

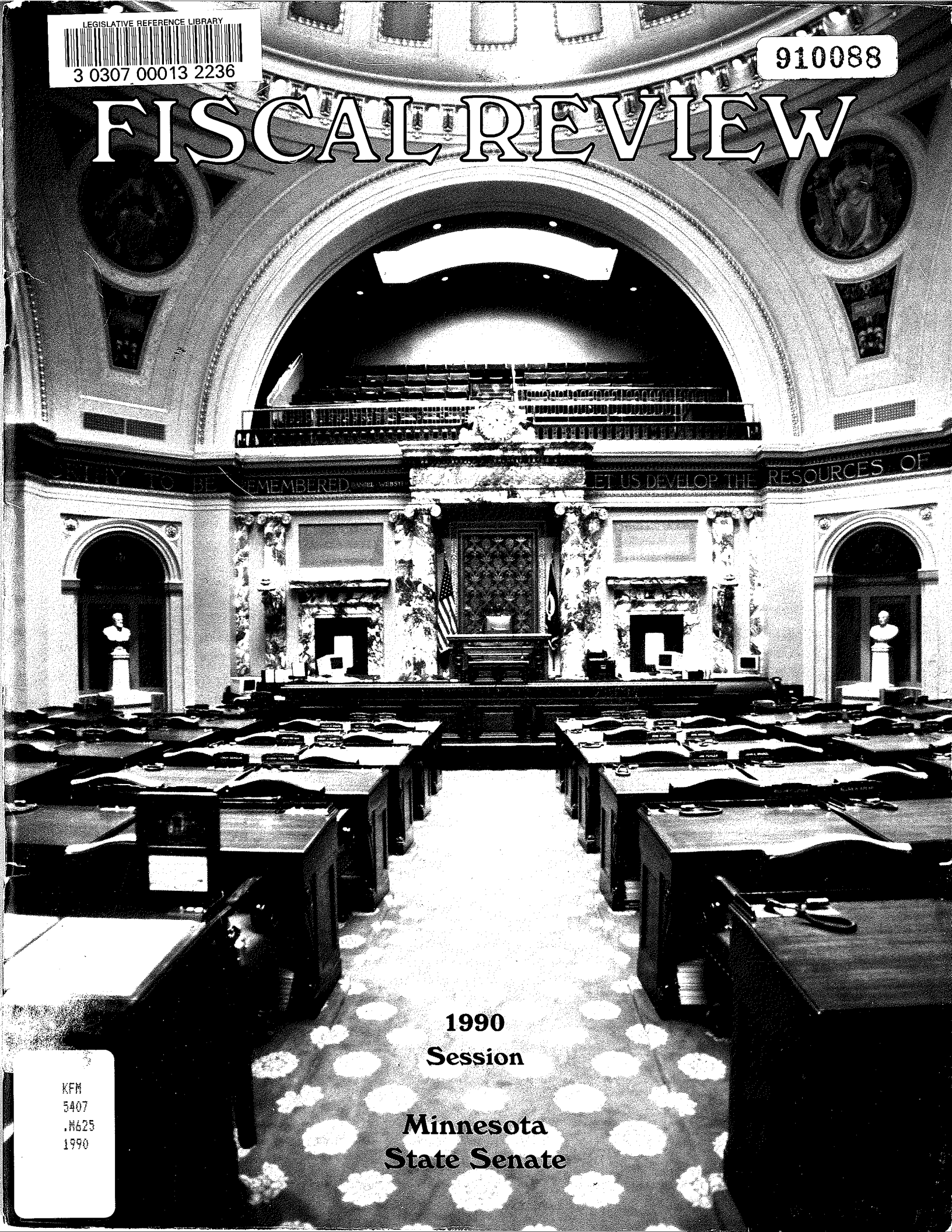
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FISCAL REVIEW



1990
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Fiscal Review

of the

1990 Legislative Session

Minnesota Senate
Office of Senate Counsel and Research

Edited by Bill Riemerman and Dan Salomone

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Introduction

This report represents the 16th edition of an annual report of actions taken by the Minnesota Legislature.

This is not an accounting of all legislative actions, but only those with significant fiscal effect. While the text does not include a discussion of every bill with fiscal impact, the tables found in the statistical appendix are all-inclusive and reconcile with the fund statements prepared by the Department of Finance.

This is a report on "appropriations", not actual spending. Spending is affected by many factors including accounting conventions and unexpected participation in programs. In a sense, this is a report on legislative "intentions" for spending as expressed by appropriations levels at the time authorizations were enacted.

Some appropriations are open-ended, with the actual spending amount determined by funding formulas and the size of eligible client populations. These "open and standing" appropriations are based on estimates of program participation made during the legislative process. Actual participation determines actual spending. In contrast, "direct" appropriations set limits on spending. Actual spending may be less than the direct appropriation, but never more than the appropriation without further legislative involvement.

The report is organized by large functional groupings of spending. The functional categories do not

strictly correspond to agencies or major spending bills (eg. the function of "public safety" includes appropriations to the Department of Corrections, the Minnesota Sentencing Guidelines Commission, and other entities involved in the provision of public safety, including the Department of Public Safety).

Where they exist, this report identifies federal dollars by functional category, as well as appropriations which are directly offset by payments to the State from user fees and other "dedicated revenues." For example, total appropriations for health and human services totaled over \$5.19 billion for the budget biennium. Of that amount, \$2.32 billion will come from federal funds, and \$459 million will be offset with payments from counties and hospitals. As a result, the net state cost for health and human services is expected to be \$2.41 billion for the biennium. Similarly, the higher education appropriation includes amounts to be repaid with tuition and fee revenue. To avoid overstating net state costs, this report identifies these offsetting reimbursements.

The focus of this report is the 1989-1991 budget biennium. As such, it highlights the changes that have occurred since the original appropriations for that biennium were made by the 1989 Legislature. The changes reported here result from baseline forecast changes as well as from law changes enacted by the 1990 Legislature.

Highlights

The 1990 Legislature decreased the appropriations from all funds for fiscal years 1990 and 1991 by \$15,305,138. This amount represents a decrease of less than one percent from the appropriations made during the 1989 session.

Revenues

The Legislature made no changes have a major impact on the state's revenues. The biggest changes affecting revenues in fiscal years 1990 and 1991 are the updates to federal tax code, which will result in a net gain of \$8.9 million for the biennium.

The Legislature also repealed the corporate franchise tax which was enacted in 1989. This corporate franchise surtax would have raised the top corporate rate from 9.5 percent to 10.2 percent. Instead, the top rate was raised to 9.8 percent and a new flat fee ranging up to \$ 5,000 was enacted. When combined with a corporate minimum tax rate reduction from 7 percent to 5.8 percent, this set of changes yields a revenue increase of \$700,000 for the two fiscal years.

Property Tax and Local Aids

As part of a more general reduction in spending, the 1990 Legislature reduced aids to counties, cities, and special districts by about \$30 million in the current budget period. The Legislature also repealed the \$10 million commercial-industrial equalization refund enacted in the 1989 Special Session.

The Legislature also tightened up the rules relating to the use of tax increment financing (TIF).

Elementary and Secondary Education

Funds appropriated for general elementary and secondary education purposes were reduced by \$69 million. This reduction includes a reduction of \$38 million due to lower enrollment and other forecast factors, \$14.3 million due to a reduction in the employer contribution rates for teacher retirement, and \$16.7 million as a result of a change in the way property tax credits are allocated to school districts.

Higher Education

Higher education appropriations were reduced \$21.1 million. Of this amount, \$13.9 million in Higher Education Coordinating Board (HECB) cuts were made possible by increased federal funding of the Pell Grant Program. No reduction in grants to students will occur as a result of this reduction.

The balance of the reductions by system are: Technical Colleges, \$1.6 million; Community Colleges, \$1.1 million; State University System, \$1.9 million, University of Minnesota, \$2.6 million.

A new policy pertaining to debt service retirement was implemented. Post-secondary institutions will be assessed one-third of the debt service costs for system projects.

Human Services

Appropriations for human services department programs were increased a net of almost \$97 million. This included more than \$17 million in increases for social services programs including chemical dependency treatment and child care programs and \$89 million in increases for health care programs due to forecast changes resulting from inflation and caseload growth adjustments.

Cuts were made in family support program appropriations (\$8.5 million).

Transportation

The most significant change in transportation funding resulted from a change in the proportion of the Motor Vehicle Excise Tax which is transferred from the general fund for transportation purposes. That proportion was reduced from 35 percent to 30 percent. This results in a reduction in transportation funding from this source by \$12.4 million in fiscal year 1991. This results in a reduction to the Trunk Highway Fund of \$5.8 million (of this amount, \$1.9 million is offset by a reduction in pension contribution obligations of the fund); a reduction in County State Highway Aid of \$2.7 million; and a reduction of Municipal State Aid for Streets of \$800,000.

Transit funding was reduced by a net amount of \$1.6 million. This includes reductions of \$650,000 for

light rail transit and \$300,000 for Greater Minnesota Transit.

Agriculture

Besides the general reduction in the Department of Agriculture budget of \$497,000, the Legislature appropriated an additional \$917,000 for specific purposes, including \$597,000 for grasshopper control, \$75,000 for legal costs relating to agricultural chemical incidents, and \$60,000 for agricultural liming materials. An additional \$605,000 was appropriated to a special contingency account to be used for grasshopper control in calendar year 1990, if authorized by the Governor.

Economic Development

The Legislature made recipients of state funds for certain economic development projects subject to the state prevailing wage law.

The Department of Trade and Economic Development's budget was cut by \$1,040,000, and the Greater Minnesota Corporation's (GMC) share of the state lottery proceeds was reduced from 50 percent over the next five years to 25 percent over the next 10 years. This will mean that the GMC will forego plans to build a trust fund and use lottery funds for program expenses. The change in lottery fund dedication allows 25 percent of the proceeds to be deposited into a new Infrastructure Improvement Fund which will be used to fund state buildings and capital improvements.

Pollution Control

The Pollution Control Agency budget was reduced by \$1.8 million while the agency was appro-

priated \$27 million (of a total of \$58 million) in bond proceeds for wastewater treatment programs.

Two new efforts targeted at toxic use reduction and chlorofluorocarbon (CFC) reduction were enacted. Large users of toxic chemicals are now required to prepare pollution prevention plans and to provide progress reports on reduction activities. In addition, a new fee on toxic emissions will pay the costs of administration and assistance related to the toxic use reduction program.

The Environmental Trust Fund will see a reduction in its share of lottery proceeds from 50 percent to 40 percent. On the 1990 ballot, voters will be provided an opportunity to amend the state constitution dedicating the 40 percent to the fund until the year 2001. Under 1990 laws, state lottery proceeds will be shared by the Environmental Trust Fund (40 percent), the Greater Minnesota (25 percent), and the new Infrastructure Development Fund (35 percent).

Public Pensions

The 1990 session took advantage of an actuarial surplus in two pension funds to reduce employer contributions by \$19.5 million in fiscal year 1991. Teacher Retirement fund contributions are being cut by \$14.3 million and the Minnesota State Retirement system contributions by \$5.2 million.

Bonding

The 1990 session adopted a bonding and capital improvement program of more than \$402 million, with authority for \$387.4 million from the sale of bonds and \$14.8 million in direct appropriations. Some of the debt retirement money for these projects would come from the general operations budgets of the state higher education institutions and some from lottery receipts.

Revenues

State Taxes

Income Tax And Insurance Gross Premiums Tax

The 1990 Legislature repealed the corporate franchise surtax which was enacted in 1989 as part of the elimination of the "factors" minimum tax. Under the surtax, the regular corporate franchise tax rate would have increased from 9.5 percent to 10.2 percent and the alternative minimum tax rate would have increased from 7 percent to 7.5 percent. The revenue which would have been raised by the surtax was retained by increasing the regular corporate franchise tax rate from 9.5 percent to 9.8 percent and imposing a new flat fee ranging from zero to \$5,000 based on a corporation's total property, payroll and sales in Minnesota. The schedule for the new corporate fee is as follows:

Total Value of Property, Payroll and Sales	Fee
Less than \$500,000	\$ 0
\$500,000 to 1,000,000	100
\$1,000,000 to 5,000,000	300
\$5,000,000 to 10,000,000	1,000
\$10,000,000 to 20,000,000	2,000
\$20,000,000 or more	5,000

The new corporate fee is in addition to the regular corporate franchise tax and the alternative minimum tax. The rate of the corporate alternative minimum tax was reduced from 7 percent to 5.8 percent.

The net revenue effect of the elimination of the surtax, the new fee and the rate changes is an increase of \$.7 million in the 1989-91 biennium and \$1.4 million in the 1991-93 biennium.

The 1989 federal tax law changes were incorporated into Minnesota tax law for corporations, individuals and estates. The revenue increases resulting from the federal update are as follows:

	1989-91 Biennium	1991-93 Biennium
Corporations	\$ 10,900,000	\$15,500,000
Individuals	(2,200,000)	3,000,000
Estates	<u>200,000</u>	<u>100,000</u>
	8,900,000	18,600,000

The alternative minimum tax for individuals was changed to allow charitable contributions deductions. The cost of this change is estimated to be \$700,000 million in the 1989-91 biennium and \$1.4 million in the 1991-1993 biennium.

The preferential tax rate for small mutual property casualty insurance companies will be allowed based on the size of the company as of December 31, 1989. A company qualifies for the lower rate (1 percent in 1990 and 1991, .5 percent thereafter) if its assets on December 31, 1989 did not exceed \$1.6 billion.

Political Contribution Credit

Eligible voters are allowed to claim a credit of up to \$50 per individual or \$100 per married couple for political contributions made to a candidate who agrees to abide by campaign spending limits. The credit refund is obtained by filing a form with the commissioner of revenue between September 1 of the year that the contribution is made and April 15 of the following year. The political contribution credit refund is estimated to cost \$4.7 million in the 1991-1993 biennium and \$10.4 million in the 1993-95 biennium.

Sales and Lodging Taxes

Sales tax changes made during the 1990 session had very little state fiscal impact, resulting in estimated revenue decreases of approximately \$1.4 million in the current biennium.

These items included expansion of the exemptions for employer provided meals, and for capital equipment purchases for new or expanding industrial

operations to include mining or quarrying. The exemption for WATS line calls was also expanded to include qualified telemarketing services located in the state making calls to locations outside the state. The definition of sales qualifying for the reduced two percent rate was expanded to include all chain saws used in commercial logging, and electric generators used to operate farm machinery in agricultural production.

New exemptions were provided for sales of repair or replacement parts and lubricants used in ships and barges used in interstate or foreign commerce, and for the sale or lease of items comprising a supercomputing

complex by a corporation owned by the regents of the University of Minnesota and the University of Minnesota foundation.

The City of Bloomington was authorized to increase the local lodging tax by one percent with proceeds pledged to promote the metropolitan sports area. A second authorization for Roseville was conditional upon the bonding for a new facility which was not authorized during the 1990 session. The general local lodging tax authorization of up to three percent for general fund revenues was repealed effective February 1, 1990.

Local Property Tax and State Aids

Property Tax Aids and Credits

The principal fiscal impact of tax legislation enacted during the 1990 legislative session was the result of property tax aid reductions for counties, cities and special taxing districts. The percentage reductions totaled an estimated \$29.8 million for the 1989-1991 biennium, and approximately \$93.3 million for the following biennium. Elimination of the local government aid (LGA) inflators for 1991 and subsequent years will reduce state payments by an additional \$120.3 million in the 1991-1993 biennium. A provision reducing 1990 homestead and agricultural credit aid (HACA) payments to special districts with large reserve fund balances will reduce fiscal 1991 payments by an additional \$4 million.

