

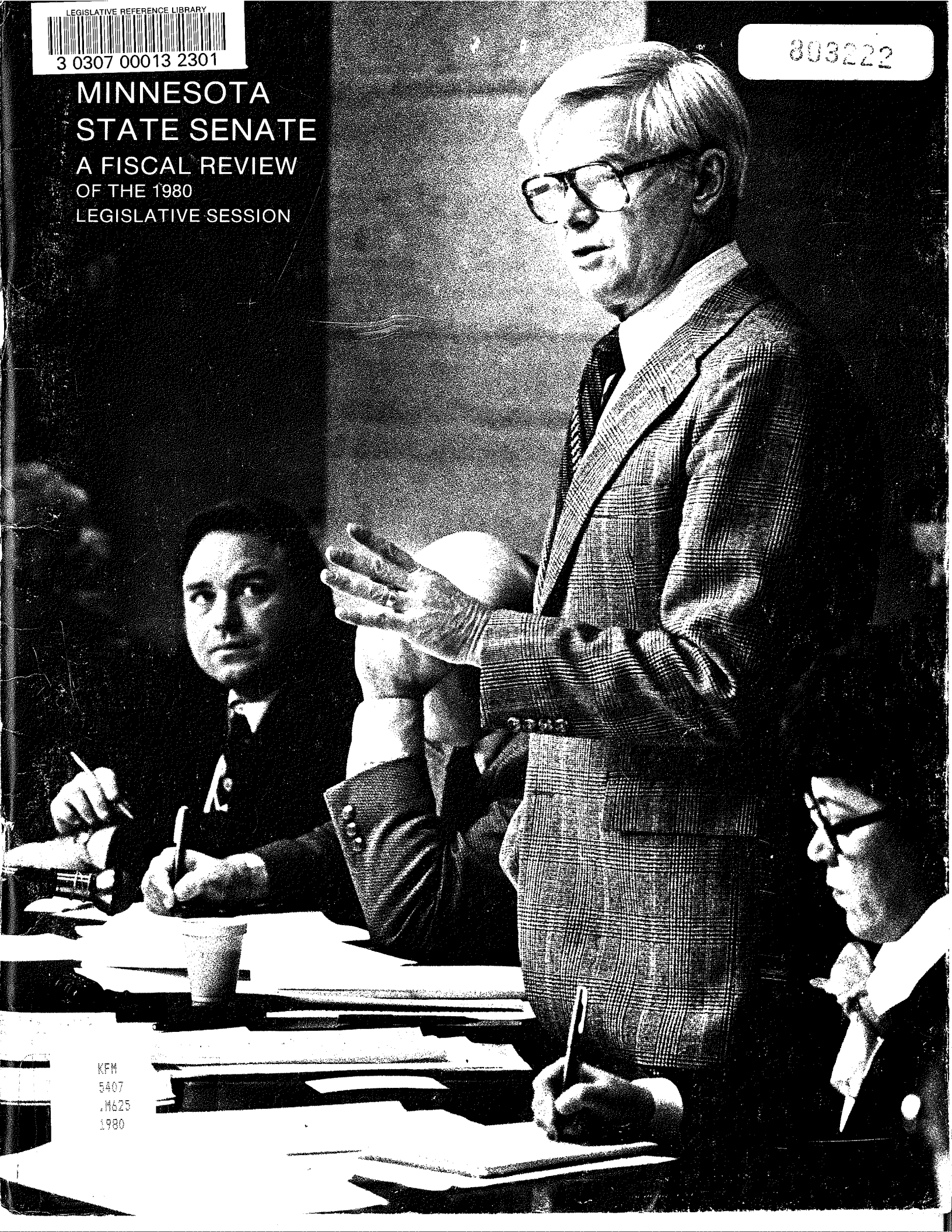
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MINNESOTA  
STATE SENATE  
A FISCAL REVIEW  
OF THE 1980  
LEGISLATIVE SESSION



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COVER PICTURE: Retiring Senate Majority Leader Nicholas Coleman stressing a point in debate. Senator Coleman initiated this publication in 1975. He announced his decision not to seek re-election this year; he was first elected in 1962 and became Majority Leader in 1972.

#### ACKNOWLEDGMENTS

The Minnesota State Senate is grateful to all who helped to make the Fiscal Review as informative as possible. It was prepared under the direction of Ted Miller, Senate Finance Committee, with the assistance of Bill Riemerman, Carolyn Carlson and Terri Erickson of Senate Research, and Gary Bastian, Senate Independent-Republican Research.

Photography for the cover was done by Mark Nelson, Senate Public Information Office.

M I N N E S O T A   S T A T E   S E N A T E

A FISCAL REVIEW  
of the  
1980 LEGISLATIVE SESSION



November, 1980

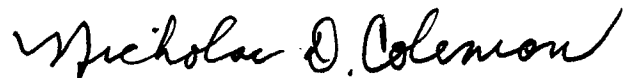
## F O R E W O R D

This publication is the annual report by the Minnesota Senate regarding fiscal actions of the 1980 Legislature. It has been prepared by the Senate Finance Committee staff and Senate Research. The document augments and updates the 1979 Fiscal Review.

This Review reports all the actions of the 1980 Session having a fiscal impact on the operations of state government. State expenditures are presented in detail by function.

All statistical data used in the Review is in substantially the same form as provided to the Legislature by the various state agencies, when taxing and spending decisions were being made at the end of the 1980 Legislative Session.

The report is designed to provide accurate information to the public. Copies are available from: Senate Finance Committee, Room 121, State Capitol, St. Paul, Minnesota, 55155.



Nicholas D. Coleman  
Majority Leader  
Minnesota State Senate

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I. HIGHLIGHTS OF THE 1980 SESSION - 71st MINNESOTA LEGISLATURE

Minnesota's 71st Legislature reconvened for the 1980 session on January 22 and adjourned sine die April 12 after 40 legislative days. Of 859 bills introduced in the House and 839 in the Senate, 278 were enacted into law. There also were five vetoes, plus three bills which contained line-item vetoes - the omnibus tax bill, the school aids bill, and the supplemental appropriations bill.

\* \* \*

New and supplemental appropriations raised the state government's spending for the 1979-81 biennium by \$106 million. State funds now total \$9,101,478,927 plus \$1,920,546,500 in federal funds, bringing the total spending for the biennium to \$11,022,025,427.

\* \* \*

A major issue during the 1980 session was energy assistance. A total of \$19,930,500 was provided. This included \$5 million for fuel assistance to low income households and \$9 million to supplement a federal weatherization program.

\* \* \*

The school aids bill provided another \$22,227,300. Of this amount, \$14,568,000 was funded by cancellation of a prior appropriation, leaving a net additional cost to the state of \$7,658,500. Student transportation aid comprised \$15,688,300 of the \$22 million total. Basic changes in the foundation aid formula include increasing the minimum aid per pupil from \$600 to \$800 and increasing the discretionary levy from 1 to 1.5 EARC mills.

Two special education programs enacted were a \$3,363,000 aid to educational programs for limited English proficiency students and \$1,000,000 for chemical dependency programs.

\* \* \*

The omnibus tax bill totaled \$16,130,000. Of this amount, \$8,150,000 was to cover reduced revenues and \$7,980,000 was income and property tax relief. Low income forgiveness levels for income tax were increased at a cost of \$4,200,000. Property tax relief was concentrated in \$3,400,000 for targeting and \$2,850,000 in increased state participation in welfare. Homestead credit was also increased with no cost being incurred until next biennium.

\* \* \*

Transit assistance grants were provided at a total of \$16,931,100. Payments to the Metropolitan Transit Commission for its regular bus routes were set at \$11,500,000 with an additional \$1,850,000 for social fare reimbursement. Grants outside the metropolitan area totaled \$3,071,300.

\* \* \*

A two cent per gallon increase was enacted in the gasoline excise tax bringing the total to eleven cents per gallon. This is estimated to raise an additional \$40 million per year to be credited to the Highway User Fund (Chapter 608).

\* \* \*

Five acts proposing amendments to the Minnesota Constitution were passed by the 1980 Legislature.

- - Chapter 587 would require campaign spending limits for candidates for executive and legislative offices and public disclosure of campaign spending for all state candidates.
- - Chapter 592 would authorize the Governor to appoint and commission citizens of the state as notaries public (presently approved by the Senate).
- - Chapter 587 would provide for initiative and referendum.
- - Chapter 588 would provide for establishment of the boundaries of congressional and legislative districts by a Commission (presently a legislative responsibility).
- - Chapter 549 would remove restrictions on the interest rate for and the amount of trunk highway bonds (presently limited to not more than five percent, and \$150 million par value).

These proposals will be voted upon at the 1980 general election; if adopted, they become law.

\* \* \*

Several changes were made in the three statewide retirement programs. Earnings limits were increased, an annuity increase was provided for those who had been previously excluded due to early retirement, and percentage applied to average salary to determine annuity is based on years and months of service. There were additional changes made to each of the three programs.



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

Property tax relief, shared taxes and aids to local units of government were increased \$53,371,750 for the current biennium. Interim adjustments are identified in the listing of Open and Standing Appropriations on Page 52. Additional changes enacted by the 1980 Legislature, including those contained in the Omnibus Tax Bill, also are identified in the same tabulation on Page 55. These changes in estimated relief, shared taxes and aids brings the biennial total to \$5,551,395,044, or 61 percent of the estimated total state expenditures, exclusive of federal funds.

### Tax Relief

Homestead credit payments by the state are estimated to increase by \$560,000 bringing the total for the 1979-81 biennium to \$614,618,000.

The estimated amount covering property tax refunds for senior citizens and disabled homeowners were increased by the Department of Finance in the sum of \$2,121,000 in the interim. By reason of other changes in the Omnibus Tax Bill, it is estimated that total property tax refunds could be reduced by \$4,900,000 making the adjusted total \$74,721,000.

The estimate for income maintenance aid was increased \$484,100 in the interim. The 1980 Legislature increased state participation in the AFDC, MSA, and GA programs by \$2,850,000 making the adjusted total for the biennium \$26,934,100. This sum is in addition to the \$578,070,500 provided in the Omnibus Welfare - Corrections - Health Bill in the 1979 Session.

A native prairie tax credit (Chapter 432) was provided by the 1980 Legislature. The cost for the balance of the 1979-81 biennium was estimated at \$287,000.

The "retirement" group of open and standing appropriations was increased by \$1,650,000 for police and fire pensions (Omnibus Tax Bill, Article XV). The Aids and Credits category was increased \$3,400,000 by a new item in the tax bill - targeting in property taxes.

New and expanded tax relief items total \$5,872,100 making the 1979-81 biennium total \$2,114,789,794.

The credit provided low income workers was increased \$4,200,000 in the 1980 Omnibus Tax Bill, bringing the biennial total to \$37,428,000. Since this item is directed to individuals it is not included in the Section for Tax Relief, Shared Taxes and Other Aids to Local Government.

#### Shared Taxes

From inheritance taxes local governments can expect to receive slightly less during the biennium - from an estimated \$6,636,400 reduced to \$5,718,000 by reason of a revised estimate during the interim. (See the tabulation of Open and Standing Appropriations - Page 51.)

Mining apportionment estimates were increased \$3,969,200 during the interim to a total of \$169,554,000. Taconite Production Tax distribution (IRRRB Board) was increased an additional \$550,000 (Omnibus Tax Bill, Article VII).

With these adjustments the estimate of shared taxes for the biennium becomes \$126,107,200.

#### Other State Aids

Other grants and aids to local government were increased \$43,898,850, bringing the total for this group to \$3,310,498,050 for the 1979-81 fiscal period.

Educational grants-in-aid provided by the 1980 Legislature include the sums of \$600,000 for Indian language and culture programs; \$398,000 for Indian education; \$75,000 to the Department of Education for the Council on Quality Education to fund programs designed for adults and handicapped adults; \$1,000,000 in aid for chemical dependency programs; \$36,000 for the sparsity factor in foundation aid; \$15,688,300 in supplementation to transportation aids; \$3,450,000 for aid to educational programs for limited English proficiency students; \$322,000 in supplementation to the school lunch program; and \$465,000 to supplement the non-public school aid.

Interim adjustments in educational grants include a reduction of \$477,000 in non-public school aid, and an increase of \$51,000 in taconite apportionment to school districts.

Welfare grants-in-aid provided by the 1980 Legislature include the sums of \$47,500 for changing income disregard provisions for certain medical assistance recipients and certain supplemental aid recipients; \$226,450 to cover increased costs due to work incentives in the general assistance medical care program; \$452,500 for increase in the personal needs allowances for residents of certain facilities

(skilled nursing home or intermediate care facility); \$48,000 for pre-admission screening to nursing homes; \$500,000 to reimburse county expenses for heating assistance under the emergency assistance and special needs allowance programs; \$300,000 to reimburse local units of government for computer costs; \$500,000 for the American Indian chemical dependency program, and \$50,000 to reimburse Ramsey County in connection with a hearing impaired program.

The 1980 Legislature provided the Department of Transportation \$16,931,100 in transit assistance grants (Chapter 614).

The Department of Administration was given \$150,000 to permit the Commissioner to reimburse any county for up to 50 percent of the legal expenses incurred by it in litigation concerning state and county jurisdiction over Indian matters.

For the development and conservation of natural resources, the 1980 Legislature provided the following grants-in-aid: \$85,000 in reimbursement for ditch assessments and \$3,000,000 for Boundary Waters Canoe Area Forestry Intensification.

### III. FUNCTIONS OF STATE GOVERNMENT

#### A. EDUCATION

Interim adjustments by the Department of Finance between the close of the 1979 session and the start of the 1980 session resulted in a net decrease of \$426,000 in open and standing appropriations for education - a decrease of \$477,000 in the estimate for non-public school aid, and an increase of \$51,000 in the estimated taconite apportionment.

The 1980 Legislature provided \$23,290,300 in new and supplemental direct appropriations for education, plus an estimated \$465,000 by open appropriation for individualized instructional materials for non-public school pupils (Chapter 609).

With the interim adjustments and the increases in new and supplemental appropriations - both direct and open - the total of state funds for education for the 1979-81 biennium becomes \$3,114,856,202. With the addition of \$277,847,900 in estimated federal funds, the grand total becomes \$3,392,704,102.

#### STATE DEPARTMENT OF EDUCATION

Four direct appropriations, totaling \$400,000 were made to the Department of Education by the 1980 Legislature - \$33,000 for out of school youth programs; \$150,000 for chemical dependency programs; \$130,000 for ESV computer council and \$87,000 for aid to educational programs for limited English proficiency students (all in Chapter 609).

