432	Education Aids . . . . .	180,200.00	761,210,170.00	828,476,080.00	1,589,686,250.00	1,589,866,450.00
433	Education . . . . .	324,253.47	263,790,000.00	268,300,463.00	532,090,463.00	532,414,716.47
434	Health, Welfare, Corrections . . . . .	2,099,469.42	290,520,700.00	293,650,800.00	584,171,500.00	586,270,969.42
437	Taxes . . . . .		3,100,000.00	600,000.00	3,700,000.00	3,700,000.00
	<b>Total General Fund . . . . .</b>	<b>36,046,643.14</b>	<b>1,530,485,468.00</b>	<b>1,518,785,549.00</b>	<b>3,049,271,017.00</b>	<b>3,085,317,660.14</b>
<b>State Airports Fund</b>						
204	State Departments . . . . .		5,872,159.00	6,217,224.00	12,089,383.00	12,089,383.00
432	Education Aids . . . . .		6,500.00	3,250.00	9,750.00	9,750.00
	<b>Total State Airports . . . . .</b>		<b>5,878,659.00</b>	<b>6,220,474.00</b>	<b>12,099,133.00</b>	<b>12,099,133.00</b>
<b>Game and Fish Fund</b>						
204	State Departments . . . . .	159,090.00	10,680,287.00	9,867,743.00	20,548,030.00	20,707,120.00
<b>Trunk Highway Fund</b>						
16	Interim Claims . . . . .	1,969.50				1,969.50
50	Emergency Deficiency Bill . . . . .	355,638.00				355,638.00
158	Claims . . . . .	5,709.28				5,709.28
204	State Departments . . . . .	12,000.00	22,257,077.00	21,764,085.00	44,021,162.00	44,033,162.00
433	Education . . . . .		14,100.00	14,100.00	28,200.00	28,200.00
434	Health, Welfare, Corrections . . . . .		198,600.00	211,100.00	409,700.00	409,700.00
435	Highways . . . . .		104,572,671.00	102,427,329.00	207,000,000.00	207,000,000.00
	<b>Total Trunk Highway Fund . . . . .</b>	<b>375,316.78</b>	<b>127,042,448.00</b>	<b>124,416,614.00</b>	<b>251,459,062.00</b>	<b>251,834,378.78</b>
<b>Highway Users Tax Distribution</b>						
204	State Departments . . . . .		6,763,033.00	6,588,447.00	13,351,480.00	13,351,480.00
434	Health, Welfare, Corrections . . . . .		272,000.00		272,000.00	272,000.00
	<b>Total Highway Users Tax Distribution Fund . . . . .</b>		<b>7,035,033.00</b>	<b>6,588,447.00</b>	<b>13,623,480.00</b>	<b>13,623,480.00</b>
<b>Wildlife Acquisition Account</b>						
204	State Departments . . . . .		600,000.00	600,000.00	1,200,000.00	1,200,000.00
<b>State Parks Development Account</b>						
204	State Departments . . . . .		1,800,000.00		1,800,000.00	1,800,000.00

## APPENDIX B (Continued)

<u>Chapter</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>Biennial Total</u>	<u>Total Including 1975</u>
<b><u>Natural Resources Federal Reimbursement Account</u></b>					
204		1,000,000.00		1,000,000.00	1,000,000.00
<b><u>Federal Unemployment Trust Fund</u></b>					
302	250,000.00				250,000.00
<b><u>Corrections Social Welfare Acct.</u></b>					
16	86.96				86.96
<b><u>Permanent University Fund</u></b>					
433		2,532,006.00	2,563,506.00	5,095,512.00	5,095,512.00
	\$36,581,136.88	\$1,687,053,901.00	\$1,669,042,333.00	\$3,356,096,234.00	\$3,392,677,370.88
<b><u>Semi-State Activities</u></b>					
	28,796.48	5,327,156.00 <sup>1</sup>	4,389,410.00 <sup>1</sup>	9,716,566.00	9,745,362.48
	\$36,609,933.36	\$1,692,381,057.00	\$1,673,431,743.00	\$3,365,812,800.00	\$3,402,422,733.36

<sup>1</sup>Includes sum of \$47,500 each year from Trunk Highway Fund; balance of funding from General Fund.