The repeal of the commercial/industrial equalization refund will reduce spending by \$10 million in both the current and succeeding biennium, and a two year delay in the starting date for state payments to counties of a portion of the cash flow shortfall resulting from the state takeover of income maintenance will produce estimated spending cuts of nearly \$29.7 million in the 1991-1993 biennium. The commissioner of revenue is directed to make further reductions in state aids to counties, cities and special taxing districts, if the reductions described will not result in reductions of at least \$175 million for fiscal 1993.

County and city percentage reductions were determined by applying a percentage, 1.53 percent, sufficient to produce \$28 million when applied to a revenue base. This base consisted of 1990 city and county levies before aid reductions (except county special levies for income maintenance and social services), 1990 LGA, and 1990 taconite aids.

Special district percentage reductions were determined by applying 2.35 percent to each district's 1990 levy prior to aid reductions. Hospital districts were exempted from these reductions, and the reduction for the Regional Transit Board was specified as \$450,000. Special districts receiving at least \$150,000 in 1990 HACA payments also underwent HACA payment reductions based on their projected unreserved fund balance. The reductions were equal to each district's unreserved fund balance less the greater of: (1) 50 percent of their certified levy; or (2) 20 percent of their 1990 budget general fund expenditures. Total reductions under this provision were limited to \$4 million.

Property Taxes

A number of class rate revisions were enacted, effective for taxes payable in 1991. These were as noted in the following table:

<u>Property Type</u>	<u>Payable 1990</u>	<u>Payable 1991</u>
Residential Homestead		
First \$68,000 Market Value	1.0	1.0
\$68,000 - \$100,000 Market Value	2.0	2.0
\$100,000 - \$110,000 Market Value	3.0	2.0
Over \$110,000 Market Value	3.0	3.0
Agricultural Homestead		
First \$68,000 Market Value		
House, Garage and One Acre	1.0	1.0
Excess Up To 320 Acres	0.4	0.45
Excess Over 320 Acres	0.4	0.45
\$68,000 - \$100,000 Market Value		
House, Garage and One Acre	2.0	2.0
Excess Up To 320 Acres	0.4	0.45
Excess Over 320 Acres	0.4	0.45
\$100,000 - \$110,000 Market Value		
House, Garage and One Acre	3.0	2.0
Excess Up To 320 Acres	0.4	0.45
Excess Over 320 Acres	0.4	0.45
Over \$110,000 Market Value		
House, Garage and One Acre	3.0	3.0
Excess Up To 320 Acres	1.4	1.3
Excess Over 320 Acres	1.6	1.6
Commercial Seasonal (Resort)	2.4	2.3
Seasonal Recreational (Cabins)	2.4	2.3
Employment Property		
Competitive Zone		
First \$50,000 Market Value	2.4	2.3
Title II, MFHA, Section 8 Housing	2.4	2.3
Manufactured Home Parks	2.4	2.3

In addition, the class rate on post secondary student housing will be reduced from three percent for taxes payable in 1991 to 2.3 percent for taxes payable in 1992.

A number of new and modified special levies were also enacted, including those for the following purposes:

1. local water planning and implementation activities;
2. to pay the unreimbursed costs of per diem jail or correctional facilities services if the county is operating under a corrections department directive that limits the capacity of a county jail;
3. to pay the operating or maintenance costs of a county jail to the extent that the county can demonstrate that the amount is a direct result of a rule, minimum requirement, minimum standard, or corrections directive;
4. to pay unreimbursed county costs of grasshopper control in 1989, 1990 and 1991;
5. to pay the unreimbursed county costs for court-ordered family-based services or out-of-home placement for children;
6. to pay the operating costs of the Bayport City Library;
7. to support of the Goodhue County Historical Society;
8. to meet the operating costs or deficit of the Windom Municipal Hospital;
9. to pay the costs of an ambulance service in a county subordinate service district in Koochiching County;
10. to pay the principal and interest on Department of Energy and Economic Development loans for waste management in Douglas County;
11. to restore reserve funds used to pay social service costs in Mille Lacs County;
12. to restore reserve funds used in 1987 and 1988 in Becker County;
13. to restore a Goodhue County levy limit base reduction for taxes payable in 1989;
14. to pay principal and interest on bonds issued by Beltrami County or the City of Bemidji to finance airport construction;
15. to finance bonds issued by Ramsey County for the Union Depot restoration;
16. to finance bonds issued by the City of Rosemount for armory construction;
17. to pay salaries and benefits of peace officers in the Cities of Brooklyn Center, Brooklyn Park, Coon Rapids and Maple Grove teaching drug abuse resistance; and
18. to pay the unanticipated costs of repairing a major structural defect in a building undergoing renovation.

Other changes included the enactment of 1990 levy limit base adjustments for the entire amount of city aid reductions and one-half of the county aid reductions. Special taxing districts will be allowed to levy the full amount of their aid reductions.

Penalties for exceeding levy limitations will be allowed to offset taconite aids as well as local government aid and homestead and agricultural credit aid.

Property Tax Refund and Targeting

Property tax refund changes were relatively minor. Those having a fiscal impact included a change in the determination of rent constituting property tax to a base of gross rent which would have been payable if all units had been occupied for the entire calendar year. This eliminates inequities in refund amounts which are currently created by varying occupancy rates and results in an estimated savings of \$6.4 million in the 1991-1993 biennium. The rent credit schedule was also revised, lowering the percentage of income which a renter must pay in attributed tax before becoming eligible for credit, at a cost of \$6 million in the 1991-1993 biennium.

Claimants that are part year homeowners and part year renters will be allowed to claim the sum of the credits allowed under each filing status. Currently, they are limited to the maximum refund under only one filing status.

The targeting appropriation for taxes payable in 1991, fiscal 1992, was increased by \$6 million to a total of \$13 million. If refund claims exceed the appropriations in any year, the commissioner of revenue is directed to adjust the amount of the tax increase which must occur before a taxpayer qualifies for a refund. The percentage of excess taxes the state will pay will no longer be adjusted to meet the appropriation limit.

Tax Increment Financing

There were significant policy changes in the area of tax increment financing (TIF), but the state fiscal impacts were modest. The local government aid (LGA) and homestead and agricultural credit aid (HACA) offset provisions contained in the omnibus tax bill will result in an estimated revenue increase of \$1.8 million in the 1989-1991 biennium, and \$7.8 million in the following biennium.

The offset provisions require the computation of education aids for each school district after including in the district's tax base the captured tax capacity of TIF districts certified after April 30, 1990. An equal-

Local Property Tax and State Aids

ization factor is applied to the resulting amount to reduce the impact in low tax base areas, and this amount is then compared to the actual aid amount for the district. The difference between these aid amounts is apportioned to cities which authorized the TIF districts, and each city's LGA or HACA payments are reduced by that amount.

Some of the other significant restrictions include those placed on new economic development districts certified after April 30, 1990. At least 90 percent of the district's buildings and facilities will be required to be used in manufacturing, warehousing, research and development, and telemarketing projects. Tourism projects outside the metropolitan area and commercial or retail facilities totaling a maximum of 5,000 square feet in cities with populations of 5,000 or less will also be allowed. The percentage of buildings and facilities required to be used in qualifying activities will be allowed to decrease to 75 percent if the non-qualifying square footage is directly related to a qualifying activity. Municipalities will be required to make a finding that new economic development districts will expand or preserve employment or tax base in the state, rather than the municipality, or that the project is required to keep a business in the municipality.

The percentage of the fair market value of improvements in housing districts required to be low and moderate income housing will be increased from the current two-thirds to 80 percent.

The obsolescence test, which allowed creation of a redevelopment district if 20 percent of the buildings in the area were substandard and an additional 30 percent were obsolete or in incompatible uses, is

eliminated. The test is re-instituted for a new type of district, renewal and renovation districts, with a shorter, 15 year, limit of duration. Increment revenues from these districts will be required to be used to correct conditions which allowed the designation of the district.

Buildings will not be considered substandard, for purposes of the blight test, if they are in compliance with the building code for new buildings, or they can be brought into compliance for less than 15 percent of the cost of a replacement building.

Pooling, the use of increments generated in one district to finance projects or debt service in other districts, will be limited to 25 percent of the increments generated. The use of tax increments will also be limited to activities for which binding legal commitments have been made within five years of approval of a district.

Many of the remaining provisions dealt with the Minneapolis refunding of its pre-1979 bonds to extend the duration limit for pre-1978 districts. The city is required to spend the debt service savings realized from the refunding of bonds between 1990 and 2001, and the savings from repealing the ordinance providing for sharing of excess increments with the school and county on a neighborhood revitalization plan. Of this total, 15 percent must be paid to the school district and 15 percent must be paid to the county. Half of the county distribution is for social services. Of the city portion, 70 percent of the total, 75 percent must be spent on housing. Qualifying expenditures for the remainder are specified.

All State Aids

The 1990 session of the Legislature adjusted some aids to local governmental units and individuals on the basis of new estimates and some legislative actions.

In total general fund aids decreased about \$10 million in aids from the end of the 1989 session, while total aids (including general fund aids and credits) increased by about \$1.5 million.

The adjusted aid table follows:

Property Tax Relief and Local Aids
Biennial Appropriations
(dollars)

General Fund	<u>1989-91</u>
Aids and Credits	\$2,599,190,000
Programmatic Aids	
Elementary and Secondary Education Aid (including Teacher Retirement)	3,726,426,000
Income Maintenance	1,794,230,000
Social Services	103,130,000
Mental Health Grants	47,127,000
Mortgage Registry AFDC	38,500,000
Community Corrections Aids	49,991,000
Community Health Aids	27,656,000
Pension Aids	127,165,000
Aid to Mass Transit	77,917,000
City-County Highway Aids from MVET	39,500,000
Trial Courts	<u>64,475,000</u>
Total General Fund	\$8,695,307,000
Non-General Funds	
Highway County State Aids	\$ 476,200,000
Highway Municipal State Aids	147,800,000
Mortgage Registry and Deed Revenue Fund for AFDC	75,700,000
Permanent School Fund	<u>58,000,000</u>
Total Non-General Funds	\$ 757,700,000
Total All Funds	\$9,453,007,000

Appropriations

Elementary and Secondary Education

Action taken by the Legislature together with forecast adjustments reduced appropriations needed for general education by approximately \$69 million. Of this amount about \$38 million was the result of lower than expected enrollment and other forecast adjustments. Of the remaining \$31 million, about \$14.3 million was due to a change in the contribution rates for teacher retirement and about \$16.7 million was due to a change in the way property tax credits are allocated to school levies.

Three other reductions were made in education. The first is a reduction of \$250,000 in the appropriation for the Career Teacher Act. This reduction was in response to lower than expected participation in the program. The second was a cancelation of \$365,000. This was the amount forfeited by districts who failed to meet the January 15 deadline for contract settlement. This amount was slated to be distributed to districts that failed to meet the contract deadline, but

the amount per pupil was negligible. The third was a direct reduction in agency budgets, including the Faribault Academies and the Arts School, of \$554,000. The agency budget was also reduced for the change in the pension contribution rates.

The Legislature increased appropriations by about \$3.5 million. The largest appropriation was \$1,117,000 for a deficiency in the cooperation and combination program. Another \$950,000 was appropriated for various drug prevention programs. Of this \$450,000 was for expanded Early Childhood Family Education Aid (ECFE) programs and \$400,000 was for community grants. Of the remaining amount, \$100,000 was for a math/science task force; \$200,000 was for grants for desegregation programs developed between urban and suburban districts; \$200,000 was for an alternative teacher licensure program; and, \$200,000 was for a fire inspection program.

Higher Education

Appropriations for higher education were reduced by approximately \$21.1 million. Reductions to each agency were as follows:

Biennial Appropriation Reductions

	<u>1990</u>	<u>1991</u>
Higher Education Coordinating Board (HECB)	\$(9,783,400)	\$(4,097,100)
State Board of Vocational Technical Education		(1,583,500)
State Board for Community Colleges		(1,076,500)
State University Board		(1,930,100)
Regents of the University of Minnesota		(2,589,400)

Appropriations for construction and renovation of buildings at post-secondary institutions totaled approximately \$191.8 million.

Higher Education Coordinating Board (HECB)

Appropriation reductions to HECB were triggered by increased federal funding of the Pell Grant Program. The increase in federal funds allowed for a reduction in state funds allocated to the Minnesota Scholarship and Grant-In-Aid Program, the state's complement to the Pell Grant Program. There will be no reduction in grants to students as a result of the reduction in appropriations.

The HECB was directed to examine several child care issues including the feasibility of using student loan programs for students whose eligibility for child care grants has expired, the percentage of grant money used for administrative costs, and means of simplifying the calculation of child care grants.

The HECB must also inventory all off-campus post-secondary facilities and the program offerings at

each institution. The information that is compiled will be used for system-wide institutional planning.

Finally, the HECB was requested to undertake the second phase of the study of post-secondary needs in the state. The study will examine the needs of traditional and nontraditional students in the state residing outside the St. Cloud to Rochester corridor.

Enrollment Planning and Capital Project Funding

Each post-secondary governing board, with the exception of the board of regents, must develop a plan to address the management of student enrollments. Issues to be considered include encouraging better student preparation, redistributing selected students or programs, encouraging students to complete programs earlier, using existing space more efficiently, changing marketing strategies, and reducing program duplication.

Debt Service Plan

A new policy pertaining to debt service retirement was implemented. Under this provision, post-

secondary institutions are required to pay their share of the debt service costs out of their operating budget. Each higher education system will be assessed one-third of the amount required to retire the debt within their system reduced by one-third of the net income derived from Infrastructure Development bond proceeds. The assessed amount will be transferred into the newly established Infrastructure Development Bond Debt Service Account by each system.

Of the proceeds, 28.3 percent from lottery sales will be deposited in the Infrastructure Development Fund to pay the other two-thirds of the debt service costs. This constitutes a subsidization of capital improvement projects at state institutions of higher education.

Rural Health Initiatives

Appropriated to address rural health needs was \$340,000. Included in the appropriations were grants for nursing students, and a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Human Services

The Omnibus Health and Human Services Appropriations bill provided approximately \$96.8 million in new funding for the Department of Human Services. Money was appropriated or reduced in seven major categories as shown in the adjacent table.

A brief description of the fiscal impact of significant elements in each category is provided below.

Administration

The Legislature eliminated the \$200,000 increase provided in the 1989 session for the second year of the biennium to reimburse counties for the costs of providing human services to members of the Red Lake Band of Chippewa Indians, leaving a base funding level of \$496,000 to reimburse these expenses. A \$200,000 appropriation was provided for distressed county grants to counties that qualified for equalization aid in fiscal year 1989. The aid is 20 percent of the amount received in 1989. Eight new staff positions were authorized, at a cost of \$350,000, to improve Medical Assistance (MA) collections activities, and a \$2 million savings is assumed in MA as a result of

**Department of Human Services
Biennial Appropriations
(dollars)**

<u>Omnibus Health and Human Services Bill</u>	<u>1989-91</u>
Administration	\$ 235,000
Legal and Intergovernmental	(138,000)
Social Services	17,189,000
Mental Health	(813,000)
Family Support	(8,587,000)
Health Care	89,001,000
State Residential Facilities	(100,000)
Total Omnibus Appropriations	96,787,000

Appropriations

Human Services

increased collections from individuals, government agencies, insurance carriers, and funds held in trust for individuals.