AID TO ELEMENTARY, SECONDARY  
AND VOCATIONAL SCHOOLS

The 1980 Legislature provided \$5,638,000 to school districts for the following purpose - \$30,000 for alcohol fuel conversion grants; \$600,000 for Indian language and cultural programs; \$398,000 for certain Indian education programs in six specific locations; \$75,000 for Council on Quality Education grants for adults and handicapped adults; \$850,000 for chemical dependency programs; \$3,363,000 for aid to educational programs for limited English proficiency students, and \$322,000 for school lunch aids (all in Chapter 609).

School aids were increased \$15,724,300 for the current biennium - \$36,000 in supplementation for sparsity aids, and \$15,688,300 in transportation aid (Chapter 609).

Vocational education appropriations by the 1980 Legislature totaled \$866,900 - \$191,200 for a student organization center, \$455,000 for curriculum services, and \$220,700 for agricultural coordinators (Chapter 614).

1980 Changes in Education Aids

Foundation Formulas. There were two major changes made to the foundation aid formulas by the 1980 Legislature. The guaranteed minimum aid of \$600 per pupil unit less the amount of tax aids received by the district was increased to \$800 per pupil unit for the 1981-82 school year. The discretionary levy was increased to 1.5 EARC mills for the payable 1982 levy. The Legislature

authorized funding for a deficiency of \$685,000 in the appropriation for summer school aid for programs offered in the 1979 summer school, but this was vetoed.

Transportation Aid. The Legislature provided an additional \$15,688,300 for transportation aid to assist school districts with rapidly increasing fuel costs. Of this sum \$2,000,000 was identified for fiscal year 1980 to fund an increase in the formula allowance from 17 percent to 27 percent.

The remainder of the appropriation will fund an increase to 29 percent for the 1980-81 school year as well as changes in the formula which take into account more of the variables which affect the cost of transportation. Some of the new variables considered in the formula include the percent of handicapped students transported, the shape of the district, the proportion of unpaved roads and the proportion of lake and marsh areas in the district.

The sum of \$30,000 was provided for grants to school districts which convert school buses to alcohol fuel use.

Programs for Limited English Proficiency and Bilingual Education.

An appropriation of \$3,450,000 was provided to fund 70 percent of the salaries of instructional personnel in these programs. Of this appropriation \$87,000 will be used for staff in the department of education and the remainder will be distributed to school districts. Aid is limited to the number of staff needed for a 45 students per one teacher ratio or the pro rata amount for fewer

than 45 students. A one-half time teacher is permitted for 22 or fewer students.

Funding in the amount of \$2,106,000 was provided for a number of smaller programs as follows:

Indian Language and Culture Grants	\$ 600,000
Indian Education in six specified districts	398,000
Out-of-school Youth Study	33,000
Grants for Programs for Adults and Handicapped Adults	75,000
Chemical Dependency Programs	1,000,000

Changes in the law which required no appropriation in this biennium include the requirement of a statewide needs assessment for handicapped children under age four, inclusion of individualized instructional materials as part of the materials which may be provided to non-public school students, increase of the maximum capital expenditure aid and levy to \$90 per pupil (\$95 in growing districts) less seven EARC mills. The previous maximum was \$80 less 10 EARC mills.

#### STATE UNIVERSITIES

Appropriations to the State University Board were increased \$175,000 by the 1980 Legislature to cover a grant to Northern Minnesota Public Television Incorporated for the purchase of studio and production equipment (Chapter 614).



UNIVERSITY OF MINNESOTA

The 1980 Legislature provided \$225,000 in additional funds to the University of Minnesota bringing the total of state funds to \$444,002,316 for the 1979-81 biennium. The total includes trust fund earnings estimated at \$5,000,000 for the biennium.

The sum of \$25,000 was appropriated for health science outreach grants (Chapter 454), and \$200,000 for construction and operation of a small scale ethanol plant at the West Central Experiment Station at Morris and for the production of easily understandable plans (distribution free) demonstrating the plant construction (Chapter 579).

HIGHER EDUCATION  
COORDINATING BOARD

The sum of \$258,000 was provided the Higher Education Coordinating Board by the 1980 Legislature - \$230,600 for a scholarship and grant-in-aid data processing system, and \$28,000 for a study of the area vocational-technical institutes together with a report and recommendations to the Legislature by February 1, 1981 (Chapter 614). This increase brings the 1979-81 biennium total of state funds for the Higher Education Coordinating Board to \$94,714,300.

## B. WELFARE

In the interim, the Department of Finance increased the open appropriation estimate for the 1979 legislative changes in state support of the public assistance programs by \$484,100 - to a new estimated total of \$24,084,100 for the 1979-81 biennium.

Additionally, the 1980 Legislature granted increases and new appropriations totaling \$10,140,450 for a variety of welfare purposes.

The Omnibus Supplemental Appropriations Bill (Chapter 614) includes \$300,000 for public welfare computer costs; \$238,000 to move the income maintenance bureau; \$500,000 for the American Indian chemical dependency program; \$50,000 for a hearing impaired program; \$4,200,000 for an increase of 250 in the approved complement of persons involved in direct patient care in our state mental hospitals; \$100,000 for participation by up to 35 additional families in the mentally retarded family subsidy program; \$15,000 for the state adoption exchanges, and \$24,000 for services to brain-injured persons.

In addition to the Omnibus Supplemental Bill, the 1980 Legislature authorized the following items: \$200,000 for the retired senior citizen volunteer program (Chapter 455), \$50,000 for mental health centers (Chapter 506), \$48,000 for pre-admission screening to nursing homes (Chapter 575), \$136,000 to establish a statewide network of services for hearing impaired persons (Chapter 574), \$40,000 for a computer retrieval system, \$40,000 for a nursing home rate analysis, and \$10,000 for evaluation of committed persons'

hospitalization (Chapter 570), \$47,500 for a modification of the income disregard for Minnesota Supplemental Assistance and Medical Assistance programs (Chapter 527), \$113,000 for a vulnerable adults abuse program (Chapter 542), \$452,500 for an increase in the personal needs allowance (Chapter 563), \$226,450 for changes in the General Assistance - Medical Care Program (Chapter 536), and \$500,000 to reimburse counties for the county portion of expenses incurred by them in providing residential heating assistance (Chapter 579). The Omnibus Tax Bill (Chapter 607) provided a further increase of \$2,850,000 in state participation in the AFDC, MSA and GA welfare programs making the total of open appropriations for the biennium \$26,934,100 and the total of state funds for assistance programs \$605,004,600 for the two-year period.

#### C. ECONOMIC SECURITY

The 1980 Legislature granted two additional appropriations to the Department of Economic Security - \$166,000 for the establishment of up to eight regional service centers for hearing impaired persons (Chapter 574), and \$14,000,000 for heating assistance grants and weatherization of residences (Chapter 579).

#### D. CORRECTIONS

The 1980 Legislature provided the sum of \$298,200 to the Minnesota Corrections Board and approved continuation of the complement of 9.5 persons which was to have been terminated by prior

legislative direction (Chapter 614).

#### E. HEALTH

The State Department of Health received appropriations of \$500,000 for special grants for home based services for elderly and adult physically impaired persons (Chapter 614); \$23,430 for the purpose of identifying, controlling, and abating acid rain (Chapter 490); \$60,000 for nursing home dental health programs (Chapter 570); and \$125,000 for a statewide poison information center (Chapter 577).

State appropriations for public welfare, economic security, corrections and health purposes were increased \$25,797,180 (by interim adjustments and by actions of the 1980 Legislature), making the total of state funds available for the 1979-81 biennium, \$1,337,639,380. With the addition of an estimated \$1,243,470,200 in federal funds, total spending for these specific purposes becomes \$2,581,109,580.

F. TRANSPORTATION

Direct appropriations of \$17,956,100 were made by the 1980 Legislature for transportation purposes, raising the estimated total spending of state funds during the current biennium to \$701,297,800 and \$1,028,379,100 with the addition of \$327,081,300 in estimated federal funds.

Transit assistance grants were provided in Chapter 614 as follows:

a) Performance funding payments to the Metropolitan Transit Commission for its regular route bus service program in fiscal year 1980	\$11,500,000
b) Social fare reimbursement grant to MTC in fiscal year 1980	1,850,000
c) Subsidies to private operators within Metropolitan area (\$245,300 FY '80; \$264,500 FY '81)	509,800
d) Public transit subsidy grants outside the Twin Cities metro area (\$1,062,700 FY '80; \$2,008,600 FY '81)	<u>3,071,300</u>
	\$16,931,100

An Amtrack Rail Subsidy in the sum of \$475,000 was provided for service between Duluth and the Twin Cities during the biennium.

The Energy Bill (Chapter 579) provided \$400,000 to the Department of Transportation, divided as follows - \$200,000 each to the Park and Ride and Ride Sharing Programs.

The Omnibus Tax Bill (Chapter 607) included the sum of \$150,000 for a light rail transit study by the Metropolitan Council.

#### G. OTHER EXECUTIVE BRANCH FUNCTIONS

The 1980 Legislature appropriated \$18,055,570 for various executive branch functions of the state government, other than education, welfare-corrections-health, transportation and tax relief, shared taxes and aids to local units of government.

Interim adjustments in open appropriation estimates amount to a decrease of \$606,100.

With these adjustments the total of state funds for the above category for the 1979-81 biennium becomes \$691,040,910, and with the further addition of \$71,899,200 in federal funds the gross total is \$762,940,110.

#### The Governor and Lieutenant Governor

An additional \$32,000 was provided by the 1980 Legislature for Executive operations of the Offices of the Governor and Lieutenant Governor during the 1979-81 biennium. The line-item appropriation is identified as being for the Washington Office (Chapter 614), and makes the total of state appropriations for general operations and management \$3,264,300 for the biennial period.

## GENERAL STATE GOVERNMENT

Interim adjustments by the Department of Finance amount to an estimated open appropriation reduction of \$606,100 - identified as follows: Power Plant Siting by the EQC \$400,000; Treasurer's escheats \$200,000; and Iron Range Resources and Rehabilitation Board \$6,100.

The 1980 Legislature approved appropriations in the "General State Government" category of \$7,788,800. Including the interim reductions, the adjusted total for this group of expenditures becomes \$226,691,540 for the 1979-81 biennium.

The Office of the Secretary of State was granted two appropriations of \$25,000 each - one for carrying out duties under the law if the proposed initiative and referendum amendment is adopted (Chapter 587), and the other for the open appointments program (Chapter 614).

The Department of Administration was given \$455,000 for the following purposes: \$80,000 for the state government resource recovery program (Chapter 564); \$200,000 for the purchase of lease of commuter vans (Chapter 579); \$25,000 for the small business set aside (Chapter 614); and \$150,000 for county litigation expense - state reimbursement up to 50 percent of legal expenses concerning state and county jurisdiction over Indians, Indian hunting and fishing rights, and other issues relating to Indians (Chapter 614).

The Department of Economic Development was granted \$275,700 for the following purposes: \$25,200 for the small business assistance

center; \$210,500 for the Duluth Port Authority, and \$40,000 in matching funds for developmental resources (Chapter 614).

The Department of Finance received \$471,700 for increased computer costs for payroll and statewide accounting processing. The sum of \$959,200 was provided for advance inflation adjustment for non-represented and confidential state employees not previously eligible. The bonus adjustment provided a one-time payment of \$225.00 for a full-time employee (Chapter 614).

The Department of Employee Relations (previously Department of Personnel) received \$346,000 divided as follows: \$15,000 for a demonstration job-sharing project in state government (Chapter 572); \$285,000 for the labor relations division (Chapter 617); \$6,000 for affirmative action for veterans (Chapter 614); and \$40,000 for internship and summer youth work experience programs (Chapter 614).

The Department of Revenue received an additional \$535,200 divided as follows: \$335,200 for implementing railroad tax changes enacted in 1979 (Chapter 614); \$100,000 for a sales ratio study, and \$100,000 for administration expenses of the 1980 Tax Bill (Chapter 607).

The Department of Veteran Affairs received \$167,000 for the following purposes: \$5,000 for the establishment of a suitable memorial to Minnesota's war dead in Memorial Hall at Arlington National Cemetery (Chapter 546); \$147,000 to supplement an existing appropriation to the Veterans' Home - Minneapolis (Chapter 614); and \$15,000 for educational benefits for soldiers and their dependents (Chapter 614).



The State Planning Agency received \$42,500 for the establishment of local government official training programs (Chapter 532).

The Capitol Area Architectural and Planning Board was granted an additional \$28,000 to study the parking needs of the capitol area and prepare alternatives that guarantee public parking in the capitol area (Chapter 614).

The Energy Agency received \$2,175,500 (Chapter 579) for the following energy projects:

- |   |            |
|---|------------|
| a) Expansion of the energy conservation information center and energy conservation publicity  | \$ 123,000 |
| b) For the Minnesota Biomass Center   | 50,000     |
| c) Development of state plan for energy audits for residential and commercial buildings   | 70,000     |
| d) Energy supply emergency plan development   | 5,000      |
| e) Renewable energy resource research and development grant rulemaking  | 7,500      |
| f) Wetlands plant biomass research  | 225,000    |
| g) Energy efficient building education program  | 35,000     |
| h) To administer grant program for community energy planning and to develop model community energy plans and ordinances for statewide applicability | 40,000     |
| i) For community energy program grants  | 1,250,000  |
| j) Energy conservation materials  | 230,000    |
| k) Continued operation of fuel allocation program   | 140,000    |

The Indian Affairs Intertribal Board received \$15,000 for the identification and preservation of burial grounds (Chapter 457).

The Minnesota Historical Society was given \$78,000 divided as follows: \$7,500 for the design and erection of certain historical memorials to commemorate early state government sites (Chapter 499); \$30,000 for the addition of property to the Split Rock Lighthouse historic site and for the re-establishment of Traverse des Sioux historic site as a state monument (Chapter 546), and \$40,500 in supplemental funds for the analysis of state records (Chapter 614).

The Minnesota Housing Finance Agency received \$2,150,000: \$2,000,000 for the emergency energy conservation grant program, and \$150,000 for origination fee subsidy for energy rehabilitation loans (Chapter 579).

The newly created State Council on Black Minnesotans received an appropriation of \$40,000. The Council is to consist of seven members appointed by the Governor, plus two members of the House of Representatives and two members of the Senate who shall serve as ex-officio, non-voting members (Chapter 614).

PROTECTION TO PERSONS  
AND PROPERTY

Appropriations by the 1980 Legislature for the protection of persons and property amount to \$1,709,800, bringing the total for this expenditure category to \$173,945,400 for the 1979-81 biennium.