# APPENDIX C

## GENERAL FUND

### MAJOR BILLS

	1975	1976	1977	Biennial Only
State Departments . . . . .	\$ 2,051,684.63	\$ 140,613,598.00	\$ 115,718,206.00	\$ 256,331,804.00
Education Aids . . . . .	180,200.00	761,210,170.00	828,476,080.00	1,589,686,250.00
Education . . . . .	324,253.47	263,790,000.00	268,300,463.00	532,090,463.00
Health, Welfare, Corrections . . . . .	2,099,469.42	290,520,700.00	293,650,800.00	584,171,500.00
	<u>\$ 4,655,607.52</u>	<u>\$1,456,134,468.00</u>	<u>\$1,506,145,549.00</u>	<u>\$2,962,280,017.00</u>
<b>Semi-State Activities</b>				
Conference Report not passed in 1975 Session . . . . .	28,796.48	5,279,656.00	4,341,910.00	9,621,566.00
	<u>\$ 4,684,404.00</u>	<u>\$1,461,414,124.00</u>	<u>\$1,510,487,459.00</u>	<u>\$2,971,901,583.00</u>

### OTHER BILLS

Others . . . . .	\$31,391,035.62	\$ 74,351,000.00	\$ 12,640,000.00	\$ 86,991,000.00
<b>TOTAL . . . . .</b>	<b>\$36,075,439.62</b>	<b>\$1,535,765,124.00</b>	<b>\$1,523,127,459.00</b>	<b>\$3,058,892,583.00</b>

# APPENDIX D

## Selected Appropriations for Welfare and Corrections Activities 1968-77 Deficiency Appropriations included in pertinent years (a)

Fiscal Year	Dept. of Public Welfare	Department of Corrections	Major 10 Welfare Hospitals	Other Institutions	Corrections Institutions	Welfare Categorical Aids (c)	Miscellaneous Welfare & Corrections	Veterans Relief	TOTAL
1968	3,786,870	2,118,210	24,514,281	27,188,387	8,815,573	32,341,000	2,440,000	730,000	101,864,321
1969	4,057,094	2,213,255	24,685,462	29,312,028	8,786,467	35,168,000	2,500,000	730,000	107,452,306
1970	8,780,771(d)	3,019,780	27,620,981	33,540,663	10,602,868	44,486,200	2,370,000	700,000	131,121,263
1971	9,881,527	3,255,522	29,022,474	33,514,479	10,650,840	56,556,300	2,405,000	700,000	145,986,142
1972	11,633,300	4,772,634	52,707,500(b)	9,998,800	15,654,508	67,789,000	3,375,000	810,000	166,740,742
1973	12,387,500	5,060,972	54,307,500(b)	10,526,800	16,581,976	84,146,000	3,060,000	860,000	186,930,748
1974	14,145,550	5,433,500	54,223,100(b)	10,330,050	15,360,400	86,400,000	2,701,000	910,000	189,503,600
1975	15,030,750	5,422,500	54,577,450(b)	10,514,650	15,830,067	101,278,000	2,775,000	960,000	206,388,417
1976	25,697,100(e)	7,226,350	67,508,800(b)	10,685,400	19,463,200	109,400,000	4,615,300(e)	1,010,000	245,606,150
1977	27,614,400	7,702,350	67,801,000(b)	10,588,000	19,381,100	119,900,000	4,772,700	1,010,000	258,769,550

- (a) This chart is a composite of Tables IX and X from "Actions of the 1973 Legislature."
- (b) Prior to 1972 the major 10 institutions were divided between "major 10" and "other."
- (c) Welfare Categorical Aids are: Medical Assistance, Aid to Families with Dependent Children and Minnesota Supplemental Assistance.
- (d) Increase due mainly to return of administrative earnings to counties.
- (e) Increase due mainly to inclusion of federal funds in the appropriate figures.