Legal and Intergovernmental

The most significant action taken in this area was to reduce licensing staff by three positions, resulting in savings of \$150,000. The scope of licensing applicant background studies was narrowed to accommodate the staff reduction.

Social Services

Major new funding in this category included about \$11.1 million for chemical dependency prevention and treatment efforts, including: about \$9.5 million to cover a projected shortfall in the chemical dependency consolidated treatment fund; \$900,000 for services to mothers and children; \$400,000 for child protection programs; \$100,000 to develop treatment program standards; \$100,000 to study aftercare services; and \$30,000 each to develop plans for Indian youth and African American youth programs.

Almost \$5.6 million in additional funding was provided for child care programs. Grants for child care were increased by about \$4.9 million. In addition, \$300,000 was provided to reimburse providers at rates above the newly-established federal maximum reimbursable level; \$50,000 was approved for administration; and \$383,000 was appropriated to provide child care services to 20- and 21-year-olds who will be added to the STRIDE employment and training program effective September 1, 1990.

Other significant appropriations in this area included \$125,000 for foster care liability insurance; \$103,000 to adjust the Community Social Services Act grant base for five counties (Crow Wing, Fillmore, Hubbard, Lac Qui Parle, and Red Lake); \$250,000 for detoxification transportation grants; and \$794,000 to reimburse transportation services previously funded through Metro Mobility. (This amount is offset by a transfer out of the Metro Mobility appropriation in the agriculture, transportation, and semi-states omnibus appropriations bill.)

Funding reductions in this area included a \$150,000 cut in the appropriation for case management of developmentally disabled persons and elimination of the Council on Families, resulting in a \$60,000 savings.

Mental Health

This activity was reduced by \$813,000. The public education and prevention program was eliminated, saving \$153,000. The mental health family pilot project was reduced by \$200,000. The mental health foster care program was reduced by \$460,000.

Family Support Programs

Grants

This activity, which includes Aid to Families With Dependent Children (AFDC), General Assistance (GA), Work Readiness (WR), and Minnesota Supplemental Aid, was reduced by almost \$3.5 million. The AFDC forecast was reduced by over \$10.1 million. The estimate of mortgage and deed tax revenues, most of which are used to offset state AFDC costs, was increased by \$16.9 million, and the state share of AFDC was reduced by \$1.2 million because of increased federal financial participation. These savings were partially offset in the forecast by \$7.2 million in added spending because of cuts in federal refugee programs, which will increase state AFDC costs. The GA forecast was increased by over \$1.4 million, and the WR forecast grew by almost \$6.3 million.

Other significant changes in this activity included a reduction of \$265,000 in AFDC expenditures due to anticipated increases in child support collections as a result of child support amendments adopted in 1990 and a reduction of \$617,000 through elimination of funding for employment special needs. The STRIDE program now pays for the items formerly reimbursed out of the employment special needs appropriation.

Administration

This activity was reduced by almost \$5.1 million. Savings of \$2.5 million were achieved through elimination of the Food Stamp Employment and Training Program for persons who receive Food Stamps but no other public assistance. Participation of non-public assistance recipients is no longer necessary to meet federal requirements. The STRIDE program carryover from fiscal year 1990 to fiscal year 1991 was reduced by about \$1.8 million. Other significant cuts in this area were made in refugee social adjustment services (cut \$150,000), STRIDE bi-cultural case managers (cut \$175,000), development and implementation of the MAXIS computer system (cut \$300,000), monitoring of county income maintenance programs (cut

\$150,000), child support enforcement systems (cut \$350,000), and the WIN program, which was discontinued by the federal government (cut \$360,000). Also, \$530,000 was appropriated to provide bonuses to counties that establish medical support orders for recipients of Medical Assistance in cases where the child support obligor is also required to provide insurance coverage. One staff position was approved, at a cost of \$63,000, to administer the bonus program. A \$50,000 appropriation was provided to study welfare migration and AFDC assistance standards.

Health Care Programs

Medical Assistance

The MA forecast was increased by over \$69.1 million because of caseload growth, rate inflation exceeding original forecasts, federal disallowances, and reductions in federal refugee support. A variety of other changes in MA resulted in a net increase in the program of almost \$57.6 million. Nursing home caseload expansion accounted for an \$8.7 million increase. Unexpected nursing home rate inflation increased the forecast by \$4.8 million for fiscal year 1990 and \$9.1 million for fiscal 1991. The 1991 increase was offset by about \$2.8 million in savings to be realized by changing the index used to forecast nursing home inflation. The repeal of the federal Medicare catastrophic coverage law, which had been expected to substantially increase federal payments for nursing home care, required a \$16.4 million increase in the forecast for state MA costs. The federal refugee support cutbacks increase state MA costs by \$6.4 million, and the costs of serving non-AFDC families and children grew by \$17.8 million.

MA payment rates for obstetrical and pediatric services were increased by 15 percent, at a cost of over \$1.2 million. MA eligibility for children ages one through five was increased to 133 percent of the poverty guidelines (from 100 percent) at a cost of almost \$2.5 million. MA was reduced by \$1.7 million to reflect the anticipated savings from a major increase in Alternative Care Grants funding elsewhere in the budget. Some \$703,000 was provided to reimburse for transportation of MA recipients formerly paid by the Metro Mobility program, but this outlay is offset by a reduction of the same amount from the Metro Mobility appropriation in the Agriculture, Transportation, and Semi-States omnibus appropriations bill. An appropriation of \$72,000 was provided to increase MA ambulance reimbursement.

Nursing home property reimbursement was increased by \$298,000 by delaying full implementation of the rental reimbursement system for payment of nursing home property costs for one year, until July 1, 1991. A study to develop a new property reimbursement system was ordered. For fiscal year 1991 homes phasing up to rental will receive a 16 percent increase over current property rates, and homes frozen above rental will be reduced by 13 percent. The other major nursing home reimbursement change was to continue in effect the current policy of allowing nursing homes in rural counties (geographic group I) to have their reimbursement rates determined using certain cost limits that apply to semi-rural counties (geographic group II). The cost of this item was \$260,000.

The Legislature delayed until October 1, 1992, implementation of a new system for reimbursement of community facilities for persons with mental retardation (ICFs/MR). This delay will result in savings during the current biennium of \$1.3 million. MA was reduced by \$661,000 due to anticipated increases in collections at the regional treatment centers. MA was reduced by about \$1.4 million as a result of projected savings from provider audits and reviews.

Savings of almost \$1.8 million in MA hospital reimbursement is anticipated for fiscal year 1991 through modification of the payment system for mental health and chemical dependency admissions, by limiting hospital inflation to five percent, and through other minor changes.

Other significant savings in the fiscal year 1991 MA budget are anticipated from increasing parental fees for children made eligible for MA without regard to their parents income or assets (saves \$400,000), limiting MA home care inflation to 4 percent (saves \$670,000), changing the index used to forecast inflation rates in group homes for persons with mental retardation (saves \$300,000), increasing MA collections (saves \$2 million), and increasing enforcement of medical support orders (saves almost \$1.6 million).

General Assistance Medical Care

The GAMC forecast was increased by over \$25.2 million due to higher than expected caseloads and costs in Institutions for the Treatment of Mental Diseases (IMDs), an increase in the acuity of conditions and a shift to more expensive hospitals, higher service costs, and reduced federal refugee support. In addition, \$104,000 was provided to increase GAMC ambulance reimbursement, and \$275,000 was provided for a GAMC prepaid demonstration project. However, these increases were partially offset by cuts of almost \$1.1 million, leaving a net GAMC increase of just over

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\$24.5 million. The major cut was a \$900,000 reduction in hospital reimbursement achieved by making the same changes in GAMC reimbursement that were adopted in MA.

Preadmission Screening/Alternative Care Grants

The Alternative Care Grants appropriation was increased by \$7 million, including \$4.8 million to cover a shortfall and \$2.2 million to serve new clients. A new formula was established to allocate ACG funds to counties, based on services rendered in the previous calendar or fiscal year. The Commissioner of Human Services was directed to review the program and report back to the 1991 Legislature.

Children's Health Plan

Funding for this activity was reduced by just over \$1.3 million. The major savings occurred because children ages one through five in families with income between 100 and 133 percent of the poverty guidelines were made eligible for MA, thus removing them from the Children's Health Plan. This saved almost \$1.2 million. Another \$280,000 savings was realized by

limiting mental health services under the plan to \$1,000 per child per year. These savings were partially offset by an appropriation of \$174,000 to increase reimbursement rates for pediatric services by 15 percent.

Health Care Administration

The appropriation for this activity was increased by almost \$1.2 million. The major increases were \$207,000 to expand the recipient restriction program for inappropriate users of medical services; \$350,000 to administer GAMC and MA pilot projects, and \$350,000 for provider audit and review initiatives.

State Residential Facilities

The 1989 appropriation to mitigate employee dislocations resulting from the discharge of regional treatment center residents was reduced by \$100,000. The RTC computer system was cut by \$1.15 million, but this reduction was offset by an identical increase to allow the RTCs to meet federal standards for treatment of persons with developmental disabilities. The net result was a \$100,000 cut in this activity.

Health

The Omnibus Health and Human Services Appropriations bill reduced the appropriation for the Minnesota Department of Health by \$345,000.

Preventive and Protective Health Services

A \$56,000 appropriation was provided to validate the Childhood Respiratory Health Feasibility Study, and \$60,000 was approved to enable the department to develop a state occupational health surveillance system. The appropriation for non-smoking programs was cut by \$473,000. AIDS case management was reduced by \$210,000 for fiscal year 1990. The commissioner may accomplish the AIDS funding reduction by cuts in other AIDS grants or other disease prevention and control activities.

Health Delivery Systems

This activity received a net increase of \$82,000. Major changes in this area included a \$500,000 cut in the Community Health Services block grant; a \$250,000 appropriation to reimburse Emergency Medical Services (EMS) training costs; a \$250,000 appropriation to provide assistance grants to rural hospitals; a \$100,000 appropriation to provide transition grants to rural hospitals, and a \$120,000 cut in the occupational review program, eliminating funding for that activity.

Support Services

An appropriation of \$140,000 was provided to cover increased rent costs.

Miscellaneous Appropriations

Chapter 534 appropriated \$34,000 to the Commissioner of Health to operate a technology assistance review panel to resolve disputes over the provision of health care benefits to technology-assisted persons who require the routine use of a medical device to sustain life.

Chapter 536 appropriated \$40,000 to the Commissioner of Health for a bone marrow donor education program and \$15,000 to the Commissioner of Employee Relations to pay tissue typing costs of the first 200 state employees recruited as potential donors.

Veterans

The Omnibus Health and Human Services Appropriations Bill cut funding for state veterans homes by \$275,000. The cuts were achieved by eliminating the special equipment appropriation at the Minneapolis

facility, saving \$150,000; by reducing the special equipment account at Hastings by \$25,000; and by reducing the 1989 appropriation for the new home at Silver Bay by \$100,000.

Transportation

The Truck Safety Program was appropriated \$200,000 from the Trunk Highway Fund for positions being transferred from federal funds.

ways and the Transit Assistance Fund. The 5 percent reduction in the MVET for fiscal 1991 is taken from the 30 percent currently divided among transit and state, county, and municipal highways.

Motor Vehicle Excise Tax (MVET)

The transfer of the Motor Vehicle Excise Tax (MVET) from the general fund was reduced from 35 percent to 30 percent, which is estimated to provide \$75.1 million in fiscal year 1991. This is a \$12.4 million reduction in funds from the MVET. This results in a \$5.8 million reduction for state highways; \$2.7 million reduction for county state-aid highways; and an \$800,000 reduction for municipal state-aid streets. Of the \$5.8 million cut in state MVET funds, \$1.9 would have been for pension costs for the Trunk Highway Fund which were eliminated in other legislation. Thus the net cut will be \$3.3 million reduction for state highways because a \$600,000 cut falls to the Department of Public Safety. Transit will face a \$1.6 million net reduction, which includes a \$650,000 cut in funds for the Regional Transit Board. (see Transit)

During 1989 the Legislature appropriated 30 percent of the MVET to the Transit Assistance Fund and Highway Users Tax Distribution Fund, which is divided among state, county, and municipal highways. The remaining five percent of the MVET is divided only between the Trunk Highway Fund for state high-

Transit

Public Transit

Chapter 565 provides a \$1.5 million transfer from the general fund to the Transit Assistance Fund (TAF) to reduce the decrease to the transit appropriation resulting from a cut in the Motor Vehicle Excise Tax (MVET) transfer. The net decrease in transit funding is \$1.6 million. This includes a \$650,000 in reduced funding for light rail transit and \$300,000 from Greater Minnesota Transit Assistance.

The Regional Transit Board (RTB) funding was reduced by \$1.5 million in general fund money. This reflects the transfer of funding some metro mobility services from the RTB to the Department of Human Services.

The Legislature reduced the RTB's TAF funding by \$650,000 for fiscal year 1991 (see MVET). In addition, the agency was appropriated \$516,000 from the TAF in fiscal year 1990 to replace cancellations in fiscal 1989 resulting from the delay in the effective date of the restructuring of regular route fares.

Agriculture

Department of Agriculture

The 1990 Legislature cut \$497,000 from the general fund budget of the Department of Agriculture for fiscal year 1991 as a part of a general budget reduction. The Legislature also appropriated an additional \$747,000 in fiscal year 1990 and \$170,000 in fiscal year 1991 for specific purposes. Of the additional appropriations in fiscal year 1990, \$597,000 was for reimbursement of grasshopper control costs of counties and townships for the 1989 growing season. Counties and townships will be reimbursed for up to 50 percent of their documented grasshopper control costs in 1989. Of the additional appropriations for fiscal year 1991 to the Department of Agriculture \$75,000 is from the environmental account for responsibilities of the commissioner of agriculture for legal costs relating to responses to agricultural chemical incidents under Superfund. Another \$60,000 from the general fund was appropriated to the department for regulation of agricultural liming materials. New fees on agricultural liming material dealers and an agricultural liming material inspection fee are estimated to cover the cost of regulation.

The 1990 Legislature appropriated an additional \$605,000 to a special contingency account to be available if authorized by the governor after consultation with the Legislative Advisory Commission for grasshopper control activities in calendar year 1990. Funds may be used for a system to prevent adverse effects on foraging bees, reimbursement to landowners adjacent to lands exempted from spraying, and for a 50 percent cost-share for county and township expenses. Any

unencumbered balance in the account on October 1, 1990 may be used for supplemental funding to county and district agricultural societies, and for farm and small business management programs of the state Board of Vocational Technical Education.

The 1990 Legislature appropriated \$100,000 to Minnesota Extension for continuation of the Farmer-Lender Mediation Program which was extended to June 30, 1992.

Board of Water and Soil Resources

The 1990 Legislature cut \$200,000 from general fund appropriations for fiscal year 1991 to the Board of Water and Soil Resources (BOWSR).

The 1990 Legislature appropriated \$2.4 million to BOWSR from bond proceeds in the Infrastructure Development Fund. Of this total \$1.6 million is for construction of the Wellner-Hageman dam and the remaining \$750,000 is for acquiring easements on cropland under the Reinvest in Minnesota Resources (RIM) Program.