The Office of the Attorney General received \$133,000 for legal services in connection with hazardous waste problems (Chapter 564). The Department of Commerce was granted two additional appropriations - \$43,000 for the regulation of local government self-insurance (Chapter 529), and \$30,000 for development of an energy audit program for commercial and residential buildings (Chapter 579). The sum of \$30,000 was given to the Department of Human Rights to prohibit unfair treatment in housing and real property on the basis of familial status (Chapter 531). The Department of Public Safety was appropriated \$500,000 for a nuclear power plant emergency response plan (Chapter 611), and \$343,300 for state patrol overtime (Chapter 614). The Bureau of Mediation Services received \$100,500 to implement provisions of the 1980 Public Employee Labor Relations Act (Chapter 617). The Board of Electricity received \$500,000 in supplementation to the current appropriation (Chapter 614). The Crime Control Planning Board was granted \$30,000 to evaluate the need for expanding the automated fingerprint identification system (Chapter 614).

## NATURAL RESOURCES

Appropriations for the development and conservation of natural resources were increased \$8,399,970 by the 1980 Legislature, bringing the 1979-81 biennium total to \$163,189,370.

Of the increase, \$5,372,687 was provided for activities of the Department of Natural Resources as follows - \$24,287 to identify, control, and abate acid rain (Chapter 490); \$30,000 to establish and enforce noise limits for motorboats (Chapter 530); \$250,000 for a fuelwood management program to increase fuelwood availability on public lands (Chapter 579); \$85,000 for ditch assessments (Chapter 614); \$73,500 for the Big Marine Lake pilot study project (Chapter 614); \$3,000,000 for Boundary Waters Canoe Area forestry intensification (Chapter 614); \$155,200 for the St. Croix Wild River, and Tettegouche State Parks (Chapter 614); \$445,700<sup>1</sup> to increase the complement of conservation offices in order to reduce number of violations, and provide quicker response to public complaints (Chapter 614); \$194,000 for geological test drilling (Chapter 614); \$25,000 to the Soil and Water Conservation Board (Chapter 614); and \$1,090,000 for payment according to an agreement with the Leech Lake and White Earth Bands of Chippewa Indians (Chapter 614).<sup>2</sup>

The Pollution Control Agency was granted appropriations of \$2,021,283 as follows - \$52,283 for identification, controlling, and abatement of acid rain (Chapter 490); \$408,000 for waste management administration (Chapter 564); \$570,000 for solid waste planning assistance grants (Chapter 564), and \$991,000 for Metropolitan solid waste management (Chapter 564).

Of the \$570,000 for non-metropolitan solid waste planning assistance and grants, up to 20 percent is available for administration and technical and professional services. Any political subdivision will be eligible for assistance; in addition funds for waste reduction and separation projects may be passed through to other persons.

Of the \$991,000 for metropolitan solid waste planning and development, up to five percent is available for administration; up to \$65,000 for preparation of reports by the metropolitan council on land disposal abatement and local effects of disposal facilities; and the remainder for planning activities required of the metropolitan counties.

In addition, general obligation bonds in the sum of \$8,800,000 were authorized for capital assistance for waste processing facilities. This will be a combination of grants and loans administered by the Waste Management Board to political subdivisions. Up to five percent is available for administration and professional services. At least 70 percent must be administered as loans, and the remainder as grants so the net unrecovered debt will be no more than \$2,640,000.

The Waste Management Board received \$718,000 for general operations and management (Chapter 564).

The Water Planning Board was granted \$288,000 to continue its operations in fiscal year 1981. The Board shall continue operations until 90 days after the legislature designates a permanent successor, but not longer than through June 20, 1982 (Chapter 548).

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<sup>1</sup> Of which \$178,300 is from the General Fund, and \$267,400 from the Game and Fish Fund.

<sup>2</sup> Of which \$436,000 is from the General Fund, and \$654,000 from the Game and Fish Fund.

## AGRICULTURE

The Supplemental Appropriations Bill (Chapter 614) provided an additional \$125,000 for agricultural research and promotion, increasing the previously approved state spending for agricultural purposes during the 1979-81 biennium to \$51,530,100, of which the sum of \$25,000,000 had been included for the diseased shade tree program.

The name of the Livestock Sanitary Board was changed to the Board of Animal Health. Chapter 467 regulates the treatment of diseased animals, requires anaplasmosis testing of livestock and makes other changes.

## H. LEGISLATIVE

The Supplemental Appropriations Bill (Chapter 614) contained two appropriations for the legislative branch - \$101,800 to the Legislative Reference Library and \$75,000 to the Revisor of Statutes.

The Legislative Coordinating Commission was granted \$150,000 for development of "data processing support in connection with the implementation of reapportionment." The Reapportionment Commission was given \$100,000 for implementation of its assigned responsibilities which are effective on the date the constitutional amendment is ratified as provided by the Constitution (Chapter 588).

To cover the expenses to be incurred by the newly created Commission on Energy, the Legislative Coordinating Commission was given \$25,000 (Chapter 579).

Interim adjustments by the Department of Finance reduced the estimated amount needed for legislative retirements by \$27,100. However, in the subsequent conversion from open to direct appropriation authority, the amount required was increased by \$348,000, making the sum for fiscal year 1981 \$1,100,000 and for the two-year period \$1,322,400.

With these changes amounting to a net increase of \$722,700, the total state funds for legislative purposes in the 1979-81 biennium becomes \$46,083,200.

The state appropriation total for legislative purposes - \$46,083,200 for the 1979-81 biennium - represents one-half of one percent (.0050) of estimated total state expenditures.

## I. JUDICIAL

An interim reduction of \$622,100 was made by the Department of Finance in the estimated open appropriation for judges' retirement payments. Subsequently, the open appropriation for the judges' retirement was converted to a direct appropriation and the amount increased by \$1,023,900. With these adjustments, the total of state spending for the 1979-81 biennium for judicial purposes becomes \$35,326,400 and \$35,558,700 when an estimated \$232,300 in federal funds is added.

## J. MISCELLANEOUS

Interim adjustments to estimates of several open appropriations in the "miscellaneous" category amount to \$26,183,000. The individual items and amounts are as follows:

	<u>Increase or (Decrease)</u>
Low Income Credit	\$(20,265,600)
Retirements:	
Constitutional Officers	(24,100)
Minnesota State Retirement System	(9,700)
Teachers Supplement	(1,500)
Public Employees Retirement Association	2,400
N.E. Minnesota Economic Protection Fund	890,800
Taconite Environment Protection Fund	1,781,700
Revenue Refunds:	
Individuals	32,510,700
Sales	(2,866,000)
Other	<u>14,164,300</u>
Total	\$26,183,000



In addition, several changes were made by the 1980 Legislature. The items and amounts are as follows:

	<u>Increase or (Decrease)</u>
Low Income Credit (Chapter 607)	\$ 4,200,000
Refunds - Individual (Chapter 607)	(680,000)
Refunds - Individual - First principal residence housing account (Chapter 512)	500,000
Interim Claims (Chapter 479)	103,776 <sup>1</sup>
Small Business Conference (Chapter 613)	10,000
Contingent Accounts (Chapter 614)	
Fuel and Utilities	5,704,500 <sup>2</sup>
Grain Inspection	1,000,000
Retirement Appropriation Shifts from open to direct appropriations (net)	<u>13,100</u>
Total	\$10,851,376

With these interim adjustments and 1980 session changes the total of state funds for miscellaneous purposes for the 1979-81 biennium becomes \$906,783,512.

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<sup>1</sup> Includes \$9,944 in Trunk Highway Funds

<sup>2</sup> Includes \$704,500 in Game and Fish Funds

#### IV. RETIREMENT PROGRAMS

The 1980 Legislature enacted several bills which pertain to the three statewide retirement funds - the Minnesota State Retirement System (MSRS), the Public Employees Retirement System (PERS), and the Teachers' Retirement Association (TRA).

Laws 1980, Chapter 607, Article XV provided a post retirement increase to those pre-1973 retirees who were omitted from the 1979 post retirement adjustment because they had not yet attained the age of 65 years on or before July 1, 1979. The adjustment was \$15 per year of service payable in two lump sum payments.

Laws 1980, Chapter 614 provided that appropriations for TRA, MSRS, the first class city teachers' retirement fund associations, and the Minneapolis Municipal Employees Retirement Fund be changed from open and standing appropriations from the general fund to direct appropriations made annually in the budget.

Laws 1980, Chapter 342, Section 3, provided for an increase in the maximum earnings amount allowed for annuitant who becomes re-employed as a state employee, or as a non-elective employee of a governmental subdivision. The maximum earnings amount, previously set at \$3,000, will be set automatically each year at the level for a given age as the limitations applicable to recipients of Social Security. The levels for 1980 are \$3,720 for pre-age 65, and \$5,000 for those 65 or older. There is no limitation for over 72.

For those age 65 or over, the earnings limit will increase to \$5,500 in 1981, and to \$6,000 for 1982. Starting in 1983, the

earnings limit will increase automatically each year as the level of average wages rises. For those under age 65, the earnings limit starting with 1981 will be increased annually as the level of average wages rises. Social Security will announce the annual earnings limit.

Once the maximum is reached, the annuity is suspended for the balance of the year as long as the annuitant remains re-employed, (See TRA for comments regarding re-employment of teachers).

Laws 1980, Chapter 607 provided for the following revisions of the post-retirement adjustment mechanism for the state public pensions funds:

- Minnesota Adjustable Fixed Benefit Fund renamed  
Minnesota Post-Retirement Investment Fund.
- Definition of investment income for determination of income available for payment of post-retirement increases changed to recognition of dividends, interest and net realized capital gains from the sale of securities.
- Post-retirement increases can be paid out of 75 percent of excess investment income. Remaining 25 percent is used to retire the fund's deficit.

The service requirement for vesting for a proportionate annuity at age 65 is reduced from three years of service to one year of service. The percentage applied to average salary to determine retirement annuity is based on the number of years and months of service completed (Chapter 342).

## Minnesota State Retirement System

Laws 1980, Chapter 607, Article XV provided for changes in the Judges' Retirement Fund. The member contribution rate was increased from the percentage of payroll required for Social Security contributions to a rate equal to one-half percent of payroll plus the Social Security rate, but not less than 7 percent. The formula benefit accrual rate was increased from 2-1/2 percent for all service to 3 percent for all service rendered after June 30, 1980. The maximum retirement annuity percentage was increased from 60 percent to 65 percent of the judges' annual salary for the year preceding retirement.

Laws 1980, Chapter 342, fixes the unfunded accrued liability owed to MSRS by the Metropolitan Transit Commission at \$7,260,518 as of July 1, 1978. The unfunded liability will be amortized by an additional contribution made by the MTC in an amount equal to 3-3/8 percent of salaries until the amount plus interest at the rate of 6 percent per annum on the unpaid balance is paid.

### Public Employees' Retirement Association

The Public Employees' Retirement Association - Police and Fire survivor benefit family maximum was increased from \$450 per month to 50 percent of the salary of the deceased active member for the six months prior to the date of death (Chapter 607).

All local police and salaried firefighters' relief associations are required to phase out by placing all of their newly

employed personnel into the PERA - Police and Fire Fund unless the city elects prior to August 15, 1980, to retain the local funds for all personnel (Chapter 607).

#### Teachers' Retirement Fund

Laws 1980, Chapter 342, Sections 10 and 11 provide for an increase in the maximum earnings allowed for a TRA annuitant re-employed as a teacher. The maximum quarterly earnings amount, previously set at \$800, will be set automatically each year at the same level applicable to recipients of Social Security. The 1980 limitations are \$820 quarterly if pre-age 65, and \$1,125 quarterly for those 65 and older. There is no limitation for those over 72. For 1980, the earnings limitation for those under 72 would be \$5,000.

V. STATE BORROWING AND DEBT

The 1980 Legislature provided the sum of \$49,000,000 in general obligation bonds, and \$130,000,000 in revenue bonds. The general obligation items include \$13,500,000 for rail service improvements (Chapter 610), \$15,000,000 for solid and hazardous waste management (Chapter 564), \$20,000,000 for the maximum effort school aid law (Chapter 545), plus a \$500,000 adjustment in the bonding authority previously provided to investigate and analyze hydroelectric generating capacity of publicly owned dams (Chapter 585).

The revenue bonds authorized include an increase in student loan bonds of \$100,000,000 (increasing the authority to \$300,000,000) (Chapter 537), and \$30,000,000 to the Small Business Finance Agency created by Chapter 547.

Outstanding Bonds and Certificates  
of Indebtedness as of June 30, 1980

Aeronautics Bonds	1,340,000.00
School Loan Bonds	32,840,000.00
State University Bonds	16,675,000.00
State Building Bonds	523,170,000.00
Refunding Bonds	15,325,000.00
Voyageur National Park Bonds	1,670,000.00
Water Pollution Bonds	70,250,000.00
State Zoological Garden Bonds	23,250,000.00
Vietnam Veterans Bonus Bonds	42,000,000.00
Transportation Bonds	79,850,000.00
Trunk Highway Bonds	<u>74,030,000.00</u>
TOTAL BONDED INDEBTEDNESS	880,400,000.00
Trunk Highway Loans*	<u>5,412,000.00</u>
TOTAL OUTSTANDING INDEBTEDNESS	885,812,000.00

\*Balance of \$9,850,000.00 loan from City of Minneapolis for construction of interstate highway.

The above indebtedness is divided, by fund, as follows:

General Fund	\$754,280,000
Aeronautics	1,340,000
Trunk Highway	74,030,000
Employment Services	1,235,000
Maximum Effort School Loan	32,840,000
State Univ. Ref. Bonds	<u>16,675,000</u>
	\$880,400,000

\$110,000,000 OF NEW BONDS ISSUED

An increase in state debt of \$79,388,000 resulted from new borrowings of \$110,000,000 during the month of February, and payment of \$30,612,000. The \$110,000,000 new issue consisted of \$1,200,000 School Loan Bonds, \$80,800,000 State Building Bonds, \$13,000,000 State Transportation Bonds, and \$15,000,000 Water Pollution Control Bonds.

A Summary of the Present Condition of Bond Authorizations

School Loan Bonds, 1969 Chapter 1056: of a total authorization of \$20,000,000, \$1,025,000 remains unissued.

Municipal Aid Bonds, 1971 Chapter 856: of a total authorization of \$20,000,000, \$20,000,000 remains unissued.

Trunk Highway Bonds, 1977 Chapter 277: of a total authorization of \$50,000,000, \$19,000,000 remains unissued.

Building Bonds, 1978 Chapter 792: of a total authorization of \$106,900,000, \$40,395,000 remains unissued.

Water Pollution Control Bonds, M.S.116.18: of a total authorization of \$144,000,000, \$59,000,000 remains unissued.

State Building Bonds, 1979 Chapter 338: of a total authorization of \$75,515,000, \$75,515,000 remains unissued.