# APPENDIX E

## GLOSSARY

**Market Value** — The value the assessor puts on your property. This is supposed to be the worth of the property in a transaction between a willing buyer and a willing seller. In actuality the market value on the average varies 20 to 30 per cent from the actual value.

**Limited Market Value** — Under Minnesota law, properties reassessed at more than 10 per cent above the former value must be increased in increments. The old value plus the incremental increase constitute the limited market value. This property is then taxed at the limited rather than the actual market value.

**Assessed Value** — Under Minnesota law, actual or limited market value is reduced for tax purposes under a classification system. The amount of the reductions range from 57 per cent to 95 per cent depending on the class of property. Tax obligations are calculated by applying the mills levied to the assessed values.

**Mill** — One dollar in each thousand used to determine taxation on Minnesota property and payrolls. This means that each mill levied by local government results in the taxpayer paying one dollar in taxes for each \$1,000 assessed value. In relation to the Minnesota payroll tax the two mill levy means that each business is taxed \$2 for each \$1,000 of payroll in excess of \$100,000 a year.

**Homestead** — One of the property classifications. Homesteads are residences occupied by the owner. Property owners may have no more than one homestead.

**Agricultural Mill Rate Differential** — Under Minnesota law, the state pays some of the school tax bill for owners of agricultural property and owners of seasonal residential recreational property. The portion the state pays is 12 mills for homestead portion of agricultural property and 10 mills for non-homestead agricultural property and residential seasonal recreational property.

**Levy Limits** — The amount local governments are permitted to levy against their property tax base for certain services.

**Special Levies** — Levies not covered by the levy limitation law, principally, welfare and bonded debt levies.

**E.A.R.C. Values** — The actual market value of a taxing district's property as determined by the Equalization Aid Review Committee (EARC). The determination is made by

comparing values of actual sales of property to the market value at which these properties were assessed.

**E.A.R.C. Ratio** — The percentage the assessor's market value is of the market value determined by the Department of Revenue.

**Foundation Aids** — The state aids provided to school districts on the basis of pupil units to supplement the local 29 mill property tax value.

**Special Aids** — School aids for specific purposes such as transportation, education of the handicapped, etc.

**Aid to Families with Dependent Children (AFDC)** — Aid provided through counties to the qualifying families described in the title. Eligibility involves low or no income and lack of other assets. The Federal government pays about 57 per cent of this cost; the State pays half of the remainder and the counties the other half through the property tax levy.

**Supplemental Security Income (SSI)** — Supplements paid to Minnesota residents who are aged, blind or disabled and get welfare aid directly from the federal government. The supplements are financed 50 per cent by the State and 50 per cent by the county. These supplements are paid because these government supports are less than was paid to these welfare recipients under the State program before it was taken over by the Federal government (about two years ago).

**Medical Assistance** — Payments made to medical vendors (nursing home operators, physicians, dentists, druggists, etc.) on behalf of welfare recipients and others who are eligible because of a combination of lack of resources to pay for medical care as determined by statutory schedule and rules and regulations. The Federal government finances about 57 per cent of this; the State finances 90 per cent of the remainder and the county, the rest.

**General Assistance — Medical** — Payments made to medical vendors on behalf of medically indigent persons who do not qualify for federally assisted aid because they do not qualify as present or potential AFDC or SSI recipients. The State finances 90 per cent of this program and the counties finance 10 per cent.

**General Assistance** — Maintenance cash payments to eligible poor persons who do not qualify for AFDC or SSI aids. This program is financed 50 per cent from State funds and 50 per cent from local funds.

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