Board of Animal Health

The 1990 Legislature cut \$40,000 from general fund appropriations for fiscal year 1991 to the Board of Animal Health.

Economic Development

The 1990 Legislature made recipients of state funds for certain economic development projects subject to the state prevailing wage law. Workers on those projects will have to be paid prevailing wages for their labor.

New projects where workers must receive prevailing wages include recipients of:

- Economic development grants where a single business receives \$200,000 or more of the grant;
- Loans made by a state agency for economic development purposes where the loan recipient receives \$500,000 or more of the loan;

- Sales tax reductions or abatements made for economic development in certain areas.

Prevailing wages are calculated by the Department of Labor and Industry. A "prevailing wage" is defined as the hourly basic rate of pay plus employer's contribution for health and welfare, pension, vacation, and other economic benefits, paid to the largest number of workers engaged in the same class of labor in an area. Areas are usually counties. Data is periodically collected from local businesses by the Department of Labor and Industry and used to calculate each area's prevailing wage rate.

Greater Minnesota Corporation

The 1990 Legislature reduced the Greater Minnesota Corporation's share of the net state lottery proceeds from 50 percent of those proceeds over the next five years to 25 percent of those proceeds over the next 10 years. As a result, the Greater Minnesota Corporation will use lottery funds to meet existing program expenses, and will forego plans to build a trust fund.

This change in the dedication of funds from the lottery allows 25 percent of lottery funds to be collected in a state Infrastructure Improvement Fund, which will be used to fund state buildings and capital improvements.

The Department of Trade and Economic Development's (DTED) budget was cut by two percent and an additional \$301,000 for a total cut of \$1,040,000. Seven positions were also cut. DTED was given discretion in where it would take these cuts.

Bond Allocation

The 1990 Legislature changed the procedure for allocating tax exempt bonding authority to local governments. The federal government has placed a cap on the amount of tax exempt bonds that may be issued in each state, and the bond allocation procedure decides how use of these bonds are disbursed. The bond allocation procedure provides for an accelerated schedule of allocating bonding authority beginning in June of 1990 if the federal government does not extend the sunset on mortgage and small issue bonds past September 30, 1990. New criteria are also applied to manufacturing projects and residential housing projects for which an allocation is awarded.

Housing

The 1990 Legislature included \$1.5 million dollars for transitional housing in the capital bonding bill. The money may be used by local government units for the acquisition and rehabilitation of transitional housing for the modernization and rehabilitation of public housing, and for the acquisition of rental housing that is in danger of losing its federal subsidy. The local government unit may contract with private nonprofit and for-profit groups to operate the transitional housing programs and manage the publicly acquired rental housing. These programs will be used to help homeless people and low-income people who need housing and other services.

The 1990 housing act provided that monetary deposits forfeited by local governments who do not use an allocation of tax exempt bond authority reserved for this use are to be paid into the Low-Income Housing Trust Fund, for use in low-income housing projects. In addition, the Housing Act required the Minnesota Housing Finance Agency to coordinate the efforts of all state agencies in providing assistance to the homeless.

The Minnesota Housing Finance Agency returned \$3 million in appropriated funds from its budget to the General Fund.

Natural Resources

Department of Natural Resources

The 1990 Legislature cut \$1.6 million in fiscal year 1991 from the general fund appropriations to the Department of Natural Resources (DNR). Of this total \$200,000 was cut from the minerals diversification program and \$100,000 was cut from beaver dam control activities.

Waste Management

The 1990 Legislature appropriated an additional \$213,000 from the general fund to the DNR for specific activities. Of this total \$138,000 is for a grant to the Forest Research Center for a shiitake mushroom demonstration project. To receive the grant the Forest Research Center must provide matching funds at least

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equivalent to the state funds. The 1990 Legislature appropriated \$500,000 each from the snowmobile and All-Terrain Vehicle (ATV) accounts for trail grants; \$150,000 from the Game and Fish Fund for the French River Hatchery; and \$100,000 from the non-game wildlife account for administrative costs of implementing the corporate non-game wildlife check-off. The 1990 Legislature also appropriated \$100,000 to the State Planning Agency to begin the generic environmental impact statement on timber harvesting.

The 1990 Legislature increased water use processing fees for users of over 100 million gallons per year and for once-through cooling and heating system users. Prior to the change the top rate for the water use processing fee for non-once-through systems was .10 cents per 1,000 gallons. Under the new fee structure, the fee for water appropriations of non-once-through users above 100 million gallons progressively increases to .45 cents per 1,000 gallons for amounts greater than 400 million gallons. The total fee paid by water users is capped based on the number of permits or the type of water use. Permits for agricultural irrigation are capped at \$750/year and permits for cities of the first class or other permit holders are capped at \$175,000.

For once-through cooling systems which are not operated by nonprofit corporations or school districts, the permit fees were raised from 5 cents per 1,000 gallons to 20 cents per 1,000 gallons. For nonprofit corporations and school districts the fee for permits for once-through cooling systems remains at 5 cents per 1,000 gallons until December 31, 1991 when the fee goes up to 10 cents per 1,000 gallons. There are no caps on the water use processing fee paid for water appropriation permits for once-through systems. In other actions the 1990 Legislature required once-through systems to convert to water efficient alternatives within the design life of the systems and terminate all permits by December 31, 2010 for once-through systems which use in excess of five million gallons, annually.

Capital Improvement

The 1990 Legislature appropriated \$15.4 million in bond proceeds to the DNR for capital improvement projects. Of this total, \$9.5 million is from the newly created Infrastructure Development Fund (IDF). The following table gives details of the appropriations including the funding source of the bond funds.

DNR Bonding		
<u>Item</u>	<u>Amount</u>	<u>Fund</u>
Forest Acquisition	\$ 500,000	Bond
State Park Betterment	3,000,000	IDF
State Trails	3,500,000	IDF
RIM	3,000,000	IDF
Water Access Sites	700,000	Bond
Flood Plain Management	3,200,000	Bond
Waterbank	1,200,000	Bond
Lake Bronson Dam Repair	300,000	Bond
Total	\$15,400,000	

Another \$2.6 million in bond funds is appropriated to the commissioner of administration for DNR buildings.

Minnesota Future Resources Fund

The 1990 Legislature reduced the appropriation to projects from the Minnesota Future Resources Fund by \$72,000. The Legislative Commission on Minnesota Resources will recommend to the Commissioner of Finance where to make the reductions.

Pollution Control

Pollution Control Agency

The general fund budget of the Pollution Control Agency (PCA) was reduced by \$1.8 million for fiscal year 1991. The cancellation of the \$1.5 million to be transferred to the Environmental Response Compensation and Compliance Fund (Superfund) was the major source of reduction to the PCA. Included is a general

reduction of \$213,000 and a transfer to the Department of Agriculture from the Superfund of \$75,000 for legal costs of the commissioner of agriculture relating to responses to agricultural chemical incidents under Superfund. The 1990 Legislature appropriated \$495,000 for specific purposes to the PCA. Of this amount \$300,000 was from the general fund with \$250,000 for distribution as grants for individual on-

site wastewater treatment and \$50,000 for a low-level radioactive waste study. The remaining \$195,000 in new appropriations to the PCA are from the environmental fund for specific programs—\$80,000 for the property transfer program, \$70,000 for resource recovery operator training, and \$45,000 for toxic use reduction.

The 1990 Legislature appropriated \$58.2 million in bond proceeds for programs relating to wastewater treatment. Of this total, \$27.2 million is for programs administered by the PCA—\$23.7 million for combined sewer overflow, \$250,000 for litigation settlements, \$925,000 for wastewater treatment program administrative costs, and \$2.4 million for supplemental grants. The supplemental grants are for a funding adjustment of up to 2.5 percent of the total eligible cost of construction for municipalities with a population 25,000 or less which received a state matching or independent grant, or a federal grant between October 1, 1984 and September 30, 1987. The remaining \$31 million was appropriated to the Public Facilities Authority for the independent grants program (\$15.4 million) and for the state match of federal grants for the state water pollution control revolving account (\$15.6 million).

Toxic Use Reduction

The “Minnesota Toxic Pollution Prevention Act” establishes a program for encouraging persons who release toxic pollutants to reduce the amount released. Chapter 560 requires persons who use over 10,000 pounds of toxic chemicals, or manufacture or process over 25,000 pounds of toxic chemicals to prepare toxic pollution prevention plans and requires annual reports on their progress to reduce toxic emissions. The Act provides for grants to persons who release toxic or hazardous substances for up to two-thirds of the cost of a project to reduce toxic or hazardous pollutant releases. The Act also places a fee on releases of toxic pollutants based on the amount of the pollutant released. Money collected from the fee will pay the costs of:

1. administering the program in the Office of Waste Management, the Pollution Control Agency, and the Department of Public Safety (\$230,000);
2. Pollution prevention assistance to eligible recipients (\$560,000); and
3. Pollution prevention grants (\$150,000).

Chlorofluorocarbons

The “Comprehensive Chlorofluorocarbon Reduction and Recycling Act” provides for the reduction of releases of Chlorofluorocarbons (CFCs) into the atmosphere. The Act requires the recycling of CFCs from salvage automobiles beginning July 1, 1991, scrap refrigeration equipment beginning July 1, 1991, fire extinguishers beginning July 1, 1990, from the servicing of automobile air conditioners beginning January 1, 1993, and from the servicing of major appliances beginning July 1, 1992. Chapter 560 also prohibits sales of certain products containing CFCs beginning January 1, 1993. They are:

1. Motor vehicle coolants in containers of less than 15 pounds;
2. Solvents in containers of less than 15 pounds; and
3. Party streamers and noise horns.

Office of Waste Management

The 1990 Legislature reduced the general fund budget of the Office of Waste Management (OWM) by \$200,000 in fiscal year 1990 and \$1.6 million in fiscal year 1991. Of this total, \$1.2 million in fiscal year 1991 is from the appropriation to the OWM for the county recycling block grant distribution in fiscal year 1991. The OWM also received new appropriations of \$1.1 million in fiscal year 1991. Of this total \$285,000 is for transfer of the administrative costs for the capital assistance program from the bond proceeds fund to the general fund and \$847,000 is from the environmental fund for duties under the Toxic Use Reduction Act. Funding for the Toxic Use Reduction Act will come from fees placed on releases of toxic pollutants.

The 1990 Legislature appropriated \$7 million in bond proceeds to the OWM for waste management capital assistance grants.

Environmental Trust Fund

The 1990 Legislature reduced the percentage of net lottery proceeds appropriated to the environmental trust fund from 50 percent to 40 percent. Along with the change is a constitutional amendment placed on the 1990 ballot which would constitutionally dedicate 40 percent of the net lottery proceeds to the Environmental Trust Fund until the year 2001. The change in net lottery proceeds to the Environmental Trust Fund

was part of a general change in the distribution of the proceeds. Prior to the change the Environmental Trust Fund and the Greater Minnesota Fund were to receive 50 percent each of the net proceeds. With the changes made by the 1990 Legislature, the net lottery proceeds will be divided with 40 percent to the Environmental Trust Fund, 25 percent to the Greater Minnesota

account, and 35 percent to the Infrastructure Development Fund. The percentage to the Infrastructure Development Fund is split between projects for capital improvement for state institutions of higher education (28.3 percent of the net proceeds) and capital improvement projects to protect the state's environment and natural resources (6.7 percent of the net proceeds).

Protection of Workers

The Legislature this session passed several pieces of legislation dealing with worker protection and workers' rights issues. These included a new minimum wage law, funding for retraining of unemployed workers and a new law guaranteeing collective bargaining contracts that include successor provisions.

Minimum Wage

The new minimum wage law sets up two tiers of minimum wages—the applicable tier being based on the volume of cash business transacted. The higher wage tier is for businesses with retail sales of more than \$362,500 a year—exclusive of sales and excise taxes. Lower sales volume business will be covered under the small business tier.

Beginning January 1, 1991, large businesses will be obligated to pay their employees at least \$4.25 an hour and small employers will have to pay at least \$4 an hour. Most workers for large employers are entitled to a \$3.80 an hour minimum wage prior to January 1, 1991. Some minor employees (under 18) will jump from a \$3.56 to \$4.25 an hour minimum wage on January 1, 1991. Most large business employees would have been entitled to a minimum wage of \$4.25 an hour beginning April 1, 1991, because they are covered under federal minimum wage law. Small business employees are covered only by state law.

The 1990 Minnesota law eliminates all distinctions between minors and adults and invalidates the training wage schedule established in federal law for Minnesota employees. Essentially, the federal training wage allows a lower minimum wage (85 percent of the minimum) to be paid for up to 90 days to certain training program employees under age 20.

Unemployment and Retraining

The 1990 session created a dislocated worker fund to be financed by a one-tenth of one percent levy

against all wages subject to the unemployment compensation tax. These funds are dedicated to dislocated worker programs including vocational guidance, training, placement and job development. The effective date of this act is January 1, 1991, and it sunsets on June 30, 1992. The levy is expected to produce \$8 million in fiscal year 1991.

Another section of this bill gives the governor authority to appoint a commission to study and make recommendations on the issue of worker displacement caused by corporate takeovers, buyouts and similar type ownership transfers.

Worker Rights

The 1990 session passed a bill which provides that a new employer taking over a business with a collective bargaining contract is bound by the collective bargaining contract provisions, if the agreement includes a clause regulating the rights and obligations of a new employer. The provision is binding until the collective bargaining agreement expires or three years—whichever comes first. This provision is not in effect if the business transfer involves a receivership or bankruptcy.

Another bill passed during the 1990 session dealt with unpaid leaves of absence for workers wishing to attend school conferences or activities for their children. The bill also provides that employees may use personal sick leave benefits for absences due to an illness of the employee's child. The school conference provision limits the leave to 16 hours per school year and requires reasonable prior notice, if the need for the leave is foreseeable. The unpaid parental leave provision for new parents was modified to provide that the leave may not start more than six weeks after birth or adoption or six weeks after the child leaves the hospital.

Workers' Compensation

In the workers' compensation area, the 1990 session passed a bill which will give the State Board of Investment the authority to invest workers' compensation assigned risk plan premium and assessment funds not being used beginning May 1, 1991. These funds are now handled by private firms hired by the state.

Another workers' compensation bill provides for a rebate of workers' compensation premiums paid by loggers from funds raised by assessing primary wood processors at the rate of 30 cents per cord in excess of 5,000 cords. Rebates will be distributed to loggers proportionately on the basis of payroll. The assessment will also be used to fund a safety education program for loggers.

One act (Ch. 577) passed during the 1990 session dealt with unpaid leaves of absence for workers wishing to attend school conferences or activities for their children. The bill also provides that employees may use personal sick leave benefits for absences due to an illness of the employee's child. The school conference provision limits the leave to 16 hours per school year and requires reasonable prior notice, if the need for the leave is foreseeable. The unpaid parental

leave provision for new parents was modified to provide that the leave may not start more than six weeks after birth or adoption or six weeks after the child leaves the hospital.

Jobs and Training

The Omnibus Health and Human Services Appropriations Bill reduced the Department of Jobs and Training budget by \$917,000. The Minnesota Employment and Economic Development (MEED) wage subsidy program, scheduled to end on June 30, 1990, was reduced by \$600,000; the appropriation for the inventory, referral, and intake system (IRIS), was cut by \$75,000; the hospitality host program was cut by \$50,000; and the dislocated workers appropriation was reduced by \$192,000. However, the dislocated workers fund will receive the revenue generated under a portion of the omnibus bill that establishes a special assessment of one-tenth of one percent of wages (as defined in section 268.04, subdivision 25). The assessment is effective January 1, 1991, and is expected to raise \$34.5 million during the 18-month period before it sunsets on June 30, 1992.