State Building Bonds, 1979 Chapter 300: of a total authorization of \$3,775,000, \$3,775,000 remains unissued.

State Transportation Bonds, 1979 Chapter 280: of a total authorization of \$52,000,000, \$39,000,000 remains unissued.

State Building Bonds, 1979 Chapter 301: of a total authorization of \$48,065,000, \$8,065,000 remains unissued.

State Building Bonds, 1980 Chapter 610: of a total authorization of \$13,500,000, \$13,500,000 remains unissued.

School Loan Bonds, 1980 Chapter 545: of a total authorization of \$20,000,000, \$20,000,000 remains unissued.

Waste Management, 1980 Chapter 564: of a total authorization of \$15,000,000, \$15,000,000 remains unissued.

All of the above bonds are general obligation bonds (backed by the full faith and credit of the State of Minnesota and its taxing powers.

As of June 30, 1980, the total amount of bonds authorized but unissued is \$314,275,000.

#### Municipal Bond Interest Rate

The interest rate on industrial revenue bonds was unlimited. The bill (Chapter 607) provides that the maximum rate on these bonds will be nine percent after December 31, 1982. The maximum interest rate on municipal general obligation bonds was increased from seven percent to twelve percent until December 31, 1982. After that date the maximum rate will be nine percent.



## VI. THE TAX LAWS

### INCOME TAX

Individual income tax relief totaled \$10.5 million in fiscal year 1981 and will be over \$26 million in Fiscal Year 1982. The tax relief provided by the changes was directed toward taxpayers with certain types of income and certain types of expenses.

The provision that will affect the largest number of taxpayers is the exclusion from taxation of interest and dividend income of up to \$200 for a single person and \$400 for a married couple. This provision begins in the 1981 tax year, the same year that the parallel federal provision goes into effect.

#### Working Poor

The exclusion or "forgiveness" levels for the low income credit will be increased so that no state income tax will be incurred by those having total household income at or below the following incomes:

<u>Family Size</u>	<u>Prior Law</u>	<u>1980 Tax Bill</u>
1	\$ 5,500	\$ 5,800
2	7,000	7,400
3	8,000	8,800
4	8,900	10,000
5	9,600	10,500
6+	10,000	11,000

The increases in the exclusion levels are effective with the 1980 tax year, and the indexing of the levels, which would have begun in 1981, was repealed. Above the exclusion levels, the tax is equal to 15 percent of the income above the exclusion level

or the regular tax, whichever is less.

The low income credit will now be called the "low income alternative tax." The computation as an alternative tax will be simpler for the taxpayer but will not change its effect.

#### Pension Taxation

The amount of pension exclusion will be increased from the current \$10,000 to \$11,000, beginning with the 1980 tax year. A person can therefore deduct up to \$11,000 of his pension income in determining his state income tax, but the \$11,000 exclusion is reduced by any federal adjusted gross income over \$17,000.

#### Political Contributions

The political contributions credit is extended to contributions to candidates for federal office. Previously the credit was limited to contributions to candidates for state office and to political parties. The credit is equal to 50 percent of qualifying contributions, with a maximum credit of \$50 for a single person and \$100 for a married couple.

#### Dependent Care

Beginning with the 1981 tax year, the dependent care credit is increased from 50 percent to 100 percent of the federal credit. The maximums are also increased to be the same as the federal - \$400 for one dependent (previously \$150) and \$800 for two or more dependents (previously \$300). The federal credit is equal to 20 percent of qualifying expenditures.

The income at which the full credit is allowed is increased from \$12,000 to \$15,000. The credit is decreased by five percent of the income above that level. The federal credit has no income restriction.

#### Federal Update

Federal adjusted gross income is the starting point for determining the Minnesota income tax, but legislation is required to adopt changes in tax law that are enacted at the federal level. The 1980 tax bill selectively updated references to the Internal Revenue Code as amended through December 31, 1979, and these changes are effective for Minnesota taxes beginning with the 1980 tax year.

The update provisions did not include two major provisions enacted at the federal level. The exclusion of long-term capital gains will remain at 50 percent for Minnesota tax purposes and not the 60 percent which federal law now uses. The 1980 tax bill also did not adopt the taxing of unemployment compensation, which the federal government now imposes for persons with federal adjusted gross income of over \$20,000 if single and \$25,000 if married.

The provisions that are adopted relate to the deduction for entertainment expenses, certain pension plans, the minimum tax on tax preference items, Subchapter S corporations, and several other provisions that are basically technical in nature.

### Checkoff

A new item that will appear on the income tax return and the property tax refund claim form is the checkoff for non-game wildlife. Beginning with the 1980 tax return, a taxpayer may designate that \$1 or more of his refund be paid into the non-game wildlife management fund administered by the Commissioner of Natural Resources. Unlike the \$1 checkoff for campaign financing, this checkoff will reduce the taxpayer's refund. It is a personal contribution of the taxpayer, not an appropriation from the State General Fund.

### Corporate Income Tax

The 1980 tax bill eliminates the \$100 minimum tax on any corporation required to file. The \$500 deduction against taxable income that is allowed to each corporation was repealed.

## PROPERTY TAX

The property tax relief provisions fall into two categories - state payments to local units of government, which reduce taxes for all types of property, and tax relief aimed at certain types of property, primarily residential and agricultural.

### Preferential Assessments

Beginning in 1981, the state will reimburse each local taxing jurisdiction for the preferential treatment given to the owners of federally subsidized rental housing for low and moderate income or elderly persons (Title II) and to homeowners who qualify as

disabled under the 3cc provisions. These types of properties have lower classification ratios than other rental or homestead properties, and prior to the law change, their reduced tax meant a shift in taxes to other property owners in the jurisdiction. With the new provisions in the tax bill, the tax will not be shifted to other taxpayers but will be reimbursed by the state. The state reimbursement for payable 1981 taxes is estimated to be \$4.6 million.

#### Police and Fire Pensions

Cities that have local police and firefighters relief associations and choose to have them phased out and become part of the state system will receive amortization aid from the state. Beginning in 1981, the state will pay to the municipality the amount necessary to amortize the unfunded accrued liability of the local relief association by December 31, 2010, less the amount of interest required by law to be paid on the unfunded accrued liability. The annual state amortization aid is estimated to be \$6.6 million.

#### Property Tax Classifications

The combination of the repeal of limited market value and the inflation in property values will have a much greater impact on some types of property than others, especially residential and agricultural property. In an effort to avoid a large shift in the proportion of the tax paid by the various property types, the classification ratios for some types of property were lowered.

Also, for non-agricultural homesteads, the two-tier classification system (base value at one ratio, excess at a higher ratio) was replaced by a three-tier system to provide more flexibility for the future. The inflation in home values can be dealt with in terms of the levels at which the tiers are set rather than by just lowering the ratios. The agricultural homestead base value was increased from \$25,000 to \$50,000.

CLASSIFICATION RATIO AND HOMESTEAD BASE VALUE CHANGES

1980 TAX BILL

Effective beginning with property taxes payable in 1981

	<u>PRIOR LAW</u>		<u>1980 TAX BILL</u>	
Agricultural Homestead	1st \$25,000	12%	1st \$50,000	14%
	Excess over \$25,000	22%	Excess over \$50,000	19%
Agricultural Non-Homestead		22%		19%
Timberland		20%		19%
Seasonal Recreational				
-- Residential		22%		21%
-- Commercial Class 3a Small Homestead Resorts		22%		21%
Non-Agricultural Homestead	1st \$25,000	17%	1st \$25,000	16%
	Excess over \$25,000	28%	Next \$25,000	22%
			Excess over \$50,000	28%
Residential Non-Homestead				
--3 or fewer units		32%		28%
--4 or more units		40%		38%
Vacant Land		43%		40%

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Automatic indexing of the homestead base value was repealed.

Homestead base value for the preferential treatment given to totally disabled homeowners (class 3cc property) was increased from \$28,000 to \$33,000.

### Homestead Credit and Targeting

Additional property tax relief was provided to homesteads through the homestead credit and a new credit commonly called "targeting". The homestead credit was increased from 55 percent of the tax to 58 percent and the maximum credit was increased from \$600 to \$650. The targeting credit will be in effect only for taxes payable in 1981 and applies only to homesteads. The net tax after all credits, including the property tax refund, for 1981 taxes is compared to the net tax for 1980 taxes. If the percentage increase in net tax is more than 10 percent, the targeting credit will be equal to 50 percent of the excess over the 10 percent increase, with a maximum credit of \$300.

### Other Property Tax Provisions

The annual increase used for levy limits was changed from 6 percent to 8 percent, except for cities of the first class and for the county governments of counties which contain a city of the first class.

Any unit of government subject to levy limits, except for a city of the first class, may make a one-time adjustment to its levy limit base of up to 10 percent, subject to a reverse referendum.

Three types of property will become subject to the property tax: 1. concessions at airports; 2. solid waste disposal sites; and 3. housing for low and moderate income or elderly persons, even if owned by a non-profit entity.

Each county assessor is required to report to the Commissioner of Revenue the range of average rental values and estimated market



values of tillable agricultural land in each township in the county for 1981. This information can then be used to study the impact of using capitalized rental income to value agricultural land for property taxation and to determine the appropriate capitalization rate.

Beginning with the 1981 assessment, the assessor is required to determine and list separately on his records the market value of the agricultural homestead dwelling and the one acre of land on which it is located.

Certain mobile homes will now be taxed as real property instead of personal property. This provision will not affect mobile home parks but will provide tax relief to owners of mobile homes used as farm homesteads or as cabins. The owner of the mobile home must own or lease the land, and the mobile home must be attached to the land and have utility service comparable to real property in the area.

The procedures for the appeal of special assessments are changed, based on a proposal from the League of Cities. The property owner is encouraged to file an appeal at the administrative level earlier in the process, rather than filing in district court.

Several changes are made in the tax increment financing law, including adjustment in the district's valuation because of an abatement or legislative changes in the classification ratios.

PROPERTY TAX RELIEF  
THROUGH LOCAL AIDS

Welfare Financing

The state participation in three welfare income maintenance programs was increased, effective January 1, 1981. The state share of the non-federal portion of Aid to Familier with Dependent Children was increased from 80 to 85 percent, Minnesota Supplemental Assistance from 80 to 85 percent, and General Assistance from 70 to 75 percent. The increased state aid is estimated to be \$5.7 million for 1981 taxes.

SALES TAX AND MISCELLANEOUS

The gross receipts from admissions to performances of non-profit arts organizations are exempted from the sales tax. Also exempted are sales to veterans' organizations or their auxiliary units for purchases used for charitable, civic, educational or non-profit purposes.

The common carrier treatment, which allows apportionment of the sales tax on transportation equipment based on miles traveled within Minnesota, is extended to persons who transport their own goods in interstate commerce.

The tax on agricultural alcohol gasoline, commonly referred to as "gasohol", will be four cents per gallon less than the regular gasoline tax rate, provided that the alcohol is distilled in Minnesota from agricultural products produced in Minnesota.

The excise tax on wine produced at a Minnesota farm winery will be lower than the regular excise tax rates on wine.

Gravel Tax

The bill provides that any county may impose a gravel tax at a rate not to exceed ten cents per cubic yard of gravel. The proceeds are to be used for county and township road and bridge purposes and for the restoration of abandoned gravel pits.

Gasoline Excise Tax

A two cent per gallon increase was enacted in the gasoline excise tax bringing the total - effective May 1, 1980 - to eleven cents per gallon. This is estimated to raise an additional \$40 million per year to be credited to the Highway User Fund (Chapter 608).

## VII. STATISTICS

### A. Supplemental and New Appropriations - 1980 Session

#### By Appropriation Measure

#### Omnibus Appropriation Bills

The 1980 Legislature provided \$62,947,400 in three omnibus appropriation measures - \$40,470,100 in a supplemental appropriations bill (Chapter 614), \$22,227,300 in a school aids bill (Chapter 609), and \$250,000 in the Omnibus Tax Bill (Chapter 607). The first two bills each included an open appropriation - \$1,090,000 in the supplemental bill, and \$465,000 in the school aids bill. These open amounts have been included in the Open and Standing Appropriations total, reducing the omnibus bills increase to \$61,392,400. Of the school aids appropriation, the sum of \$14,568,800 was funded by cancellations of current appropriations leaving a net additional cost to the General Fund of \$7,658,500.

With these additions and adjustments, the direct appropriations authorized in Omnibus Appropriation bills for the 1979-81 biennium becomes \$5,554,958,988. (See Page 27 of the 1979 Fiscal Review - \$5,493,566,588 plus \$61,392,400).

#### LINE-ITEM VETOES

<u>Supplemental Appropriations Bill (Chapter 614)</u>	<u>Thousands</u>
Administration - Micrographics	\$ 100.0
DNR - Inflation - State Parks	150.0
Crime Control Planning Board	
Law Enforcement Assistance	90.0
Automated Fingerprint	169.0

<u>Supplemental Appropriations Bill (Chapter 614) (cont.)</u>	<u>Thousands</u>
Housing Finance - Indian Housing	3,000.0
Temporary Emergency Housing	100.0
Finance Study Commission - Transportation	60.0
Corrections - Crime Victims Services	39.0
Health - THC Therapeutic Research	100.0
State Arts Board - W. Central T.V.	<u>500.0</u>
Total	\$4,308.0
 <u>School Aids Bill (Chapter 609)</u>	
Summer School Deficiency	\$ 685.0
Transportation Study	150.0
Research and Development Grants	<u>250.0</u>
Total	\$1,085.0
 <u>Tax Bill (Chapter 607)</u>	
Light Rail - St. Cloud/Metro	\$ 50.0
Heat Applied Stamps	<u>30.0</u>
Total	\$ 80.0
GRAND TOTAL	<u><u>\$5,473.0</u></u>

MISCELLANEOUS APPROPRIATION BILLS

Miscellaneous appropriations enacted in the 1980 Session amount to \$195,938,751 (including \$169,488,525 in conversions of open appropriations to direct appropriations) - bringing the total for the 1979-81 biennium to \$310,952,825 (see pages 28-30 of the 1979 Fiscal Review).