Public Employees

Pensions

Taking advantage of overfunding projected in recent actuarial pension fund evaluations, the 1990 Legislature cut general fund outlays nearly \$19.5 million for the second year of the current biennium by reducing employer contributions to two major public pension funds.

The largest single saving, nearly \$14.3 million, was achieved by reducing education aids by an amount equal to the reductions in contributions school districts will make to eliminate the unfunded liabilities of the Teachers Retirement Association. In addition, a saving of slightly more than \$5.2 million will result from reduced employer contributions to the Minnesota State Retirement System, including contributions for members of the State Patrol and for correctional employees.

The actuarial surpluses were projected chiefly on the basis of two 1989 changes in the laws governing state pension funds. The first change was an increase, from 8 percent to 8.5 percent, in the amount the funds are assumed to have earned on investments when their financial conditions are determined. As a result of that

change, the apparent financial health of all the funds improved, and the State Retirement System was actually overfunded.

The second 1989 change affected the public retirement systems' unfunded liabilities. In the past, contributions and earnings were not sufficient to cover the systems' future obligations to pay retirement, survivor, and disability benefits. More recently, public employers were required to make additional contributions to the funds to eliminate their unfunded liabilities by various dates early in the next century. In 1989, the deadline for elimination of the unfunded liabilities was extended, for all the systems, to the year 2020. For the Teachers Retirement Association, the result was that the new deadline could be met with smaller additional employer contributions.

The 1990 legislation took advantage of these 1989 changes. Since the unfunded liability of the Teachers Retirement Association could be eliminated by the new deadline with smaller annual contributions from school districts, state aid to the districts could be cut by an equal amount. And since the state, as an employer, could finance the same level of benefits to

Appropriations

Public Employees • Industry Regulations

members of the State Retirement System with a lower level of contributions, the state could reduce the appropriation earmarked for those contributions. The result was the nearly \$19.5 million reduction in general fund outlays for the 1991 fiscal year, an important component in the 1990 Legislature's efforts to avoid a budget deficit for the current biennium.

Early Retirement Provision

An early retirement incentive for executive branch employees was established. To be eligible, an individual must be between the ages of 55 and 65; have worked for the state for 25 years; be eligible for state-paid insurance; be eligible for a retirement annuity immediately upon retirement; and retire prior to July 1, 1990. Certain restrictions apply relative to life insurance, hospital, medical, and dental benefits.

Industry Regulation

Gambling

The 1990 Legislature passed a substantial gambling reform bill designed to address a number of problems afflicting lawful gambling in Minnesota. A separate appropriations bill provided additional money and staffing for gambling regulation and enforcement. Other legislation enacted in 1990 changed the distribution formula for proceeds from the state lottery.

Charitable Gambling

The 1990 gambling bill expanded the regulatory and enforcement-related powers and duties of the Gambling Control Board and the Departments of Revenue and Public Safety. Among the bill's new provisions are licensing and training requirements for gambling managers and a registration requirement for gambling employees. Additionally, the bill authorized the Gambling Control Board to require registration of organizations and individuals who receive contributions of gambling profits from organizations holding gambling licenses.

The bill also clarified how licensed organizations may spend their gambling profits. A limit was placed on the amount of property taxes on a licensed organization's gambling premises that may be paid out of the organization's gambling profits, and the amount of bingo profits that may be used to pay gambling expenses was increased. Other changes were made to improve the tracking of gambling equipment and proceeds. These include new provisions pertaining to reporting requirements, registration of and acknowledgement by recipients of gambling proceeds, single-use bingo cards, and the manufacture in Minnesota of

all pull-tabs sold here. Finally, the bill created several new gambling-related crimes and increased the penalties for some existing crimes.

The 1990 Legislature made an additional appropriation of approximately \$2.2 million from the general fund for lawful gambling regulation and enforcement. Of this amount, \$1.3 million was appropriated to the Department of Gaming, whose staff was increased by 24 positions. The Department of Public Safety received seven new positions and an additional appropriation of \$833,000. One new position and an additional \$70,000 went to the Attorney General's Office.

Lottery

The Legislature changed the distribution formula for net proceeds from the state lottery, which had been divided evenly between the Environmental Trust Fund and the Greater Minnesota Corporation. The new formula reduces to 40 percent the amount credited to the Environmental Trust Fund. This 40 percent would be constitutionally dedicated through the year 2001 under a constitutional amendment to be placed on the 1990 ballot. The new distribution formula also reduces the Greater Minnesota Corporation's share of net lottery proceeds to 25 percent. The remaining 35 percent is credited to a new Infrastructure Development Fund for debt retirement in connection with certain capital improvement projects. Of this amount, 28.3 percent is for capital improvement projects at state institutions of higher education and 6.7 percent is for capital improvement projects to develop and protect Minnesota's environment and natural resources.

Cigarette Vending

In order to make it more difficult for minors to purchase tobacco from vending machines, the Legislature regulated the locations of and conditions under which machines may operate. Vending machines may only operate:

1. Within a business, factory or office either not open to the general public or from which persons under 18 are usually prohibited.
2. In an alcoholic beverage establishment or liquor store if the machine is in view of a

responsible employee, not in an unmonitored area, and not accessible when the establishment is closed.

3. In other establishments under the same conditions as required for liquor establishments. In addition, the machines must be activated by an electronic switch controlled by an employee or by tokens provided by an employee.

The law allows a local unit of government to regulate the vending machines more restrictively than the state law.

Public Safety

Corrections

The Omnibus Health and Human Services Appropriations Bill provided just over \$3.5 million for the Department of Corrections.

Correctional Institutions

About \$1.8 million was appropriated to hire additional staff to serve the growing number of female inmates. The inmates may be incarcerated on the grounds of Moose Lake Regional Treatment Center, or a women's facility may be developed at another site. In addition, \$350,000 was provided for chemical dependency services in state correctional facilities.

Community Services

About \$1.5 million was appropriated for this activity. Major items included \$357,000 for county

juvenile probation services; \$250,000 to establish two secure juvenile detention centers; \$650,000 for intensive supervision of offenders as an alternative to incarceration; \$500,000 to expand the Sentencing to Service program, and \$175,000 for grants to battered women's programs. These appropriations were partially offset by a \$500,000 cut in the sex offender treatment pilot program.

Management Services

Funding for management services was reduced by \$50,000.

Sentencing Guidelines Commission

The Omnibus Health and Human Services Appropriations Bill provided \$8,000 to the commission to cover increased rent costs.

Drug Control and Crime Prevention

Criminal Justice

In addition to the \$3.5 million appropriated to the Department of Corrections for Institutions and Community Services in the Omnibus Health and Human Services Bill (see Corrections), \$701,000 was provided

to the Department of Public Safety for drug initiatives. The funding was appropriated as follows:

- | | |
|-----------|---|
| \$160,000 | for community-based crime and drug prevention programs. |
| \$ 40,000 | to implement the requirement that suppliers report the sale of pre- |

Appropriations

Drug Control and Crime Prevention • Governance and Elections

cursor chemicals to the Bureau of Criminal Apprehension prior to delivery.

\$175,000 for drug prevention support services for high-risk target groups and communities.

\$326,000 for narcotic investigation activities.

Criminal Justice provisions of the drug package include:

1. Intensive community supervision as an alternative to imprisonment for selected offenders. The program involves house arrest, curfews, work and treatment.
2. Development of a new fine structure for probationary felony sentences by the Minnesota Sentencing Guidelines Commission. The amount of the fines, which are called day-fines, would be based on the severity of the offense, the offender's criminal history, and the offender's financial situation. The purpose is to provide a fine that is proportional to the seriousness of the crime and equal in impact among offenders with different financial circumstances.
3. Changes in the marijuana laws: The Legisla-

ture lowered the weight of a mixture containing marijuana for which sale is a first degree controlled substance crime, from 100 to 50 kilograms. The statutory penalty for the first conviction for a first degree controlled substance crime is a maximum of 30 years in prison and/or a fine up to \$1 million. The threshold for a mixture containing marijuana defining a second degree controlled substance crime was lowered from 50 to 25 kilograms. The statutory penalty for the first conviction for a second degree controlled substance crime is imprisonment for up to 25 years and/or a fine of not more than \$500,000. In addition, the new law defines the sale of 5 kilograms of a mixture containing marijuana and the possession of a mixture weighing 10 kilograms, containing marijuana as third degree controlled substance crimes. The first conviction for third degree controlled substance crime is punishable by up to 20 years in prison and/or a fine of not more than \$250,000. The possession of a mixture containing marijuana with the intent to sell is a fifth degree controlled substance crime, punishable by up to five years in prison and/or up to a \$10,000 fine for the first conviction.

Governance and Elections

Two new laws addressed the presidential primary, campaign reform, open meetings and selection of judges.

Chapter 603 changes the date of the presidential primary from the fourth Tuesday in February to the first Tuesday in April. It also requires voter declaration of party for the presidential primary.

Chapter 608 prohibits a legislative candidate or the candidate's political committee from fundraising during the regular legislative session. The law also changes expenditure limits for candidates who agree to be bound by the expenditure limits and whose opponent from a major political party also agrees to the limits.

The expenditure limits were increased as follows:

Governor and lieutenant governor raised from \$600,000 to \$1,626,691;

Attorney general changed from \$100,000 to \$271,116;

Secretary of state, state treasurer, and state auditor increased from \$50,000 to \$135,559;

State Senator increased from \$15,000 to \$40,669; and

State Representative raised from \$7,500 to \$20,335.

The law sets the agreements for receipt and distribution of the public subsidy from the state elections campaign fund. The total to be distributed to each candidate is the candidate's share of the total estimated funds in the candidate's party account, plus the total amount estimated in the general account of the state elections campaign fund and set aside for that office, divided by the number of candidates whose names are to appear on the general election ballot for that office.

Chapter 608 permits taxpayers to claim a full credit, up to \$50 for an individual and \$100 for a married couple filing jointly, for contributions made in the calendar year to candidates and any political party (see Political Contribution Credit). The Legislature appropriated \$150,000 from the general fund to administer the political contribution credit.

The changes in these expenditure limits, public subsidy agreements, and taxpayer credits are effective immediately.

The Legislature initiated congressional campaign reform by encouraging congressional candidates to voluntarily limit their campaign spending. The law, effective January 1, 1991, provides a financial incentive of 25 percent of the expenditure limit to each congressional candidate of a major or minor political party who has agreed to limit campaign expenditures. The Legislature appropriated the amount necessary to pay the incentives. The limit placed on U.S. Senate candidates is \$3,400,000 and the limit for Representatives is \$425,000.

Chapter 608 requires most meetings of the Legislature to be open to the public. Exceptions are allowed for either a caucus of members from the same house

and political party, or a delegation of Legislators representing a geographic or political area.

The law also establishes a commission on judicial selection that will recruit and evaluate candidates to fill judicial vacancies that occur after July 1, 1990. The commission will recommend qualified nominees to the governor, who may either fill the vacancy from the list or appoint a person without regard to the commission's recommendation.

Political Contribution Credit

Eligible voters are allowed to claim a credit of up to \$50 per individual or \$100 per married couple for political contributions made to a candidate who agrees to abide by campaign spending limits. The credit refund is obtained by filing a form with the commissioner of revenue between September 1 of the year that the contribution is made and April 15 of the following year. The political contribution credit refund is estimated to cost \$4.7 million in the 1991-1993 biennium and \$10.4 million in the 1993-95 biennium.

State Debt and Capital Expenditure

The 1990 session of the Legislature adopted a bonding and capital improvement program of \$402.2 million. Of that amount, \$387.4 million was in bonding authority and \$14.8 million was directly appropriated from the general fund, the trunk highway fund and the airport fund. General fund financed bonding totaled \$143.7 million including \$23 million in bonding authority for the maximum effort school loan program and \$11.2 million of transportation fund borrowing for bridge projects. The bill created an infrastructure development fund for capital project to

be funded from lottery receipts and also assessments on the higher education systems designed to recover one-third of the financing costs of the capital improvements for these systems.

Bonds sold for the infrastructure development fund are authorized at \$243.7 million—\$190.2 million for higher education and \$53.4 million for environmental purposes.

The following table shows the detail of the authorized projects:

Capital Expenditures Authorized by the 1990 Legislature (dollars)

Item	Bonding Amount	Project Amounts	Item	Bonding Amount	Project Amounts
Technical Colleges	\$25,362,000		State University System	44,408,000	
Including:			Bemidji		4,860,000
Alexandria		\$ 870,000	Mankato		10,720,000
Anoka		3,500,000	Metropolitan		13,000,000
Dakota County		939,000	Moorhead		3,600,000
Detroit Lakes		4,429,000	Southwest		6,300,000
Duluth		520,000	Systemwide Capital		
East Grand Forks		2,000,000	Improvements		2,515,000
Hibbing		500,000	Land Acquisition		1,750,000
Southwestern (Canby, Granite			Library Planning		200,000
Falls, Jackson and Pipestone)		1,200,000	Settlement Wood-Fired		
Thief River Falls		2,338,000	Boiler Litigation	(non-bonded)	1,463,000
Willmar		700,000	University of Minnesota	71,480,000	
Winona		4,666,000	Morris		4,000,000
Land Acquisition		400,000	Twin Cities Campus		
Capital Improvements, Statewide		3,300,000	Biological Science		16,500,000
Community Colleges	50,500,000		Wilson Library		2,080,000
Austin		440,000	Veterinary Laboratory		7,900,000
Brainerd		5,148,000	Ferguson Hall		6,700,000
Cambridge		400,000	Waste Management		7,500,000
Fergus Falls		3,429,000	Sports and Recreation		6,000,000
Fond du Lac Center		6,990,000	Crookston		
Hibbing		500,000	Agricultural Management		
Lakewood		3,500,000	Center		4,410,000
Rainy River		1,400,000	Agricultural Research Institute		590,000
Vermillion		1,050,000	Duluth		
Willmar		3,393,000	Natural Resources Institute		2,500,555
Worthington		1,500,000	College Campus Center		10,000,000
Rochester (University Center)		17,000,000	Systemwide Health and Safety		1,500,000
Systemwide Capital			Agricultural Experiment		
Improvements		5,000,000	Stations		1,800,000
Land Acquisition		750,000	Elementary and Secondary		
			Education	27,793,000	

Capital Expenditures
 Authorized by the 1990 Legislature
 (dollars)

<u>Item</u>	<u>Bonding Amount</u>	<u>Project Amounts</u>	<u>Item</u>	<u>Bonding Amount</u>	<u>Project Amounts</u>
Faribault		343,000	Indian Affairs Council	50,000	
Arts Education		4,250,000	Administration Department	16,750,000	
Winona Science, Math Center		200,000	Capital Assets Preservation		2,500,000
Maximum Effort School Loans		23,000,000	Centennial Building		8,000,000
Jobs and Training	750,000		Ford Building		150,000
Veterans Home Board	1,750,000		Itasca Center		100,000
Health Department	1,376,000		Judicial Center		2,900,000
Corrections	13,121,000		State Capitol		300,000
Faribault Conversion		3,243,000	Agency Relocation	(non-bonded)	2,800,000
Lino Lakes		7,773,000	Capitol Area Architectural and Planning Board (Wilkins Memorial)	300,000	
Stillwater		594,000	Natural Resources	17,950,000	
Willow River-Moose Lake		85,000	Forest Lands		500,000
Shakopee		300,000	State Parks		3,000,000
St. Cloud		224,000	State Trails		3,500,000
Red Wing		402,000	Reinvest in Minnesota		3,000,000
Systemwide		500,000	Water Access		700,000
Human Services	22,675,000		Flood Plain Management		3,200,000
Systemwide		1,376,000	Waterbank Program		1,200,000
Community Service Facilities		2,590,000	Bronson Dam		300,000
Community Based Residences		1,000,000	Field Offices		1,000,000
Cambridge		400,000	Replace Storage Tanks		250,000
Kitchen Facilities		774,000	Wolf Center		1,200,000
Regional Treatment Centers		7,235,000	Lac Qui Parle Visitor Center		100,000
Remodel Residential Buildings		9,300,000	Public Facilities Authority	30,954,000	
Transportation	21,734,000		Independent Grants		15,354,000
Bemidji Rest Area	(non-bonded)	250,000	Water Pollution Control		15,600,000
Brainerd Hq.	(non-bonded)	6,525,000	Pollution Control Agency	27,225,000	
Detroit Lakes Laboratory	(non-bonded)	344,000	Sewer Overflow Grants		23,700,000
Marshall Maintenance	(non-bonded)	600,000	Litigation Settlements		250,000
Mahnomen Truck Station	(non-bonded)	420,000	Administrative Costs		925,000
St. James Truck Station	(non-bonded)	420,000	Supplemental Grant Adjustments to Municipalities		2,350,000
Statewide	(non-bonded)	1,925,000	Waste Management	7,000,000	
St. Paul Downtown Airport	(non-bonded)	50,000	Trade and Economic Development	7,500,000	
Federal Aid Demonstration		5,600,000	Convention Center		500,000
Local Bridge Replacement		5,600,000	Local Recreation Grants		2,000,000
Public Safety	545,000		Metropolitan Open Space		5,000,000
Board of Water and Soil Resources	2,395,000		Amateur Sports Commission	5,000,000	
Historical Society	3,475,000		Holmenkollen Ski Jump		2,500,000
Complete Center Construction		2,300,000	Biwabik Shooting Center		2,500,000
Split Rock Lighthouse		125,000	Housing Finance Agency	1,500,000	
Meighen Store Complex		100,000	Military Affairs	200,000	
Red Lake Tribal Information Center		300,000	Bond Sales Expenses	386,000	
St. Anthony Falls		100,000			
Labor History Center	550,000				

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Table A
Summary of Biennial Appropriations by Fund
1989 and 1990 Sessions

<u>Fund</u>	<u>1989-91</u>	<u>1989 Changes</u>	<u>After 1990</u>
County-State Aid Highway	\$ 476,281,000		476,281,000
Dislocated Worker		8,000,000	8,000,000
Environmental		1,165,000	1,165,000
Environmental Response	7,120,243		7,120,243
Game and Fish	89,553,460	150,000	89,703,460
General	13,050,752,000	(76,869,722)	12,973,882,278
General Dedicated	1,001,674,000	28,908,000	1,030,582,000
Highway User Tax Distribution	26,513,662	165,000	26,678,662
Metro Landfill Abatement	3,482,000		3,482,000
Metro Landfill Contingency	1,773,714		1,773,714
Minnesota Resources	18,590,000	(72,000)	18,518,000
Mortgage Registry	63,860,000	11,840,000	75,700,000
Motor Vehicle Transfer	8,147,000		8,147,000
Municipal-State Aid Street	148,646,000		148,646,000
Natural Resources	31,667	1,000,000	1,031,667
Permanent School	58,525,000		58,525,000
Petroleum Tank Release Cleanup	2,969,000		2,969,000
Special Revenue	107,657,410	(829,700)	106,827,710
State Airports	28,043,411	50,000	28,093,411
State Departments Special Revenue	27,162		27,162
Transit Assistance	2,814,000	516,000	3,330,000
Trunk Highway	1,111,823,977	9,365,284	1,121,189,261
Water Recreation	17,376,000		17,376,000
Workers' Compensation	28,527,666	325,000	28,852,666
Total State Appropriations	16,254,188,372	(16,287,138)	16,237,901,234
Indirect Cost Receipts	(17,800,000)		(17,800,000)
Federal Funds Appropriations	4,335,769,000	982,000	4,336,751,000
Total Appropriations	\$20,572,157,372	(15,305,138)	20,556,852,234

Table B
General Fund Resources and Appropriations
1989-1991 Biennium
(dollars)

	<u>1989-91</u>
I. RESOURCES	
A. Balance Forward	\$ 939,858,000
B. Taxes and Receipts (before 1989 law changes)	
Individual Income Taxes	6,415,500,000
Corporate Franchise Tax	1,074,700,000
Sales Tax	3,907,800,000
Motor Vehicle Tax	509,500,000
Estate Tax	36,349,000
Liquor, Wine, Beer	110,388,000
Cigarette and Tobacco Products Tax	293,724,000
Iron Ore/Taconite Occupation	4,360,000
Royalty Tax	1,305,000
Deed and Mortgage Tax	38,500,000
Insurance Gross Premiums	269,300,000
Telephone, Telegraph, and Other Gross Earnings	80,534,000
Lawful Gambling Tax	99,636,000
Controlled Substance	700,000
Departmental Earnings	105,425,000
Investment Income	125,000,000
Income Tax Reciprocity	42,802,000
Other Non-dedicated Receipts	84,800,000
Total Taxes and Receipts	\$13,245,323,000
C. Revenue Refunds	
Individual Income Tax	(450,600,000)
Corporate Franchise Tax	(185,500,000)
Sales Tax	(61,367,000)
Other Refunds	(50,265,000)
Total Refunds	\$ (747,732,000)
D. Transfers From Other Funds	38,819,000
E. Dedicated Revenues	
State University Board	179,517,000
State Community College System	93,227,000
University of Minnesota	286,766,000
Human Services County Reimbursement	158,961,000
Human Services Hospital Receipts	289,511,000
All Other	22,600,000
Total Dedicated Revenues	\$ 1,030,582,000

	<u>1989-91</u>
II. APPROPRIATIONS	
A. Major Spending Categories	
Elementary and Secondary Education	3,785,678,100
Higher Education	1,940,585,000
Human Services, Health, Corrections	2,807,064,000
Transportation and Semi-States	210,208,000
State Departments	885,198,000
Miscellaneous Spending	9,847,178
Total Major Spending Categories	\$ 9,638,580,278
B. Dedicated Appropriations	
State University Board	179,517,000
State Community College System	93,227,000
University of Minnesota	286,766,000
Human Services County Reimbursement	158,961,000
Human Services Hospital Receipts	289,511,000
All Other	22,600,000
Total Dedicated Expenditures	\$ 1,030,582,000
C. Transfers to Other Funds	
	170,745,000
D. Open and Standing Appropriations	
Aids and Credits	2,601,787,000
Debt Service	404,941,000
Retirements	127,739,000
Other Open and Standing	19,245,000
Total Open and Standing Appropriations	\$ 3,153,712,000
TOTAL REVENUES AND RECEIPTS	14,506,850,000
TOTAL APPROPRIATIONS—GROSS	13,993,619,278
Less Cancellations	(20,000,000)
TOTAL APPROPRIATIONS—NET	\$13,973,619,278
Budget and Cash Flow Reserve	550,000,000
UNRESTRICTED BUDGETARY BALANCE	\$ (16,769,278)

- NOTES: 1. Excludes \$61,493,000 in administrative fund consolidations. These do not show up in session laws, however, if they were appropriated in the 1989 or 1990 sessions, they will be reflected in Table C.
2. This table does not include \$35,802,000 in amounts brought forward from fiscal year 1989 to fiscal year 1990. These amounts, shown in the Department of Finance's General Fund Statement, were appropriated in 1989.

Table C

Detailed Appropriations by Function – All Funds
Comparison of 1987-89 and 1989-91 Bienniums

	1989-1991 Biennium	Estimate Changes	Law Changes	Total
<u>Aids and Credits</u>				
Homestead and Agricultural Credit Aid (HACA)				
School Districts	\$ 138,275,000			138,275,000
Cities, Towns, Counties	496,831,000			496,831,000
Homestead Credit				
School Districts	358,839,000			358,839,000
Cities, Towns, Counties	342,892,000			342,892,000
Agricultural Credit				
School Districts	64,729,000			64,729,000
Cities, Towns, Counties	45,748,000			45,748,000
Changes HACA.....		1,203,000	(13,202,000)	(11,999,000)
Subtotal HACA, Homestead and Agricultural Credit Aid.....	1,447,314,000	1,203,000	(13,202,000)	1,435,315,000
Property Tax Refund				
Renters.....	202,900,000	(25,070,000)		177,830,000
Homeowners	84,800,000			84,800,000
Targeting	13,900,000			13,900,000
Supplemental Homestead Property				
Tax Relief	1,824,000	(38,000)		1,786,000
Aid to Local Governments.....	764,451,000	6,856,000	(22,398,000)	748,909,000
Attached Machinery Aid				
School Districts	1,672,000			1,672,000
Cities, Towns, Counties	4,764,000			4,764,000
Wetlands Credit and Reimbursement				
School Districts	37,000			37,000
Native Prairie Credit and Reimbursement				
School Districts	8,000	2,000		10,000
Payments in Lieu of Taxes – DNR Lands	9,071,000	92,000		9,163,000
Enterprise Zone Credit				
School Districts	54,000	190,000		244,000
Cities, Towns, Counties	1,412,000	(1,032,000)		380,000
Small Business Credit				
School Districts	1,294,000			1,294,000
Regional Transit Board Levy Reduction	4,972,000	(12,000)		4,960,000
Region 3 Occupation Tax Distribution.....	738,000	16,000		754,000
Disaster Credit				
School Districts	4,000			4,000
Border City Enterprise Zone.....	1,900,000			1,900,000
Commercial/Industrial Refund	10,000,000		(10,000,000)	0
Disparity Aid				
School Districts	14,927,000	16,500,000		31,427,000
Cities, Towns, Counties	87,902,000	(14,318,000)		73,584,000

**Statistics
Table C**

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Border City Disparity Aid				
School Districts	\$ 2,655,000	(784,000)		1,871,000
Cities, Towns, Counties	3,044,000	(219,000)		2,825,000
Total Aids and Credits Category	2,659,643,000	16,614,000	(45,600,000)	2,597,429,000
<u>Elementary and Secondary Education</u>				
Department of Education	48,315,400		(429,000)	47,886,400
Minnesota Center for Arts Education.....	12,000,000		(125,000)	11,875,000
General Education Aid.....	2,838,058,000	(38,093,000)	(30,960,000)	2,769,005,000
Endowment Fund	58,000,000			58,000,000
Exceptional Need Aid	490,000			490,000
Transportation Aid.....	206,136,000			206,136,000
Transportation Aid for Post-Secondary				
Enrollment Options	100,000			100,000
Transportation Aid for Enrollment Options.....	100,000			100,000
Special Programs				
Special Education Aid.....	341,119,000			341,119,000
Limited English Proficiency Pupils				
Program Aid.....	6,673,000			6,673,000
Indian Education Programs	7,190,000			7,190,000
Secondary Vocational Handicapped	11,518,000			11,518,000
Assurance of Mastery	10,582,000			10,582,000
Individualized Learning and Development Aid	6,400,000			6,400,000
Secondary Vocational Education Aid	23,191,000			23,191,000
Community and Adult Education				
Community Education Aid.....	8,444,000			8,444,000
Adult Education Programs	13,884,000			13,884,000
Early Childhood Family Education Aid.....	19,922,000		556,100	20,478,100
Adult Handicapped Program Aid.....	1,420,000			1,420,000
Early Childhood Screening	2,238,000			2,238,000
Targeted Youth			400,000	400,000
Capital Expenditures				
Facilities and Equipment	158,094,000			158,094,000
Health and Safety	18,973,000			18,973,000
Maximum Effort Loan Fund	2,955,500		492,000	3,447,500
District Organization				
Education District Aid	8,620,000			8,620,000
Cooperation and Combination Aid	75,000		1,117,000	1,192,000
Secondary Vocational Cooperative Aid	719,000			719,000
Technology Grants.....	494,500			494,500
Educational Improvement				
Educational Effectiveness Programs.....	1,200,000			1,200,000
State Planning, Evaluation, and				
Reporting Assistance	1,202,000			1,202,000
Local Planning, Evaluation, and Reporting	2,084,000			2,084,000
Educational Technology Services.....	1,200,000			1,200,000
Miscellaneous Educational Improvement	1,960,000			1,960,000
Career Teacher Aid	1,000,000		(250,000)	750,000
Minority Teacher Incentives	1,000,000			1,000,000
Area Learning Centers	300,000			300,000
Education Restructuring	1,550,000			1,550,000

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	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Math and Science Task Force.....	\$		100,000	100,000
Board of Teaching/Grants and Fellowships/Alternate Licensure			200,000	200,000
Other Education Aids				
Educational Cooperative Service Units	1,498,000			1,498,000
Educational Cooperative Service Unit Loans.....		1,000,000		1,000,000
Management Information Centers	6,822,000			6,822,000
Abatement Aid.....	11,129,000			11,129,000
School Lunch and Milk Aid	9,250,000			9,250,000
School Milk Aid	1,600,000			1,600,000
Integration Grants.....	29,888,000			29,888,000
Interdistrict Desegregation Grants			200,000	200,000
Library Grants	12,746,000			12,746,000
Nonpublic Pupil Aid	17,371,000			17,371,000
Alcohol-Impaired Driver Education Grants	1,240,000			1,240,000
Tobacco Use Prevention.....	1,237,000			1,237,000
Drug Abuse Prevention			75,000	75,000
Alternative Student Survey			50,000	50,000
Fire Marshall Inspection Plan.....			200,000	200,000
Facilities Task Force			50,000	50,000
Chisholm Leadership Grants.....			30,000	30,000
Rural Health Care			100,000	100,000
Miscellaneous	550,000			550,000
State Appropriations.....	3,910,538,400	(37,093,000)	(28,193,900)	3,845,251,500
Federal Appropriations	343,322,000			343,322,000
Total Elementary and Secondary Education Category	4,253,860,400	(37,093,000)	(28,193,900)	4,188,573,500
<u>Higher Education</u>				
Higher Education Coordinating Board				
Agency Administration.....	6,872,000		46,300	6,918,300
State Scholarships and Grants	151,688,000		(14,816,800)	136,871,200
Interstate Tuition	8,600,000		750,000	9,350,000
State Work Study	10,758,000			10,758,000
Minitex Library Program.....	2,128,000			2,128,000
Rural Health Nursing			140,000	140,000
Subtotal Higher Education Coordinating Board.....	180,046,000		(13,880,500)	166,165,500
Technical Colleges.....	340,002,000			340,002,000
Agricultural Vocational Programs	700,000			700,000
State Council.....			50,000	50,000
Retirement Plan			(793,000)	(793,000)
Base Reduction			(840,500)	(840,500)
Subtotal Technical Colleges	340,702,000		(1,583,500)	339,118,500
Community Colleges	\$ 187,747,000			187,747,000
Retirement Plan			(610,000)	(610,000)