<u>Chapter</u>	<u>Item</u>	<u>Amount</u>
454	Teacher Mobility	\$ 25,000
455	Retired Senior Citizens Volunteer Program	200,000
457	Indian Burial Grounds	15,000
479	Interim Claims	103,776 <sup>1</sup>
490	Acid Rain	100,000
499	Historical Memorials	7,500
506	Mental Health Centers	50,000
527	Income Disregard - Public Assistance	47,500
529	Local Government Self-Insurance	43,000
530	Motorboat Noise Abatement	30,000
531	Rent Discrimination	30,000
532	Local Government Officials Training	42,500
534	Transportation Board	No Approp.
536	General Assistance - Medical Care	226,450
542	Vulnerable Adults - Abuse	113,000
546	Historical Sites - Veterans Memorial	35,000
548	Water Planning Board	288,000
563	Increase Personal Needs Allowance - DPW	452,500
564	Solid and Hazardous Waste Management	2,900,000
570	Nursing Home Rate Study	150,000
572	Job Sharing Demonstration Project	15,000
574	Hearing Impaired	302,000
575	Nursing Home - Pre-admission Screening	48,000
577	Poison Information Center	125,000
579	Energy Assistance Bill	19,930,500
587	Initiative and Referendum	25,000

<u>Chapter</u>	<u>Item</u>	<u>Amount</u>
588	Reapportionment	\$ 250,000
611	Nuclear Power	500,000
613	Small Business Conference	10,000
617	Public Employee Labor Relations	<u>385,500</u>
	Total	\$26,450,226

Conversion of various retirement appropriations from an open to a direct status for fiscal year 1981.

Judges' Retirement	2,110,000
Legislators' Retirement	1,100,000
Constitutional Officers' Retirement	85,700
Minnesota State Retirement System	65,000
Public Employees' Retirement	61,400
Teachers/State and Community Colleges	1,352,500
Teachers/Cities of the First Class	16,815,925
Teachers/Statewide	78,297,000
Teachers Social Security	65,101,000
Pension Reimbursement (Minneapolis Municipal Employees' Retirement Fund)	<u>4,500,000</u>
Total amount of conversions	\$169,488,525
Additions - 1980 Session	\$195,938,751
Total Amount	\$310,952,825

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<sup>1</sup> Includes \$9,944 from the Trunk Highway Fund

## OPEN AND STANDING APPROPRIATIONS - STATE FUNDS

In the interim the Department of Finance made several changes in the amounts estimated to finance general fund open appropriation authorities during the 1979-81 biennium. The sum total of such adjustments is an increase of \$56,725,400. (See Page 54)

During the 1980 Session, the Legislature converted several appropriations for retirement purposes from an open appropriation authority to a direct appropriation status effective fiscal year 1981. The sum of such new direct appropriations is \$169,488,525 and is included with the miscellaneous appropriations enacted by the 1980 Legislature. A nearly comparable amount (\$169,603,400) for the same items has been deducted from the open and standing appropriation liability.

The Omnibus Tax Bill (Chapter 607) should be considered as divided into two portions - \$8,150,000 in reductions in estimated revenue collections, and \$7,980,000 in various expenditure appropriations. Of the latter group, two appropriations, \$150,000 for the light rail study, and \$100,000 for the sales ratio study are direct appropriations and are reported in the totals for the Omnibus Appropriation bills. The balance of the authorized spending - \$7,730,000 - being open appropriations, is reported in this segment.

In addition, four other open appropriations provided by the 1980 Legislature have been included as follows:

\$436,000 for the Leech Lake Reservation

\$465,000 from the School Aids Bill



\$287,000 Wetlands and Native Prairie Tax Credit

\$500,000 Refund - first principal residence housing account

With these enumerated adjustments and additions, the estimated total of Open and Standing Appropriations financed by the General Fund becomes \$2,850,141,300 for the 1979-81 biennium. With the addition of \$385,425,814 in other state funds, the total of open and standing appropriations becomes \$3,235,567,114.

A comparative analysis follows:

<u>General Fund</u>	<u>Close of 1979 Session</u>	<u>Pre-1980 Session Estimate Jan. 18, 1980</u>	<u>Increase or (Decrease)</u>
<u>Aids and Credits</u>			
Property Tax Refunds			
Homeowners-Sr.Citizen and Disabled	\$ 77,500,000	\$ 79,621,000	\$ 2,121,000
Homeowners - Other	139,000,000	131,047,000	(7,953,000)
Renters-Sr.Citizen and Disabled	64,300,000	65,832,000	1,532,000
Renters - Other	146,000,000	159,005,000	13,005,000
Low Income Credit	53,493,600	33,228,000	(20,265,600)
School Agricultural Credit	86,850,000	95,107,200	8,257,200
Aid to Local Government	478,955,300	478,955,300	-0-
Attached Machinery Aid	24,754,000	22,825,000	( 1,929,000)
Homestead Credit	616,289,000	614,058,000	( 2,231,000)
Inheritance Apportionment	6,636,400	5,718,000	( 918,400)
Aid to Police and Fire	41,260,000	38,500,000	( 2,760,000)
Non-Public School Aid	6,500,000	6,023,000	( 477,000)
Aid to Counties	3,200,000	3,222,000	22,000
Income Maintenance	<u>23,600,000</u>	<u>24,084,100</u>	<u>484,100</u>
Total	\$1,768,338,300	\$1,757,225,600	(11,112,700)

<u>Other</u>	<u>Close of 1979 Session</u>	<u>Pre-1980 Session Estimate Jan. 18, 1980</u>	<u>Increase or (Decrease)</u>
Debt Service - New Authority	\$ 7,135,000	\$ 19,757,900 <sup>1</sup>	\$ 12,622,900
Executive Council - Emergency	4,000,000	4,000,000	-0-
EQC Power Plant Siting	1,600,000	1,200,000	( 400,000)
Treasurer's Escheats	400,000	200,000	( 200,000)
Weber Compensation	2,400	2,400	-0-
Salary Supplement	99,808,800	99,808,800	-0-
Wetlands Property Tax Reduction	1,000,000	-0-	(1,000,000)
Payments in lieu on DNR Land	<u>8,700,000</u>	<u>9,405,000</u>	<u>705,000</u>
Total	\$122,646,200	\$134,374,100	\$ 11,727,900

Retirements

Judges' Retirement	\$ 2,934,000	\$ 2,311,900	\$ ( 622,100)
Legislators' Retirement	998,000	970,900	( 27,100)
Constitutional Officers' Retirement	188,600	164,500	( 24,100)
Mn. State Retirement System	145,000	135,300	( 9,700)
Teachers - Supplement	7,000	5,500	( 1,500)
Public Employees' Retirement	95,800	98,200	2,400
Teachers/State and Community Colleges	2,675,000	2,675,000	-0-
Teachers/Cities of the First Class	34,989,700	35,855,800	866,100
Teachers/Statewide	151,096,000	151,096,000	-0-
Teachers Social Security	105,350,000	113,498,000	8,148,000
Pension Reimbursement (Minneapolis Municipal Employees' Retirement Fund)	<u>5,000,000</u>	<u>5,600,000</u>	<u>-0-</u>
Total	\$ 304,079,100	\$ 312,411,100	\$ 8,332,000

<u>Mining Apportionments</u>	<u>Close of 1979 Session</u>	<u>Pre-1980 Session Estimate Jan. 18, 1980</u>	<u>Increase or (Decrease)</u>
Property Tax Relief	\$ 32,900,000	\$ 33,215,000	\$ 315,000
Municipal Aid Fund	12,694,000	12,922,000	228,000
County Roads and Bridges	5,114,000	5,248,000	134,000
School Districts	29,928,000	29,979,000	51,000
Cities and Towns	2,580,000	2,584,000	4,000
County	19,804,000	20,374,000	570,000
Railroads	6,322,000	6,321,800	(200)
Iron Range Municipality and School Assn.	206,000	207,000	1,000
Iron Range Resources and Rehab. Board	5,601,100 <sup>2</sup>	5,595,000 <sup>2</sup>	( 6,100)
Northeast Mn. Economic Protect. Fund	16,811,900 <sup>2</sup>	17,702,700 <sup>2</sup>	890,800
Taconite Environmental Prot. Fund	<u>33,623,800<sup>2</sup></u>	<u>35,405,500<sup>2</sup></u>	<u>1,781,700</u>
Total	\$165,584,800	\$169,554,000	\$ 3,969,200
 <u>Revenue Refunds</u>			
Regular Income Tax Refunds	\$529,339,300	\$561,850,000	\$ 32,510,700
Corporate Income Tax Refunds	50,000,000	50,000,000	-0-
Sales Tax Refunds	7,055,000	4,189,000	(2,866,000)
Other Refunds	<u>6,558,600</u>	<u>20,722,900</u>	<u>14,164,300</u>
Total	\$592,952,900	\$636,761,900	\$ 43,809,000
 <u>Summary</u>			
Aids and Credits	\$1,768,338,300	\$1,757,225,600	\$(11,112,700)
Other	122,646,200	134,374,100	11,727,900
Retirements	304,079,100	312,411,100	8,332,000
Mining Apportionments	165,584,800	169,554,000	3,969,200
Revenue Refunds	<u>592,952,900</u>	<u>636,761,900</u>	<u>43,809,000</u>
Total	\$2,953,601,300	\$3,010,326,700	\$ 56,725,400

	Close of 1979 Session	Pre-1980 Session Estimate Jan. 18, 1980	Increase or (Decrease)
Brought Forward	\$2,953,601,300	\$3,010,326,700	\$ 56,725,400
<u>Less: Retirement Open Appropriations</u> Cancelled (FY 81) - replaced by Direct Appropriations (Chapter 614) Amount reported by Dept. of Finance - Jan. 18, 1980	<u>-0-</u>	<u>( 169,603,400)<sup>3</sup></u>	<u>(169,603,400)</u>
Net Total	\$2,953,601,300	\$2,840,723,300	(112,878,000)

1980 Session Additions and Changes

Omnibus Tax Bill - Chapter 607

Art. I. Increase low income credit		\$ 4,200,000	
Art.II. Treatment of certain mobile homes as real rather than personal property reflected in increased homestead credit		560,000	
Increase state participation in welfare programs - AFDC, MSA and GA		2,850,000	
Savings in property tax refund		( 5,300,000)	
Targeting in property taxes		3,400,000	
Art.III. Property Tax Relief			
Adjustments for abatements		( 100,000)	
Allow payment to estate		500,000	
Art.VII. Taconite Production Tax Distribution		550,000	
Art.XII. Revenue Recapture, procedure for set- off collection by Dept. of Revenue (Regular refunds)		( 680,000)	
Administration Costs		100,000	
Art.XV. Police and Fire pensions		<u>1,650,000</u>	
Total Tax Bill Changes		\$ 7,730,000	
Supplemental Approp. Bill (Chap.614) (Leech Lake)		436,000 <sup>4</sup>	
School Aids Bill (Chap.609) (Non-public school aid)		465,000	
Wetlands and Native Prairie Tax Credit (Chap.432)		287,000	
Refund-Individual-First principal residence housing account (Chap.512)		<u>500,000</u>	
Total Additions and Changes		9,418,000	
Total General Fund		\$2,850,141,300	

<u>Other State Funds</u>	Pre-1980 Session Estimate <u>Jan. 18, 1980</u>
As listed on Page 33 of 1979 Fiscal Review	\$ 384,771,814
Game and Fish Add'n. - 1980 Session - Chapter 614	<u>654,000</u>
	\$ 385,425,814
 Total Open and Standing Appropriations	 \$3,235,567,114

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- 1 For consistency, Debt Service - New Authority continues to be shown as an open appropriation. Department of Finance changed item from an open appropriation to a transfer-out of the General Fund during interim between 1979 and 1980 sessions.
  - 2 Portion of mining taxes distribution. For comparative purposes treated as an open appropriation (under Apportionments) in Fiscal Review. Department of Finance treats these three items as transfers-out from the General Fund.
  - 3 Represent estimated open appropriation liabilities for "retirements", Fiscal Year 1981, as reported by Department of Finance in run dated 1/18/80. Amounts replaced by direct appropriations.
  - 4 In addition, \$654,000 is estimated to be paid from the Game and Fish Fund as an open appropriation.

Source: Close-of-the-1979 Session, and Revised Estimate (January 18, 1980) provided by the Department of Finance.

## FEDERAL FUNDS

See Page 34 of 1979 Fiscal Review for distribution of estimated federal funds (\$1,920,546,500) available to supplement state monies for various purposes during 1979-81 biennium.

## RECAPITULATION

Omnibus Appropriation Bills	\$5,554,958,988
Miscellaneous Appropriations	310,952,825
Open and Standing Appropriations	<u>3,235,567,114</u>
Total State Funds	9,101,478,927
Federal Funds	<u>1,920,546,500</u>
Adjusted Estimated Total Spending All Funds	\$11,022,025,427

2. SUMMARY OF LEGISLATIVE APPROPRIATIONS - BY FUNCTION  
1977, 1978 and 1979, 1980 Sessions

	1977 and 1978 <u>Legislatures</u>	1979 and 1980 <u>Legislatures</u>	Increase (Decrease) Over Prior	Percent Increase (Decrease)
Property Tax Relief, Shared Taxes and Aids to Local Governments	\$1,782,516,674	\$ 2,268,451,525	\$ 485,934,851	27.26%
Education				
Department of Education	54,315,811	64,511,900	10,196,089	18.77
School Aids	1,808,051,180	1,996,705,700	188,654,520	10.43
Special School Aids	8,032,500	31,712,500	23,680,000	294.80
State Community Colleges	64,944,527	73,731,554	8,787,030	13.53
State University	139,388,901	153,615,915	14,227,014	10.21
University of Minnesota	383,762,017	444,002,316	60,240,299	15.70
Higher Education Coordinating Bd.	80,240,904	94,714,300	14,473,396	18.04
Miscellaneous Education	12,530,000	12,304,700	(225,300)	(1.80)
Total Education	\$2,551,265,840	\$ 2,871,298,888	\$ 320,033,048	12.54%
Welfare, Corrections and Health				
Department of Public Welfare	665,755,951	882,485,350	216,729,399	32.55
Institutions	216,168,194	235,766,600	19,598,406	9.07
Other	4,920,786	4,309,000	(611,786)	(12.43)
Department of Corrections	39,015,005	47,725,800	8,710,795	22.33
Institutions	61,882,646	65,543,400	3,660,754	5.91
Department of Health	44,618,820	49,710,630	5,091,810	11.41
Department of Economic Security	19,481,416	47,590,800	28,109,384	144.29
Miscellaneous	1,242,472	1,437,200	194,728	15.67
Total Welfare, Corrections and Health	\$1,053,085,290	\$ 1,334,568,780	\$ 281,483,490	26.73%
Transportation				
Department of Transportation				
Policy and Planning and Technical and General Support	37,105,405	84,728,600	47,623,195	118.34
Highways	542,558,697	530,291,700	(12,266,997)	(2.26)
Aeronautics	18,984,089	18,487,000	( 497,089)	(2.62)
Public Transportation	46,244,332	66,516,700	20,272,368	43.84
Miscellaneous	6,554,718	1,273,800	( 5,280,918)	(80.57)
Total Transportation	\$ 651,447,241	\$ 701,297,800	\$ 49,850,559	7.65%
Other Executive Branch Functions				
Governor and Lieutenant Governor	3,183,883	3,264,300	80,417	2.53
General State Government	195,310,278	226,691,540	31,381,262	16.07
Protection to Persons and Property	151,727,476	173,945,400	22,217,924	14.64
Natural Resources	154,064,220	163,189,370	9,125,150	5.92
Agriculture	49,509,766	51,530,100	2,020,334	4.08
Total Other Executive Branch Functions	\$ 553,795,623	\$ 618,620,710	\$ 648,825,087	11.70%