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	1989-1991 <u>Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Base Reduction	\$ 111 687,332		(466,500)	(466,500)
Subtotal Community Colleges	187,747,000 675,279		(1,076,500)	186,670,500
State Universities	346,605,000			346,605,000
Faculty Exchange	25,000			25,000
Retirement Plan			(1,072,000)	(1,072,000)
Base Reduction			(858,100)	(858,100)
Subtotal State Universities	346,630,000		(1,930,100)	344,699,900
University of Minnesota	340,707 687,332			
Operations and Maintenance	732,596,000			732,596,000
Health Sciences	33,711,000			33,711,000
Institute of Technology	7,117,000			7,117,000
System Specials	40,175,000			40,175,000
Agriculture and Extension Service	87,846,000			87,846,000
Farmer-Lender Mediation Program	300,000			300,000
Small Ruminant Specialist	40,000			40,000
Pseudorabies Research	175,000			175,000
Forage and Turf Seed Specialist	50,000			50,000
Portable Computerized Fertilization	75,000			75,000
Bluegrass Research and Evaluation	45,000			45,000
Faculty Exchange	25,000			25,000
Offset for the Costs of Increases in Employer Contributions	1,650,000			1,650,000
Rural Physicians Assoc.			200,000	200,000
Retirement Plan			(554,000)	(554,000)
Base Reduction			(2,235,400)	(2,235,400)
Subtotal University of Minnesota	903,805,000		(2,589,400)	901,215,600
Mayo Medical Foundation	2,115,000			2,115,000
Higher Education Dedicated Appropriation				
Tuition and Fees				
University of Minnesota	286,209,000	557,000		286,766,000
State Universities	165,783,000	13,734,000		179,517,000
Community Colleges	90,566,000	2,661,000		93,227,000
Subtotal Dedicated Expenditures	542,558,000	16,952,000		559,510,000
State Appropriations	2,503,603,000	16,952,000	(21,060,000)	2,499,495,000
Federal Appropriations	53,612,000			53,612,000
Total Higher Education Category	2,557,215,000	16,952,000	(21,060,000)	2,553,107,000
<u>Human Services</u>				
Department of Human Services				
Administration—General	24,159,000		235,000	24,394,000
Legal and Intergovernmental Programs	8,456,000		(138,000)	8,318,000
Social Services	244,803,000		17,189,000	261,992,000

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	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
Family Support				
Aid to Families with Dependent Children, General Assistance, Work Readiness Minnesota Supplemental Aid.....	\$ 310,736,000		(8,587,000)	302,149,000
Aid to Families with Dependent Children Mortgage Registry Offset	98,000,000	16,200,000		114,200,000
Health Care Programs				
Medical Care	1,053,058,000		89,001,000	1,142,059,000
Preadmission Screening and Alternative Care ...	33,060,000			33,060,000
Children's Health Plan	11,052,000			11,052,000
Administration—Family Support and Health Care Programs	110,225,000			110,225,000
Mental Health	47,127,000		(813,000)	46,314,000
State Residential Facilities				
Regional Treatment Centers	376,845,000		(100,000)	376,745,000
Nursing Homes.....	41,752,000			41,752,000
Administration Activities	4,117,000			4,117,000
Federal Reimbursement	(51,662,000)			(51,662,000)
Chemical Dependency Treatment for Pregnant Women and Mothers	900,000			900,000
Subsidies to Community-Based Clinics	50,000			50,000
Compulsive Gambling Treatment Programs.....	600,000			600,000
Subtotal Non-Dedicated Appropriations	2,313,278,000	16,200,000	96,787,000	2,426,265,000
Dedicated Appropriations				
County Share of Medical Payments	147,526,000	11,435,000		158,961,000
Hospital Revolving Account	285,623,000	3,888,000		289,511,000
Miscellaneous	25,967,000	(3,367,000)		22,600,000
Subtotal Dedicated Appropriations	459,116,000	11,956,000		471,072,000
Subtotal Department of Human Services	2,772,394,000	28,156,000	96,787,000	2,897,337,000
Ombudsman for Mental Health and Retardation	1,809,000			1,809,000
State Appropriations.....	2,774,203,000	28,156,000	96,787,000	2,899,146,000
Federal Appropriations	2,220,455,000			2,220,455,000
Total Human Services Category	4,994,658,000	28,156,000	96,787,000	5,119,601,000
Health				
Department of Health				
Preventive and Protective Health Services	24,283,000		(567,000)	23,716,000
Health Delivery Systems	53,038,000		82,000	53,120,000
Health Support Services	7,624,000		140,000	7,764,000
Disposal of Infectious and Pathological Waste	210,000			210,000
Bone Marrow Donors			55,000	55,000
Health Review Panel Assistance.....			34,000	34,000
Physician Assistance Registration			5,300	5,300
Subtotal Department of Health	85,155,000		(250,700)	84,904,300

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	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Health-Related Boards	\$ 10,001,000		141,000	10,142,000
Board of Nursing			23,000	23,000
Hazardous Substances Injury Board.....	<u>969,000</u>			<u>969,000</u>
Subtotal Health-Related Boards	10,970,000		164,000	11,134,000
State Appropriations.....	96,125,000		(86,700)	96,038,300
Federal Appropriations	<u>102,928,000</u>			<u>102,928,000</u>
Total Health Category	199,053,000		(86,700)	198,966,300
<u>Veterans</u>				
Veterans Affairs	5,680,000		(52,000)	5,628,000
Veterans Nursing Homes.....	39,627,000			39,627,000
Veterans Nursing Homes Board	<u>290,000</u>		<u>(275,000)</u>	<u>15,000</u>
Total Veterans Category	45,597,000		(327,000)	45,270,000
<u>Transportation</u>				
Highway Development				
Trunk Highways	461,132,000		(5,164,000)	455,968,000
Highway Debt Service	53,449,000			53,449,000
Highway Operations				
Maintenance.....	257,048,000			257,048,000
Construction Support.....	119,556,000			119,556,000
Truck Safety.....			<u>200,000</u>	<u>200,000</u>
Subtotal Highway Development and Operations	891,185,000		(4,964,000)	886,221,000
Transportation Aids to Local Governments				
County State Aids	509,000,000		(2,700,000)	506,300,000
Municipal State Aids	<u>158,800,000</u>		<u>(800,000)</u>	<u>158,000,000</u>
Subtotal Transportation Aids to Local Governments .	667,800,000		(3,500,000)	664,300,000
Technical Services				
Program Delivery	\$104,042,000			104,042,000
State Aid Technical Assistance	1,892,000			1,892,000
Electronic Communications	<u>5,632,000</u>			<u>5,632,000</u>
Subtotal Technical Services.....	111,566,000			111,566,000
Public Transit Assistance				
Greater Minnesota Transit Assistance	16,286,000		1,200,000	17,486,000
Light Rail Transit	6,816,000		(650,000)	6,166,000
Metropolitan Transit Assistance				
Regional Transit Board	49,846,000		(1,631,000)	48,215,000
Transit Administration	<u>1,193,000</u>			<u>1,193,000</u>
Subtotal Public Transit Assistance	74,141,000		(1,081,000)	73,060,000
Motor Vehicle Excise Tax Increased Distribution		1,642,000		1,642,000

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	1989-1991 Biennium	Estimate Changes	Law Changes	Total
Program Management				
Highway Program Administration	\$ 3,700,000			3,700,000
Motor Carrier Administration.....	2,424,000			2,424,000
Railroads and Waterways.....	1,923,000			1,923,000
Transportation Data Analysis	6,814,000			6,814,000
Subtotal Program Management.....	14,861,000			14,861,000
General Support Services				
General Administration.....	24,988,000			24,988,000
General Services	12,524,000			12,524,000
Equipment.....	31,872,000			31,872,000
Legal Services	2,332,000			2,332,000
Subtotal General Support Services.....	71,716,000			71,716,000
Buildings				
St. Paul Central Office Building	150,000			150,000
Duluth District Headquarters	3,900,000			3,900,000
Marshall Area Maintenance Building	2,200,000			2,200,000
Moorhead Weigh Station	655,000			655,000
St. Cloud Area Headquarters	90,000			90,000
Maple Grove Truck Station	60,000			60,000
Detroit Lakes Headquarters	100,000			100,000
Mankato Headquarters	90,000			90,000
Spring Lake Park	55,000			55,000
Golden Valley Headquarters	50,000			50,000
Arden Hills Training Center	50,000			50,000
Thief River Falls Government Service Center.....	100,000			100,000
Statewide	1,495,000			1,495,000
St. Paul Downtown Airport.....	400,000			400,000
Subtotal Buildings.....	9,395,000			9,395,000
Aeronautics				
Administration	6,938,000			6,938,000
Airport Development and Assistance	20,082,000			20,082,000
Air Transportation Services	108,000			108,000
Civil Air Patrol	130,000			130,000
Subtotal Aeronautics	27,258,000			27,258,000
Transportation Regulation Board	1,238,000		58,000	1,296,000
Transportation Study Board.....			134,000	134,000
Federal Funds included in Highway Operations, Technical Services and Program Management				
	(60,000,000)			(60,000,000)
State Appropriations.....	1,809,160,000	1,642,000	(9,487,000)	1,801,315,000
Federal Appropriations	995,610,000			995,610,000
Total Transportation Category	2,804,770,000	1,642,000	(9,487,000)	2,796,925,000

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	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
<u>Agriculture</u>				
Department of Agriculture				
Protection Service	\$ 8,538,000			8,538,000
Promotion and Marketing	914,000			914,000
Family Farm Security	2,518,000			2,518,000
Farm Crisis Assistance	700,000		100,000	800,000
Administrative Support and Grants.....	8,993,000			8,993,000
Ethanol Fuel Use Promotion.....	275,000			275,000
Agricultural Data Task Force	30,000			30,000
Minnesota Grown Program	400,000			400,000
Agricultural Land Preserve and Conservation.....	100,000			100,000
Organic Food Certification.....	100,000			100,000
Sustainable Agriculture Grants	400,000			400,000
Dairy Task Force	30,000			30,000
Minnesota Grown Women, Infant, Children (WIC) Nutrition Coupons.....	125,000			125,000
Industrial By-Products Soil Buffering.....	100,000			100,000
Federal Crop Insurance.....	700,000			700,000
Grain Inspection Costs	70,000			70,000
Marketing Minnesota Products	150,000			150,000
Grasshopper Reimbursement.....			597,000	597,000
Grasshopper Control.....	75,000		625,000	700,000
Building Lease			233,000	233,000
Wholesale Product Definition.....			15,000	15,000
Agricultural Pollution Response			75,000	75,000
Agricultural Contract Task Force	50,000			50,000
Aquiculture.....	150,000			150,000
Shade Tree Advisory Committee	20,000			20,000
Health Screening.....	150,000			150,000
Agriculture Information Centers.....	200,000			200,000
County and District Agricultural Societies.....	112,000			112,000
Barley Research and Promotion	20,000			20,000
Task Force on Farm Safety	5,000			5,000
Agricultural Liming			60,000	60,000
Base Reduction			(580,000)	(580,000)
Subtotal Department of Agriculture.....	24,925,000		1,125,000	26,050,000
Board of Water and Soil Resources				
Karananzi-Little Rock Watershed District.....	9,896,000			9,896,000
	50,000			50,000
Subtotal Board of Water and Soil Resources	9,946,000			9,946,000
Board of Animal Health	4,160,000			4,160,000
Pseudorabies Control	175,000			175,000
Base Reduction			(40,000)	(40,000)
Subtotal Board of Animal Health	4,335,000		(40,000)	4,295,000
State Appropriations.....	39,206,000		1,085,000	40,291,000

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	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
Federal Appropriations	\$ 1,376,000			1,376,000
Total Agriculture Category	40,582,000		1,085,000	41,667,000
<u>Economic Development</u>				
Department of Trade and Economic Development				
Business Promotion.....	8,726,000			8,726,000
Tourism.....	16,290,000		110,000	16,400,000
Administration	2,982,000			2,982,000
Community Development	42,976,000		(500,000)	42,476,000
Policy Analysis, Science, and Technology	2,382,000			2,382,000
Minnesota Trade Office	4,626,000			4,626,000
1991 Special Olympics.....			500,000	500,000
Aviation Training			500,000	500,000
Cultural Exchange			50,000	50,000
Trade Promotion			30,000	30,000
Base Cut.....	(420,000)			(420,000)
Base Reduction			(1,040,000)	(1,040,000)
Council on Productivity and Quality.....			50,000	50,000
Community Needs Assessment.....	150,000			150,000
Aerospace Exploratorium	10,000			10,000
Celebrate Minnesota 1990			50,000	50,000
World Trade Center Corporation	2,150,000			2,150,000
Amateur Sports Commission	1,031,000		(9,000)	1,022,000
Export Convention			35,000	35,000
State Appropriations.....	80,903,000		(224,000)	80,679,000
Federal Appropriations	100,437,000			100,437,000
Total Economic Development Category	181,340,000		(224,000)	181,116,000
<u>Housing</u>				
Housing Finance Agency	25,167,000		(3,000,000)	22,167,000
Home Energy Loans.....	3,100,000			3,100,000
Total Housing Category	28,267,000		(3,000,000)	25,267,000
<u>Natural Resources</u>				
Department of Natural Resources				
Administrative Management Services	11,836,000			11,836,000
Regional Operations Support	9,773,000			9,773,000
Field Operations Support	19,430,000			19,430,000
Water Resources Management	13,429,500			13,429,500
Mineral Resources Management.....	9,588,000		(200,000)	9,388,000
Forest Management.....	51,394,500			51,394,500
Fish and Wildlife Management	61,905,000		(100,000)	61,805,000
Parks and Recreation Management	34,515,000			34,515,000

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	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Enforcement.....	\$ 25,583,000			25,583,000
Trails and Waterways.....	18,876,000		500,000	19,376,000
Special Services and Programs.....	10,027,000			10,027,000
Leech Lake and White Earth Reservation.....	3,288,750	(155,000)		3,133,750
Dam Repair.....			150,000	150,000
Beaver Dam Control.....			(100,000)	(100,000)
Mushroom Project.....			138,000	138,000
1854 Indian Treaty Settlement.....	10,145,000			10,145,000
Firefighting.....	8,000,000	(4,256,000)		3,744,000
Mississippi Headwaters Bd.....			50,000	50,000
Planting (Absorption Study).....			25,000	25,000
Snowmobile Grants.....			500,000	500,000
Nongame Checkoff.....			100,000	100,000
Base Reduction.....			(1,263,000)	(1,263,000)
Subtotal Department of Natural Resources.....	<u>287,790,750</u>	<u>(4,411,000)</u>	<u>(200,000)</u>	<u>283,179,750</u>
Zoological Board.....	10,887,000			10,887,000
Shark Exhibit.....			100,000	100,000
Dinosaur Exhibit.....			130,000	130,000
Base Reduction.....			(101,000)	(101,000)
Minnesota-Wisconsin Boundary Area Commission...	226,000			226,000
Voyageurs National Park Citizens Committee.....	142,000			142,000
Minnesota Future Resources				
Department of Natural Resources.....	4,278,000			4,278,000
Pollution Control Agency.....	2,932,000			2,932,000
State Planning.....	560,000			560,000
Department of Agriculture.....	590,000			590,000
University of Minnesota.....	4,928,000			4,928,000
State University Board.....	430,000			430,000
Minnesota Historical Society.....	694,000			694,000
Legislative Commission on Minnesota Resources..	680,000		(72,000)	608,000
Department of Trade and Economic Development..	1,250,000			1,250,000
Department of Health.....	738,000			738,000
Science Museum of Minnesota.....	510,000			510,000
Contingent Account.....	1,000,000			1,000,000
Subtotal Minnesota Future Resources.....	<u>18,590,000</u>		<u>(72,000)</u>	<u>18,518,000</u>
State Appropriations.....	317,635,750	(4,411,000)	(143,000)	313,081,750
Federal Appropriations.....	9,940,000	400,000		10,340,000
Total Natural Resources Category	\$327,575,750	(4,011,000)	(143,000)	323,421,750
<u>Pollution Control</u>				
Pollution Control Agency				
Water Pollution Control.....	9,733,000			9,733,000
Air Pollution Control.....	6,562,000			6,562,000
Groundwater and Solid Waste Pollution Control ...	16,126,000		(1,500,000)	14,626,000
Hazardous Waste Pollution Control.....	8,048,000			8,048,000