	<u>1977 and 1978</u> <u>Legislatures</u>	<u>1979 and 1980</u> <u>Legislatures</u>	<u>Increase</u> <u>(Decrease)</u> <u>over Prior</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Legislative	\$ 34,838,806	\$ 46,083,200	\$ 11,244,394	32.27%
Judicial	17,011,400	35,326,400	18,315,000	107.66
Miscellaneous	<u>577,500,970</u>	<u>906,783,512</u>	<u>329,282,542</u>	<u>57.02</u>
Total	\$7,221,461,844	\$ 8,782,430,815	\$1,560,968,971	21.61%
Additional Open Appropriations (State)	<u>279,437,714</u>	<u>319,048,114</u>	<u>39,610,400</u>	<u>14.17</u>
Total State Funds	\$7,500,899,558	\$ 9,101,478,929	\$1,600,579,371	21.34
Federal Funds	<u>1,507,276,679</u>	<u>1,920,546,500</u>	<u>413,269,821</u>	<u>26.22</u>
Grand Total	\$9,008,176,237	\$11,022,025,429	\$2,013,849,192	22.35%



2A. Appropriation Distribution by Function  
All Funds, 1979-81 Biennium

	1979 <u>Legislature</u>	Interim <u>Adjustment</u>	Total Prior to 1980 Session	1980 <u>Legislature</u>	<u>Total</u>	Add'l State <u>Open Approp.</u>	Total <u>State</u>	Federal <u>Funds</u>	<u>Grand Total</u>
Property Tax Relief, Shared Taxes and Aids to Local Gov't	\$2,236,667,300	\$31,739,600	\$2,268,406,900	\$ 44,626	\$2,268,451,525	-0-	\$2,268,451,525	-0-	\$2,268,451,525
Education	2,847,969,588	(426,000)	2,847,543,588	23,755,300	2,871,298,888	243,557,314	3,114,856,202	277,847,900	3,392,704,102
Welfare, Economic Security, Corrections and Health	1,308,771,600	484,100	1,309,255,700	25,313,080	1,334,568,780	3,070,600	1,337,639,380	1,243,470,200	2,581,109,580
Highways & Mass Transit	683,341,700	-0-	683,341,700	17,956,100	701,297,800	-0-	701,297,800	327,081,300	1,028,379,100
<u>Other Executive Branch Functions</u>									
Governor & Lt. Governor	3,232,300	-0-	3,232,300	32,000	3,264,300	} 72,420,200	} 71,899,200		
General State Govt.	219,508,840	(606,100)	218,902,740	7,788,800	226,691,540				
Protection to Persons & Property	172,235,600	-0-	172,235,600	1,709,800	173,945,400				
Development & Conser- vation Natl. Res.	154,789,400	-0-	154,789,400	8,399,970	163,189,370				
Agriculture	51,405,100	-0-	51,405,100	125,000	51,530,100				
	601,171,240	(606,100)	600,565,140	18,055,570	618,620,710	72,420,200	691,040,910	71,899,200	762,940,110
Legislative	45,310,500	( 27,100)	45,283,400	799,800	46,083,200	-0-	46,083,200	15,600	46,098,800
Judicial	34,924,600	(622,100)	34,302,500	1,023,900	35,326,400	-0-	35,326,400	323,300	35,558,700
Miscellaneous	869,749,136 <sup>1</sup>	26,183,000	895,932,136	10,851,376	906,783,512	-0-	906,783,512	-0-	906,783,512
<b>Total by Function</b>	<b>\$8,627,905,664</b>	<b>\$56,725,400</b>	<b>\$8,684,631,064</b>	<b>\$97,799,751</b>	<b>\$8,782,430,815</b>	<b>\$319,048,114</b>	<b>\$9,101,478,929</b>	<b>\$1,920,546,500</b>	<b>\$11,022,025,429</b>

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<sup>1</sup> Includes Economic Package for State Employees  
\$99,808,800 - General Fund  
\$33,723,700 - Other Funds  
\$133,532,500 - Total (Page 44 - 1979 Fiscal Review)

SUMMARY OF LEGISLATIVE APPROPRIATIONS - BY FUNCTION  
1979 and 1980 Sessions Plus Interim Adjustments

PROPERTY TAX RELIEF, SHARED TAXES AND AIDS TO LOCAL GOVERNMENT

1979 Legislature		\$ 2,236,667,300
Interim Adjustments		
Aid to Police & Fire Departments	\$ (2,760,000)	
Property Tax Relief		
Elimination of State Mill Levy		
Teacher Retirements		
Cities of 1st Class	866,100	
Statewide	8,148,000	
New Debt Service	12,622,900	
State School Agricultural Credit	8,257,200	
Homestead Credit	(2,231,000)	
Attached Machinery	(1,929,000)	
Property Tax Refund	8,705,000	
Wetlands Property Tax Refund	(1,000,000)	
Payments in Lieu of Taxes-DNR Lands	705,000	
Aids to Counties	22,000	
Apportionments		
Inheritance	(918,400)	
Mining Apportionments		
Property Tax Relief	315,000	
Municipal Aid	228,000	
County Road & Bridge	134,000	
Cities & Towns	4,000	
County	570,000	
Railroads	(200)	
Municipality and School Association	1,000	
		\$31,739,600
1980 Legislature		
Native Prairie Tax Credit (432)	\$ 287,000	
Homestead Credit - Mobil Homes (607)	560,000	
Targeting/Property Tax Increases (607)	3,400,000	
Property Tax Refund (607)	(4,900,000)	
Amortization Aid-Police & Fire Pension Funds (607)	1,650,000	
Mining Apportionment		
County (607)	550,000	
Retirement Appropriations Shifts-Open to Direct		
Teachers/Cities of the First Class (Open)	(18,318,300)	
Teachers/Cities of the First Class (Direct)	16,815,925	
Teachers Statewide (Open)	(78,297,000)	
Teachers Statewide (Direct)	78,297,000	
Teachers Social Security (Open)	(65,101,000)	
Teachers Social Security (Direct)	65,101,000	
		44,625
		\$ 2,268,451,525

EDUCATION

1979 Legislature		2,847,969,588
Interim Adjustments		
Non-Public School Aid	\$ (477,000)	
Taconite Apportionment	51,000	
		\$(426,000)
1980 Legislature		
Department of Education		
Alcohol Fuel Conversion Grants (609)	\$ 30,000	
Indian Language & Cultural Programs (609)	600,000	
Indian Education (609)	398,000	
Out of School Youths Study (609)	33,000	
CQE Grants-Handicapped Adult Programs (609)	75,000	
Chemical Dependency (609)	1,000,000	
ESV Computer Council (609)	130,000	

Vocational Education (614)	\$ 191,200	
Student Organization Center	455,000	
Agricultural Coordinators	220,700	
School Aids		
Foundation Aid - Sparsity Factor (609)	36,000	
Transportation Aid (609)	15,688,300	
Special School Aids		
Limited English Proficiency (609)	3,450,000	
School Lunch (609)	322,000	
Non-Public School Aid (609)	465,000	
State University Board		
Northern Minnesota Public TV Grant (614)	175,000	
University of Minnesota		
Health Science Outreach Grants (454)	25,000	
Ethanol Demonstration Plant (579)	200,000	
Higher Education Coordinating Board		
Student Aids Data Processing (614)	230,600	
Study of AVTI's (614)	28,000	
Retirement Appropriations Shift-Open to Direct		
Teachers/State University and Community Colleges (Open)	(1,350,000)	
Teachers/State University and Community Colleges (Direct)	1,352,500	
		\$ 23,755,300
		2,871,298,888
Open Appropriations (See Page 38 of 1979 Fiscal Review)	243,557,314	
Federal Funds (same source)	277,847,900	
		\$ 521,405,214
		\$ 3,392,704,102

WELFARE, ECONOMIC SECURITY, CORRECTIONS & HEALTH

1979 Legislature		\$ 1,308,771,600
Interim Adjustments		
Increase in State Share of Income Maintenance		484,100
1980 Legislature		
Department of Public Welfare		
Volunteer Program for Seniors (455)	\$ 200,000	
Mental Health Centers & Clinics - Regulation (506)	50,000	
M.A. Recipients - Income Disregard Relaxation (527)	47,500	
General Assistance Medical Care - Work Incentive (536)	226,450	
Vulnerable Adults (542)	113,000	
Personal Needs Allowance - Increase (563)	452,500	
Nursing Home Rate Analysis (570)	40,000	
Computer Retrieval System (570)	40,000	
Evaluation of Committed Persons (570)	10,000	
Hearing Impaired - Access to Human Services (574)	136,000	
Nursing Home - Preadmission Screening (575)	48,000	
Reimburse County Expense - Energy Assistance (579)	500,000	
Computer Costs (614)	300,000	
Move Location of Income Maintenance Bureau (614)	238,000	
American Indian - Chemical Dependency (614)	500,000	
Hearing Impaired Program (614)	50,000	
State Hospital - Complement Increase (614)	4,200,000	
Family Subsidy Program (614)	100,000	
State Adoption Exchange (614)	15,000	
Services to Brain Injured Persons (614)	24,000	
Increase State % Share - Welfare Aids (607)	2,850,000	
Department of Corrections		
Minnesota Corrections Board (614)	298,200	
Department of Health		
Identification, Control & Abatement-Acid Precipitation (490)	23,430	
Poison Information Center (577)	125,000	
Home Based Service Grants - Physically Impaired (614)	500,000	
Nursing Home Dental Program (570)	60,000	

Department of Economic Security		
Regional Centers - Hearing Impaired (574)	166,000	
Heating Assistance Grants (579)	14,000,000	
		25,313,080
		1,334,568,780
Open Appropriations (See Page 38 of 1979 Fiscal Review)\$	3,070,600	
Federal Funds (same source)	1,243,470,200	
		\$ 1,246,540,800
		\$ 2,581,109,580
<u>TRANSPORTATION</u>		
1979 Legislature		\$ 683,341,700
1980 Legislature		
Department of Transportation		
Ride Sharing & Pooling Promotion (579)	\$ 400,000	
Transit Assistance Grants (614)	16,931,100	
Amtrack Rail Subsidy (614)	475,000	
Metropolitan Council		
Light Rail Transit Study (607)	150,000	
		\$ 17,956,100
		701,297,800
Federal Funds (See Page 40 of 1979 Fiscal Review)		327,081,300
		\$ 1,028,379,100
<u>OTHER EXECUTIVE BRANCH FUNCTIONS</u>		
Governor - Lt. Governor		
1979 Legislature		\$ 3,232,300
1980 Legislature - Washington, D. C. Office (614)		32,000
		\$ 3,264,300
<u>GENERAL STATE GOVERNMENT</u>		
1979 Legislature		\$ 219,508,840
Interim Adjustments		
EQC Power Plant Siting	\$ (400,000)	
Treasurer Escheats	(200,000)	
IRRRB	(6,100)	
		(606,100)
1980 Legislature		
Secretary of State		
Initiative & Referendum Implementation (587)	\$ 25,000	
Open Appointments (614)	25,000	
Department of Administration		
State Government Resources Recovery Program (564)	80,000	
Commuter Van Purchase (579)	200,000	
Small Business Set Aside (614)	25,000	
County Litigation Reimbursement-Indian Land, Fish & Hunting Rights	150,000	
Department of Economic Development		
Small Business Assistance Center (614)	25,200	
Duluth Port Authority (614)	210,500	
Development Resources (614)	40,000	
Department of Finance		
Payroll and Personnel Information System (614)	471,700	
Advance Inflation Adjustment (614)	959,200	
Department of Employee Relations		
Job Sharing Project (572)	15,000	

Labor Relations Division-Expansion (617)	285,000	
Affirmative Action for Veterans (614)	6,000	
Internships and Summer Youth Work Experience (614)	40,000	
Department of Revenue		
Railroad Gross Earnings Administration (614)	335,200	
Sales Ratio Study (607)	100,000	
Administrative Expense (607)	100,000	
Department of Veterans Affairs		
Minnesota War Dead Memorial Marker (546)	5,000	
Veteran's Home - Minneapolis (614)	147,000	
Educational Benefits - Soldiers & Dependents (614)	15,000	
State Planning Agency		
Local Government Officers Training (532)	42,500	
Capitol Area Architectural & Planning Board (614)	28,000	
Energy Agency - Various Energy Projects (579)	2,175,500	
Indian Affairs Intertribal Board		
Identification & Preservation of Burial Grounds (457)	15,000	
Minnesota Historical Society		
State Government Memorial Commission-Site Markers (499)	7,500	
Historic Site Maintenance (546)	30,000	
Analysis of State Records (614)	40,500	
Minnesota Housing Finance Agency Energy Grants (279)	2,150,000	
Council on Black Minnesotans (614)	40,000	
		\$ 7,788,800
		\$ 226,691,540

PROTECTION OF PERSONS AND PROPERTY

1979 Legislature		\$ 172,235,600
1980 Legislature		
Attorney General		
Legal Services for Hazardous Waste Problems (564)	\$ 133,000	
Department of Commerce		
Regulation of Local Government Self Insurance (529)	43,000	
Energy Administration (579)	30,000	
Department of Human Rights		
Rental Housing Discrimination (531)	30,000	
Department of Public Safety		
Nuclear Power Plant Emergency Response Plan (611)	500,000	
State Patrol Overtime (614)	343,300	
Bureau of Mediation Services		
Unit Determination & Mediation Service (617)	100,500	
Board of Electricity (614)	500,000	
Crime Control Planning Board		
Automated Finger Print I.D. (614)	30,000	
		\$ 1,709,800
		\$ 173,945,400

DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES

1979 Legislature		\$ 154,789,400
1980 Legislature		
Department of Natural Resources		
Identification Control & Abatement of Acid Precipitation (490)	\$24,287	
Motorboat Noise Pollution Enforcement (530)	30,000	
Fuelwood Availability (579)	250,000	
Ditch Assessments (614)	85,000	
Big Marine Lake Pilot Study (614)	73,500	
BWCA Forestry Intensification (614)	3,000,000	
St. Croix Wild River & Tettegouche State Parks (614)	155,200	<sup>1</sup>
Complaint Response - Conservation Officers (614)	445,700	
Geological Test Drilling	194,000	
Soil & Water Conservation Board	25,000	
Indian Tribe Agreement	1,090,000	<sup>2</sup>
Pollution Control Agency		
Identification Control & Abatement of Acid Precipitation (490)	52,283	
Waste Management Administration (564)	408,000	

Planning Assistance Grants (Waste) (564)	570,000	
Metro Solid Waste Management (564)	991,000	
Waste Management Board (564)	718,000	
Water Planning Board (548)	288,000	
		\$ 8,399,970
		\$ 163,189,370
<u>AGRICULTURE</u>		
1979 Legislature		\$ 51,405,100
1980 Legislature - Department of Agriculture - Agriculture Research & Promotion (614)		125,000
		\$ 51,530,100
<u>TOTAL OTHER EXECUTIVE BRANCH FUNCTIONS</u>		
Interim Adjustments		(606,100)
1980 Appropriations		18,055,570
		\$ 618,620,710
Open Appropriations (see Page 43 of 1979 Fiscal Review)	\$ 72,420,200	
Federal Funds (same source)	71,899,200	
		\$ 144,319,400
		\$ 762,940,110
<u>LEGISLATIVE</u>		
1979 Legislature		\$ 45,310,500
Interim Adjustments Legislative Retirements		(27,100)
1980 Legislature		
Legislature		
Legislative Coordinating Commission		
Reapportionment - Data Processing	\$ 150,000	
Legislative Reference Library (614)	101,800	
Revisor - Unpublished Laws Project (614)	75,000	
Legislative Commission on Energy (579)	25,000	
Reapportionment Commission (588)	100,000	
Retirement Appropriation Shift - Open to Direct		
Legislator's Retirement (Open)	(752,000)	
Legislator's Retirement (Direct)	1,100,000	
		\$ 799,800
		\$ 46,083,200
Federal Funds (see Page 43 of 1979 Fiscal Review)		15,600
		\$ 46,098,800
<u>JUDICIAL</u>		
1979 Legislature		\$ 34,924,600
Interim Adjustments Judges Retirement		(622,100)
1980 Legislature		
Retirement Appropriation Shift - Open to Direct		
Judges Retirement (Open)	\$ (1,086,100)	
Judges Retirement (Direct)	2,110,000	
		\$ 1,023,900
		\$ 35,326,400
Federal Funds (see Page 44 of 1979 Fiscal Review)		232,300
		\$ 35,558,700
<u>MISCELLANEOUS</u>		
1979 Legislature		\$ 869,749,136

Interim Adjustments

Low Income Credit	\$ (20,265,600)	
Retirements		
Constitutional Officers	(24,100)	
Minnesota State Retirement System	(9,700)	
Teachers Supplement	(1,500)	
Public Employees Retirement Association	2,400	
N. E. Minnesota Economic Protection Fund	890,800	
Taconite Environment Protection Fund	1,781,700	
Revenue Refunds - Individuals	32,510,700	
- Sales	(2,866,000)	
- Others	14,164,300	
		\$ 26,183,000

1980 Legislature

Low Income Credit (607)	\$ 4,200,000	
Refunds - Individuals (607)	(680,000)	
- First Principal Residence Housing Account ( 512)	500,000	
Interim Claims (479)	103,776	<u>3</u>
Small Business Conference (613)	10,000	
Contingent Accounts - Fuel & Utilities	5,704,500	<u>4</u>
Grain Inspection	1,000,000	
Retirement Appropriation Shifts (Open to Direct)		
Constitutional Officers (Open)	(85,700)	
Constitutional Officers (Direct)	85,700	
Minnesota State Retirement System (Open)	(65,000)	
Minnesota State Retirement System (Direct)	65,000	
Public Employees Retirement (Open)	(45,800)	
Public Employees Retirement (Direct)	61,400	
Teachers Supplement (Open)	(2,500)	
Teachers Supplement (Direct)	0	
Pension Reimbursement - Minneapolis - (Open)	(4,500,000)	
Pension Reimbursement - Minneapolis - (Direct)	4,500,000	
		\$ 10,851,376
		\$ 906,783,512

SUMMARY - TOTAL ALL FUNCTIONS

1979 Legislative Actions	\$ 8,627,905,664
Interim Adjustments	56,725,400
1980 Legislature & Retirement Appropriation Shifts	97,799,751
Additional Open Appropriations (see Page 44 of 1979 Fiscal Review)	319,048,114
Total State Funds	\$ 9,101,478,929
Federal Funds (same source)	1,920,546,500
	\$ 11,022,025,429

Footnotes:

- 1 General Fund \$178,300; Game and Fish \$267,400
- 2 General Fund \$436,000; Game and Fish \$654,000
- 3 General Fund \$93,832; Trunk Highway \$9,944
- 4 General Fund \$5,000,000; Game and Fish \$704,500

3. Appropriations by the 1979 and 1980 Legislative Sessions - By Fund

Including Interim Adjustments

<u>Fund or Account</u>	<u>1979 Session</u>	<u>Interim Adjustment</u>	<u>1980 Session</u>	<u>Adjusted Total 1979-81</u>
General	\$7,803,504,189	\$56,725,400	\$95,472,007	\$ 7,955,701,596
Endowment School	32,000,000	-	-	32,000,000
Trunk Highway	462,849,575	-	9,944	462,859,509
Highway User Tax Distribution	15,665,800	-	-	15,665,800
State Airports	16,399,800	-	-	16,399,800
Game and Fish	35,880,100	-	2,317,800	38,197,900
State Parks Development	2,400,000	-	-	2,400,000
Wildlife Acquisition	1,230,000	-	-	1,230,000
County State Aid	188,450,000	-	-	188,450,000
Municipal State Aid	61,600,000	-	-	61,600,000
Iron Range Resources and Rehabilitation	430,000	-	-	430,000
Miscellaneous Special Revenue	1,496,200	-	-	1,496,200
Consolidated Conservation	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	\$8,622,905,664	\$56,725,400	\$97,799,751	\$ 8,777,430,815
Portion of University's Maintenance and Improvement Approp.	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
	\$8,627,905,664	\$56,725,400	\$97,799,751	\$ 8,782,430,815
Additional Open Appropriations (Page 45 of 1979 Fiscal Review)	<u>319,048,114</u>	<u>-</u>	<u>-</u>	<u>319,048,114</u>
Total Appropriations:				
State Funds	\$8,946,953,778	\$56,725,400	\$97,799,751	\$ 9,101,478,929
Federal Funds	<u>1,920,546,500</u>	<u>-</u>	<u>-</u>	<u>1,920,546,500</u>
Grand Total	\$10,867,500,278	\$56,725,400	\$97,799,751	\$11,022,025,429



B. General Fund Projection - Estimated Non-Dedicated Resources and Expenditures  
for 1979-81 Biennium

Based on analysis dated January 18, 1980 plus actions of 1980 Session

<u>Estimated Resources</u>	<u>End of 1979 Session</u>	<u>Estimate</u>	
		<u>As of Jan.18,1980</u>	<u>Increase or (Decrease)</u>
Adjusted Estimated Cash Balance July 1, 1979	\$297,345,700	\$258,731,000	\$(38,614,700)
Prior Years Adjust.(FY '80 and '81)	30,000,000	30,000,000	-
Adjustment to cover immediately avail- able and 1979 deficiency appropriations	-	15,485,800	15,485,800
Cancellation-School Aids	-	14,568,800	14,568,800
	<u>\$327,345,700</u>	<u>\$318,785,600</u>	<u>\$( 8,560,100)</u>
<u>Taxes and Receipts</u>			
Individual Income	\$3,667,045,300	\$3,711,380,000	\$ 44,334,700
Corporation Income	749,302,000	814,862,000	65,560,000
Sales Tax - General	1,361,620,000	1,406,600,000	44,980,000
Bank Excise	70,000,000	77,700,000	7,700,000
Inheritance, Estate and Gift	72,567,000	72,567,000	-
Liquor, Wine and Beer	114,069,000	109,495,000	( 4,574,000)
Cigarettes and Tobacco Products	174,650,000	177,341,000	2,691,000
Iron Ore Occupation	7,500,000	5,300,000	( 2,200,000)
Taconite Occupation	53,070,000	43,900,000	( 9,170,000)
Taconite Production	166,616,000	170,600,000	3,984,000
Royalty Taxes	14,806,000	11,256,000	( 3,550,000)
Deed and Mortgage Registration	37,879,000	34,788,000	( 3,091,000)
Insurance Gross Earnings	145,285,000	137,200,000	( 8,085,000)
Telephone Gross Earnings	110,500,000	111,509,000	1,009,000
Railroad Gross Earnings	20,066,000	21,887,000	1,821,000
Other Gross Earnings	10,039,000	7,845,000	( 2,194,000)
Motor Vehicle Excise	201,400,000	187,329,000	( 14,071,000)
Motor Vehicle Recycle	2,061,000	2,005,000	( 56,000)
Care and Hospital Departmental Earnings	174,975,000	195,234,900	20,259,900
Other Departmental Earnings	72,523,500	88,065,100	15,541,600
Investment Income	50,730,000	64,157,000	13,427,000
Income Tax Reciprocity	20,073,000	19,716,700	( 356,300)
Other Non-dedicated Revenue	39,000,000	43,193,200	4,193,200
All other items	<u>24,226,600</u>	<u>-</u>	<u>( 24,226,600)</u>
Total Non-Dedicated Revenue	\$7,360,003,400	\$7,513,930,900	\$153,927,500

<u>Transfers from Other Funds</u>	<u>End of</u> <u>1979 Session</u>	<u>Estimate</u>	<u>Increase or</u> <u>(Decrease)</u>
		<u>As of</u> <u>Jan.18,1980</u>	
Revenue Sharing	\$ 57,062,200	\$ 56,823,900	\$ ( 238,300)
Public Welfare	34,844,300	31,394,300	(3,450,000)
LCMR Federal Reimbursement	8,500,000	8,500,000	-
Indirect Costs	6,600,000	6,600,000	-
Gas Tax Reimbursement	1,656,200	1,656,200	-
Other Special Revenue Funds	2,450,000	2,450,000	-
All Other Transfers	2,400,000	2,400,000	-
Admin.Revolving Fund Retained Earnings	3,847,900	3,847,900	-
Repay of Revolving Fund Loans	-	450,000	450,000
<b>Total Transfers from Other Funds</b>	<b>\$117,360,000</b>	<b>\$114,122,300</b>	<b>\$ (3,238,300)</b>

Tax and Receipt Changes - 1980 Session

B.W.C.A. Federal Reimbursement	-	\$ 3,000,000	\$ 3,000,000
Grain Inspection Receipts	-	1,000,000	1,000,000
Electricity Board Receipts	-	500,000	500,000
Watercraft Fee	-	581,000	581,000
DPW Federal Receipts	-	2,300,000	2,300,000
Veterans Affairs - Federal Receipts	-	( 176,500)	( 176,500)
Public Safety Nuclear Power	-	500,000	500,000
DPW Mental Health	-	50,000	50,000
<b>Total</b>	<b>-</b>	<b>\$ 7,754,500</b>	<b>\$ 7,754,500</b>

OMNIBUS TAX BILL Laws 1980 - Chapter 607	End of 1979 Session	Estimate	
		As of Jan., 18, 1980	Increase or (Decrease)
Art. I Individual - Federal Update	-	( 5,600,000)	( 5,600,000)
Pension-Increase exclusion from \$10,000 to \$11,000	-	( 100,000)	( 100,000)
Political Contributions - credit extended to candidates for federal office	-	( 600,000)	( 600,000)
Allow involuntary conversion treat- ment for sales ordered by FCC	-	( 300,000)	( 300,000)
Art. V Sales Tax - Exempt admissions to performances of non-profit art organizations	-	( 1,000,000)	( 1,000,000)
Exempt sales to veterans' organi- zations and auxiliary units for specified uses	-	( 500,000)	( 500,000)
Art. IX Corporation - eliminate \$100 mini- mum tax and \$500 specific credit	-	( 50,000)	( 50,000)
	-	( 8,150,000)	( 8,150,000)
Total Taxes and Receipts	\$7,477,364,000	\$7,627,657,700	\$150,293,700
Total Estimated Resources Including Opening Balance	\$7,804,709,700	\$7,946,443,300	\$141,733,600

#### ESTIMATED EXPENDITURES

##### Omnibus Appropriation Bills

State Departments	\$ 664,237,700	\$ 658,196,700	\$ (6,041,000)
Semi-State Activities	19,931,900	19,931,900	-
Health-Welfare-Corrections	1,277,323,200	1,277,323,200	-
Education - School Aids	1,966,618,300	1,966,618,300	-
- Other than School Aids	800,283,888	800,283,888	-
Transportation	47,158,200	47,158,200	-
Tax Bill	655,000	655,000	-
Total Omnibus Bills	\$4,776,208,188	\$4,770,167,188	\$ (6,041,000)

##### Transfers to Other Funds

Taconite Environmental Protection Fund	\$ 33,624,000	\$ - $\frac{1}{1}$	\$(33,624,000)
N.E. Economic Protection Fund	16,848,000	- $\frac{1}{1}$	(16,848,000)
Trunk Highway Fund	-	2,418,400	2,418,400
All Other Transfers	9,362,300	1,055,000	( 8,307,300)
Trunk Highway - Public Safety	-	438,700	438,700
Revolving Funds	-	3,641,000	3,641,000
Loans to Revolving Funds	-	4,000,000	4,000,000
	\$ 59,834,300	\$ 11,553,100	\$(48,281,200)

<u>Miscellaneous Appropriations</u>	<u>Estimate</u>		<u>Increase or (Decrease)</u>
	<u>End of 1979 Session</u>	<u>As of 1980 Session</u>	
Separate Items - 1979 Session	\$ 80,497,900 <sup>2</sup>	\$ 80,107,600 <sup>2</sup>	\$ ( 390,300)
<u>Open and Standing Appropriations</u>			
Existing law	\$2,535,003,700	\$3,010,326,700	\$ 475,323,000
Tax Relief - 1979 Session	248,444,300	(see below)	(248,444,300)
Revisions - 1980(Salary Supplement and Retirement	114,218,500 <sup>2</sup>	-	(114,218,500)
Other Revisions - 1980 Session	-	(see below)	-
	\$2,897,666,500	\$3,010,326,700	\$ 112,660,200
<u>Expenditure Adjustments - 1980 Session</u>			
Supplements to Omnibus Approp.Bills	-	\$ 59,728,600	\$ 59,728,600
Miscellaneous Appropriations	-	26,440,282	26,440,282
Retirement Conversions-Delete Open		(169,603,400)	(169,603,400)
" " -Approp. Direct	-	169,488,525	169,488,525
Open and Standing - 1980 Tax Bill	-	7,730,000	7,730,000
" " - Suppl.Approp.Bill	-	436,000	436,000
" " - School Aids	-	465,000	465,000
" " - Wetlands Credit	-	287,000	287,000
" " - Refunds - Individual First principal resi- dence housing account -		500,000	500,000
		\$ 95,472,007	\$ 95,472,007
Total Expenditures and Transfers	\$7,814,206,888	\$7,967,626,595	\$ 153,419,707
Less Estimated Cancellations	(40,000,000)	(50,000,000)	(10,000,000)
Net Expenditures and Transfers	\$7,774,206,888	\$7,917,626,595	\$ 143,419,707
Unreserved Fund Balance	\$ 30,502,812	\$ 28,816,705	
Less Approp. Carried Forward	1,427,300	24,245,000	
Unrestricted Fund Balance June 30, 1981	\$ 29,075,512	\$ 4,571,705	

<sup>1</sup> Transferred to Mining Apportionments under Open and Standing Appropriations.

<sup>2</sup> Correcting adjustments made during preparation of 1980 Fiscal Review-\$14,409,700 for Teachers' Retirement items, and \$99,808,800 for salary Supplements (both reported on Page 32, 1979 Fiscal Review) transferred from Miscellaneous to Open and Standing Appropriation total.

### General Fund Deficit Forecast

On August 21, 1980 the Department of Finance issued a forecast which indicated that for the two-year period ending June 30, 1981 the State of Minnesota will realize \$195.1 million less in tax receipts than required to fully fund all General Fund expenditures authorized by the Legislature. Based on the forecast, Governor Quie approved a reduction of state expenditures in the amount of \$195.1 million to meet the constitutional and statutory requirements that the state conclude the biennium with a balanced budget.

It was determined that certain expenditure categories - including tax relief and mandatory payments, tax refunds, income maintenance and medical assistance payments and the budgets of the legislature, judiciary and constitutional officers - be excluded from the budget reduction program.

The reductions implemented cover the following areas:

State Agencies and Institutions	(\$49.7 million)
State Educational Institutions and Programs	(\$35.0 million)
Aids to School Districts	(\$89.5 million)
Aids to Local Units of Government	(\$20.9 million)

The 1980 Fiscal Review covers actions by the 1979 and 1980 Legislatures and does not reflect any of the estimated reductions in receipts or expenditures outlined above.

A P P E N D I X A

State of Minnesota  
 Summary of Authorized Positions  
 as of July 31, 1980\*  
 Prepared by Department of Finance

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>TRANSPORTATION</u>					
Trunk Highway	4787.00				4787.00
Federal	<u>1.00</u>	<u>2.00</u>			<u>3.00</u>
TOTAL TRANSPORTATION	4788.00	2.00			4790.00
<u>SEMI-STATE</u>					
<u>State Arts Board</u>					
General	13.00				13.00
Federal		3.00			3.00
<u>So. Mn. River Basin</u>					
General	1.00				1.00
<u>County Attorney Council</u>					
General		2.00			2.00
Federal		3.00			3.00
<u>Voyageurs National Park</u>					
General		<u>2.00</u>			<u>3.00</u>
TOTAL SEMI-STATE	14.00	10.00			24.00
<u>EDUCATION</u>					
<u>Education</u>					
General	574.70				574.70
Special	8.50				8.50
Federal	<u>207.20</u>	<u>19.00</u>		<u>7.00</u>	<u>233.20</u>
	790.40	19.00		7.00	816.40
<u>Higher Education Coord. Bd.</u>					
General	1.00	51.30			52.30
Special					-0-
Federal		2.60			2.60
Agency		<u>18.40</u>	<u>4.70</u>		<u>23.10</u>
	1.00	72.30	4.70		78.00

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>State University Bd.</u>					
General		3725.72			3725.72
Special		9.70			9.70
Federal		96.54			96.54
Gift		16.92			16.92
		<u>3848.88</u>			<u>3848.88</u>
<u>Community College System</u>					
General		1862.50			1862.50
Federal		143.00			143.00
Gift		15.00			15.00
		<u>2020.50</u>			<u>2020.50</u>
TOTAL EDUCATION	791.40	5960.68	4.70	7.00	6763.78
<u>HEALTH, WELFARE, CORRECTIONS</u>					
<u>Welfare</u>					
General	6900.70	1.00			6901.70
Federal		158.70		6.00	164.70
	<u>6900.70</u>	<u>159.70</u>		<u>6.00</u>	<u>7066.40</u>
<u>Economic Security</u>					
General	8.00	156.00		4.00	168.00
Federal		2768.00		2.00	2770.00
	<u>8.00</u>	<u>2924.00</u>		<u>6.00</u>	<u>2938.00</u>
<u>Corrections</u>					
General	1372.40	28.20		4.00	1404.60
Special		35.40	6.00		41.40
Federal		61.80		15.50	77.30
Agency		1.00			1.00
Revolving		76.30	6.40		82.70
	<u>1372.40</u>	<u>202.70</u>	<u>12.40</u>	<u>19.50</u>	<u>1607.00</u>
<u>Ombudsman Corrections</u>					
General		8.00			8.00
<u>Health</u>					
General	314.00 <sup>1</sup>			9.00	323.00
Special		127.90		13.00	140.90
Highway	10.00				10.00
Federal	313.90			20.00	333.90
Revolving					-0-
	<u>637.90</u>	<u>127.90</u>		<u>42.00</u>	<u>807.80</u>

<sup>1</sup> Includes 1 LCMR position

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>Health Boards</u>					
General		40.30		1.00	41.30
<u>Sentencing Guidelines</u>					
General		7.00			7.00
TOTAL HEALTH, WELFARE, CORRECTIONS	8919.00	3469.60	12.40	74.50	12475.50
<u>LEGISLATIVE &amp; JUDICIAL</u>					
<u>Legislative Auditor</u>					
General		74.00			74.00
<u>Supreme Court</u>					
General		107.10	1.96		109.06
Special					-0-
Federal		.90	14.54		15.44
		<u>108.00</u>	<u>16.50</u>		<u>124.50</u>
<u>District Courts</u>					
General	226.00				226.00
<u>Judicial Standards</u>					
General		2.00			2.00
<u>Public Defenders</u>					
General	25.00				25.00
<u>Tax Court of Appeals</u>					
General	5.00				5.00
TOTAL LEGISLATIVE AND JUDICIAL	256.00	184.00	16.50		456.50
<u>STATE DEPARTMENTS</u>					
<u>Governor - Lt. Governor</u>					
General		44.80	2.00		46.80
Federal		2.00			2.00
		<u>46.80</u>	<u>2.00</u>		<u>48.80</u>
<u>Secretary of State</u>					
General	32.00			4.00	36.00
<u>State Auditor</u>					
General	8.00				8.00
Revolving	103.00				103.00
	<u>111.00</u>				<u>111.00</u>



<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>Attorney General</u>					
General	282.00				282.00
Federal	3.00			1.00	4.00
	<u>285.00</u>			<u>1.00</u>	<u>286.00</u>
<u>Ethical Practices Bd.</u>					
General	5.00				5.00
<u>Investments Bd.</u>					
General	30.00				30.00
<u>State Planning</u>					
General	119.00 <sup>1</sup>	2.00		4.00	125.00
Federal	22.00			2.00	24.00
Building	3.00				3.00
Revolving	2.00				2.00
	<u>146.00</u>	<u>2.00</u>		<u>6.00</u>	<u>154.00</u>
<u>Administration</u>					
General	488.00			5.00	493.00
Special	11.00				11.00
Federal	3.00				3.00
Revolving	456.00				456.00
	<u>958.00</u>			<u>5.00</u>	<u>963.00</u>
<u>State Treasurer</u>					
General	31.00				31.00
Special					-0-
	<u>31.00</u>				<u>31.00</u>
<u>Capital Area Plng.Bd.</u>					
General	2.00				2.00
<u>Finance</u>					
General	130.00			2.00	132.00
<u>Employee Relations</u>					
General	112.00				112.00
Special	7.00				7.00
Federal	9.00				9.00
Revolving					-0-
	<u>128.00</u>				<u>128.00</u>

<sup>1</sup> Includes 12 LCMR positions

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>Personnel Board</u>					
General					-0-
<u>Revenue</u>					
General	941.00				941.00
<u>Agriculture</u>					
General	439.00			4.00	443.00
Special	56.00			1.40	57.40
Federal	5.00	14.00		2.00	21.00
	<u>500.00</u>	<u>14.00</u>		<u>7.40</u>	<u>521.40</u>
<u>Livestock Sanitary Bd.</u>					
General	40.00				40.00
<u>Natural Resources</u>					
General	966.00 <sup>1</sup>			14.00	980.00
Special	18.00			2.00	20.00
Game & Fish	504.00				504.00
Federal	51.00	43.00		13.00	107.50
Building				45.00	45.00
Gift	2.00				2.00
	<u>1541.00</u>	<u>43.50</u>		<u>74.00</u>	<u>1658.50</u>
<u>Zoological Gardens</u>					
General	155.00				155.00
Special	9.00			1.00	10.00
Federal					-0-
	<u>164.00</u>			<u>1.00</u>	<u>165.00</u>
<u>Water Resources Bd.</u>					
General	3.00				3.00
<u>Pollution Control</u>					
General	173.00 <sup>2</sup>				173.00
Federal	112.00 <sup>3</sup>	88.00		10.00	210.00
	<u>285.00</u>	<u>88.00</u>		<u>10.00</u>	<u>383.00</u>
<u>Energy Agency</u>					
General	67.00 <sup>4</sup>				67.00
Federal	40.00	26.00		14.00	80.00
Gift				2.00	2.00
	<u>107.00</u>	<u>26.00</u>		<u>16.00</u>	<u>149.00</u>

<sup>1</sup> Includes 80 LCMR positions

<sup>2</sup> Includes 2 LCMR positions

<sup>3</sup> Includes 4 LCMR positions

<sup>4</sup> Includes 3 LCMR positions

<u>Agency - Fund</u>	<u>Approved Complement Auth, 1</u>	<u>Legislative Authorized Auth, 2</u>	<u>Budgetary Authorized Auth, 3</u>	<u>LAC Approved Auth, 4</u>	<u>Total</u>
<u>Waste Mgmt. Bd.</u>					
General	14.00				14.00
<u>Commerce</u>					
General	229.00			10.00	239.00
Special	3.00				3.00
	<u>232.00</u>			<u>10.00</u>	<u>242.00</u>
<u>Non-Health Bds.</u>					
General	54.00	2.00			56.00
<u>Labor &amp; Industry</u>					
General	215.00				215.00
Federal	39.00				39.00
	<u>254.00</u>				<u>254.00</u>
<u>Mediation Services</u>					
General	25.00			7.00	32.00
<u>P.E.R.B.</u>					
General	1.00				1.00
<u>Public Utilities Comm.</u>					
General	26.00				26.00
<u>Public Service</u>					
General	97.00				97.00
Federal	10.00				10.00
	<u>107.00</u>				<u>107.00</u>
<u>Economic Development</u>					
General	53.00				53.00
Federal	8.00	14.00			22.00
	<u>61.00</u>	<u>14.00</u>			<u>75.00</u>
<u>Military Affairs</u>					
General	137.00				137.00
Federal	47.00	**			47.00
	<u>184.00</u>				<u>184.00</u>
<u>Veterans' Affairs</u>					
General	289.50				289.50
<u>Public Safety</u>					
General	411.00				411.00
Special					-0-
Trunk Highway	1023.00				1023.00
Highway Users	197.00				197.00
Federal	81.00			4.00	85.00
	<u>1712.00</u>			<u>4.00</u>	<u>1716.00</u>

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>Crime Control Planning Bd.</u>					
General	20.00				20.00
Federal	33.00	5.00			38.00
	<u>53.00</u>	<u>5.00</u>			<u>58.00</u>
<u>Council on Black Mn.</u>					
General	1.00				1.00
<u>Indian Affairs</u>					
General	7.00				7.00
Federal		1.50		1.00	2.50
	<u>7.00</u>	<u>1.50</u>		<u>1.00</u>	<u>9.50</u>
<u>Handicapped Council</u>					
General	9.00				9.00
<u>Human Rights</u>					
General	38.00			3.00	41.00
Federal	12.00			2.00	14.00
	<u>50.00</u>			<u>5.00</u>	<u>55.00</u>
<u>Spanish Speaking Council</u>					
General	3.00				3.00
<u>MN Municipal Bd.</u>					
General	4.00				4.00
<u>Housing Finance Agency</u>					
Agency	117.00				117.00
TOTAL STATE DEPARTMENTS	8642.50	242.50	2.00	153.40	9040.70
<u>OTHER AGENCIES</u>					
<u>I.R.R.R.B.</u>					
Special		50.00	10.00		60.00
Federal				6.00	6.00
		<u>50.00</u>	<u>10.00</u>	<u>6.00</u>	<u>66.00</u>
<u>H.E.F.A.</u>					
Special		2.00			2.00
<u>M.E.C.C.</u>					
General		3.80			3.80
Special		17.00			17.00
Federal		3.50			3.50
Revolving		40.20			40.20
		<u>64.50</u>			<u>64.50</u>

<u>Agency - Fund</u>	<u>Approved Complement Auth. 1</u>	<u>Legislative Authorized Auth. 2</u>	<u>Budgetary Authorized Auth. 3</u>	<u>LAC Approved Auth. 4</u>	<u>Total</u>
<u>MN State Retirement System</u>					
Agency		37.60	3.00		40.60
<u>Teachers' Retirement Association</u>					
Agency		54.20			54.20
<u>Hearing Examiners</u>					
Revolving	25.00				25.00
<u>Water Planning Bd.</u>					
General	10.00				10.00
Federal				5.00	5.00
	<u>10.00</u>			<u>5.00</u>	<u>15.00</u>
TOTAL OTHER AGENCIES	35.00	208.30	13.00	11.00	267.30
<u>TOTAL ALL SECTIONS</u>	<u>23445.90</u>	<u>10077.38</u>	<u>48.60</u>	<u>245.90</u>	<u>33817.78</u>

\* Includes positions approved at the July LAC meeting.

\*\* Thirty-six federal positions are not included - they started Oct. 1, 1980.

<u>University of Minnesota</u>			
Academic	4515.25		4515.25
Civil Service	<u>4554.97</u>		<u>4554.97</u>
TOTAL - 1980-81	9070.22 <sup>1</sup>		9070.22 <sup>1</sup>

<sup>1</sup> Covers approved complements for the maintenance and operations account only. Excludes personnel employed in the hospitals, cafeterias, dormitories, book-stores, intercollegiate athletic programs, and non-academic self-sustaining operations or sponsored research, training program and institutes.