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	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
General Support	\$ 6,347,000			6,347,000
Regional Support	104,000			104,000
Waste Tire Management.....	4,129,000			4,129,000
Disposal of Infectious and Pathological Wastes	265,000			265,000
Toxic Pollution.....			45,000	45,000
On-Site Treatment Grants			250,000	250,000
Site Response Program.....			80,000	80,000
Base Reduction			(213,000)	(213,000)
Radio Active Waste Study			50,000	50,000
Subtotal Pollution Control Agency.....	<u>51,314,000</u>		<u>(1,288,000)</u>	<u>50,026,000</u>
Environmental Quality Board	55,000			55,000
Asbestos Legal Fees.....			133,000	133,000
Office of Waste Management.....	1,655,000			1,655,000
Toxic Pollution.....			847,000	847,000
Base Reduction			(614,000)	(614,000)
Recycling				
Office of Waste Management.....	7,450,000			7,450,000
Pollution Control Agency	2,550,000			2,550,000
Department of Administration	300,000			300,000
Department of Revenue	37,000			37,000
County Block Grants	22,281,000		(1,234,000)	21,047,000
Resource Recovery			70,000	70,000
Capital Assistance Grants.....			285,000	285,000
Subtotal Recycling.....	<u>32,618,000</u>		<u>(879,000)</u>	<u>31,739,000</u>
Groundwater				
Health.....	\$ 4,690,000			4,690,000
Agriculture	550,000			550,000
Board of Water and Soil Resources	4,275,000		(200,000)	4,075,000
Legislative Water Commission.....	170,000			170,000
Natural Resources.....	1,965,000			1,965,000
Pollution Control Agency	500,000			500,000
State Planning Agency	200,000			200,000
University of Minnesota.....	650,000			650,000
Agricultural Chemical Response and Reimbursement Account.....	<u>1,000,000</u>			<u>1,000,000</u>
Subtotal Groundwater	<u>14,000,000</u>		<u>(200,000)</u>	<u>13,800,000</u>
State Appropriations.....	99,642,000		(2,134,000)	97,508,000
Federal Appropriations	43,461,000	282,000		43,743,000
Total Pollution Control Category	143,103,000	282,000	(2,134,000)	141,251,000
<u>Protection of Workers</u>				
Department of Labor and Industry				
Employment Standards	1,874,000			1,874,000

**Statistics
Table C**

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Workers Compensation Regulation and Enforcement	\$ 12,891,000			12,891,000
Workers Compensation Special Compensation Fund	5,000,000			5,000,000
Code Enforcement	3,022,000			3,022,000
Occupational Safety and Health (OSHA)	2,617,000			2,617,000
General Support	4,381,000			4,381,000
Information Management Services	3,589,000			3,589,000
Elevator Inspections	324,000			324,000
Workers' Compensation Injury Study			15,000	15,000
Logger's Insurance (Workers' Comp)			325,000	325,000
Base Reduction			<u>(2,520,000)</u>	<u>(2,520,000)</u>
Subtotal Department of Labor and Industry	33,698,000		(2,180,000)	31,518,000
Workers Compensation Court of Appeals	2,152,000			2,152,000
Mediation Services	3,555,000		(36,000)	3,519,000
Department of Jobs and Training				
Employment and Training	12,142,000		(917,000)	11,225,000
Economic Opportunity Office	14,514,000			14,514,000
Rehabilitation Services	36,685,000			36,685,000
Services for the Blind	6,763,000			6,763,000
Dislocated Workers			<u>8,000,000</u>	<u>8,000,000</u>
Subtotal Department of Jobs and Training	70,104,000		7,083,000	77,187,000
State Appropriations	109,509,000		4,867,000	114,376,000
Federal Appropriations	407,329,000	200,000		407,529,000
Total Protection of Workers Category	516,838,000	200,000	4,867,000	521,905,000
<u>Public Employees</u>				
Public Employment Relations Board	130,000			130,000
Department of Employee Relations				
Administration	3,858,000			3,858,000
Labor Relations	968,000			968,000
Personnel	14,497,000			14,497,000
Benefits	875,000			875,000
Base Cut	(152,000)			(152,000)
Base Reduction			<u>(192,000)</u>	<u>(192,000)</u>
Subtotal Department of Employee Relation	20,046,000		(192,000)	19,854,000
Salary Supplement	132,714,000			132,714,000
Reduction in Employer Pension Contribution			(3,355,000)	(3,355,000)
Retirement				
State Employee Supplemental Benefits	34,000			34,000

Statistics
Table C

	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
Minnesota Retirement System				
Employer Contribution Increase	\$ 2,530,612			2,530,612
Public Employees Retirement Association	28,000			28,000
Minneapolis Employees Retirement Fund	20,890,000	597,000		21,487,000
Pre-1973 Retirement Adjustment	1,833,490			1,833,490
Local Police and Fire Amortization Aid	12,034,000	(2,724,000)		9,310,000
Offset for the Costs of Increases in				
Employer Contributions	6,389,000			6,389,000
13th Check Reimbursement	(60,000)			(60,000)
Aid to Police and Fire Departments	84,920,000	(4,147,000)		80,773,000
Legislators' Retirement	4,629,000	(2,044,000)		2,585,000
Judges' Retirement	11,400,000			11,400,000
Constitutional Officers' Retirement	348,000			348,000
Teachers Retirement	40,000			40,000
Subtotal Retirement	145,016,102	(8,318,000)		136,698,102
Total Public Employees Category	297,906,102	(8,318,000)	(3,547,000)	286,041,102
<u>Industry Regulation</u>				
Department of Commerce				
Financial Examinations	8,332,000			8,332,000
Registration and Analysis	3,726,000			3,726,000
Administrative Services	3,239,000		(85,000)	3,154,000
Enforcement and Licensing	5,265,000			5,265,000
Petroleum Tank Release Cleanup Board	112,000			112,000
License Currency Exchanges	164,000			164,000
Real Estate Appraisers	213,000			213,000
Subtotal Department of Commerce	21,051,000		(85,000)	20,966,000
Nonhealth-Related Boards	1,919,000			1,919,000
Public Utilities Commission	4,110,000			4,110,000
Task Force on Electric Utility Service Areas	200,000			200,000
Subtotal Public Utilities Commission	4,310,000			4,310,000
Public Service	\$ 13,158,000			13,158,000
Gas Utility Flexible Tariff Study			5,000	5,000
Low-Income Energy Needs	22,000			22,000
Base Reduction			(50,000)	(50,000)
Utility Rate Study			200,000	200,000
Subtotal Department of Public Service	13,180,000		155,000	13,335,000
Racing Commission	1,865,000			1,865,000
Lawful Gambling—Public Safety			833,000	833,000
Gambling Investigation—Dept. of Revenue			400,000	400,000

**Statistics
Table C**

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Department of Gaming.....	\$ 370,000		1,300,000	1,670,000
Lottery Division	<u>8,500,000</u>			<u>8,500,000</u>
Subtotal Department of Gaming	8,870,000		1,300,000	10,170,000
State Appropriations.....	51,195,000		2,603,000	53,798,000
Federal Appropriations	<u>744,000</u>			<u>744,000</u>
Total Industry Regulation Category	51,939,000		2,603,000	54,542,000
<u>Public Safety</u>				
Department of Public Safety				
Administration and Related Services	10,547,000			10,547,000
Emergency Management	1,910,000			1,910,000
Emergency Response Commission	258,000			258,000
Criminal Apprehension.....	27,020,000			27,020,000
Fire Safety	3,792,000			3,792,000
State Patrol.....	77,048,000			77,048,000
Capitol Security.....	3,112,000			3,112,000
Driver and Vehicle Licensing	56,705,000			56,705,000
Liquor Control	1,476,000			1,476,000
Pipeline Safety	1,258,000			1,258,000
Driving Under the Influence			103,000	103,000
Commercial Vehicle License.....			146,000	146,000
Commercial Vehicle Inspection.....			263,000	263,000
Crime Victims Reparations Board.....	2,780,000			2,780,000
Children's Trust Fund	200,000			200,000
Private Detective and Protective Agency Licensing Board	110,000			110,000
Transfer to Trunk Highway Fund	3,311,000			3,311,000
Transfer to General Fund.....	2,021,000			2,021,000
1989 Crime Bill/Drugs.....	2,779,000		701,000	3,480,000
Traffic Regulations.....	480,000			480,000
Community Right-to-Know Program.....	585,000			585,000
Smoke Detectors	114,000			114,000
Lottery.....	750,000			750,000
Salvage Vehicle Inspections.....	121,000			121,000
Toxic Chemical Release Forms			48,000	48,000
Wetterling Investigation			100,000	100,000
Base Reduction			<u>(1,350,000)</u>	<u>(1,350,000)</u>
Subtotal Department of Public Safety	<u>196,377,000</u>		11,000	196,388,000
Department of Corrections				
Management Services	9,281,000		(50,000)	9,231,000
Community Services	66,745,000		1,482,000	68,227,000
Correctional Institutions.....	<u>182,199,000</u>		<u>2,105,000</u>	<u>184,304,000</u>
Subtotal Department of Corrections	258,225,000		3,537,000	261,762,000
Sentencing Guidelines Commission.....	494,000		8,000	502,000

Statistics
Table C

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Corrections Ombudsman.....	\$ 733,000			733,000
Board of Peace Officers Standards and Training.....	7,200,000		(75,000)	7,125,000
<u>Military Affairs</u>				
Maintenance of Training Facilities	11,118,000			11,118,000
General Support	2,792,000			2,792,000
Enlistment Incentives.....	4,143,000			4,143,000
Base Cut.....	(138,000)			(138,000)
Base Reduction			(189,000)	(189,000)
Subtotal Department of Military Affairs	17,915,000		(189,000)	17,726,000
State Appropriations.....	480,944,000		3,292,000	484,236,000
Federal Appropriations	34,669,000			34,669,000
Total Public Safety Category	515,613,000		3,292,000	518,905,000
<u>Governance</u>				
Legislature				
Senate.....	28,988,000		(440,000)	28,548,000
House	39,884,800		(560,000)	39,324,800
Legislative Coordinating Commission	13,260,600		128,000	13,388,600
Legislative Audit Commission.....	6,795,000		(71,000)	6,724,000
Legislative Commission on Public Education	250,000			250,000
Collector Compensation Report	10,000			10,000
Redistricting Subcommittee			300,000	300,000
Subtotal Legislature	89,188,400		(643,000)	88,545,400
Courts				
Supreme Court				
Operations and Civil Surcharge.....	8,640,000			8,640,000
State Court Administrator	11,660,000		162,000	11,822,000
State Law Library.....	1,846,000			1,846,000
Family Farm Legal Assistance	1,700,000			1,700,000
Base Cut.....	(200,000)		(199,000)	(399,000)
Family Law Legal Assistance			890,000	890,000
Racial Bias Study			50,000	50,000
Base Reduction.....			(45,000)	(45,000)
Court of Appeals	8,804,000			8,804,000
Trial Courts	52,772,000			52,772,000
Scott County			67,000	67,000
Board on Judicial Standards	326,000		(3,000)	323,000
Board of Public Defense	22,150,000		(100,000)	22,050,000
Tax Court.....	873,000		(9,000)	864,000
Subtotal Courts	108,571,000		813,000	109,384,000

**Statistics
Table C**

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Constitutional Officers				
Governor and Lieutenant Governor	\$ 5,820,000		(130,000)	5,690,000
Secretary of State				
Elections and Publications	905,000			905,000
Uniform Commercial Code	332,000			332,000
Business Services	1,264,000			1,264,000
Administration.....	922,000			922,000
Fiscal Operations.....	280,000			280,000
Data Services.....	428,000			428,000
Network Operations Voter Registration	1,476,000			1,476,000
Reports Renewals Registration	368,000			368,000
Base Cut	(28,000)			(28,000)
Base Reduction.....			(31,000)	(31,000)
Nonprofit Corporations	185,000			185,000
Interpreter Services to Communication				
Impaired Persons	39,000			39,000
Subtotal Secretary of State.....	6,171,000		(31,000)	6,140,000
State Auditor	1,152,000		(12,000)	1,140,000
State Treasurer	1,169,000			1,169,000
Candidate Spending Limits.....			60,000	60,000
Attorney General				
Government Services	6,858,000			6,858,000
Public Resources	4,508,000			4,508,000
Human Resources	5,578,000			5,578,000
Legal Policy and Administration.....	9,063,000			9,063,000
Law Enforcement	5,659,000			5,659,000
Business Regulation	5,598,000			5,598,000
Charitable Organization Registration	(99,480)			(99,480)
Base Cut	(344,000)			(344,000)
Nonprofit Corporations	160,000			160,000
Lottery	136,000			136,000
Base Reduction.....			(274,000)	(274,000)
Lawful Gambling Prosecutors.....			70,000	70,000
Subtotal Attorney General	37,116,520		(204,000)	36,912,520
Investment Board	3,384,000		(34,000)	3,350,000
Subtotal Constitutional Officers	54,812,520		(351,000)	54,461,520
State Appropriations.....	252,571,920		(181,000)	252,390,920
Federal Appropriations	1,350,000			1,350,000
Total Governance Category	253,921,920		(181,000)	253,740,920

Statistics
Table C

	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
<u>Other Departments, Boards, and Commissions</u>				
Office of Administrative Hearings	\$ 5,998,000			5,998,000
Department of Administration				
Operations Management	7,955,000			7,955,000
Information Management	11,595,000			11,595,000
Property Management	15,649,000			15,649,000
Administrative Management	9,742,000			9,742,000
Information Policy Office	3,119,000			3,119,000
Interagency Projects	1,000,000			1,000,000
Base Cut	(324,000)			(324,000)
Veterans Home Siting Study	200,000			200,000
Purchasing from Small Business	390,000			390,000
Handicapped Access Review Board			1,500	1,500
Prevailing Wage Study			100,000	100,000
Minnesota Public Radio – Duluth			30,000	30,000
Base Reduction			(344,000)	(344,000)
Subtotal Department of Administration	49,326,000		(212,500)	49,113,500
Capitol Area Architectural and Planning Board	458,000		(13,000)	445,000
Department of Finance	17,062,000		(245,000)	16,817,000
Bond Refunds—Minneapolis, Koochiching County			62,150	62,150
Subtotal Department of Finance	17,062,000		(182,850)	16,879,150
Department of Revenue				
Revenue Administration	37,911,000			37,911,000
Tax Policy	6,139,000			6,139,000
Taxpayer Services	22,340,000			22,340,000
Operations	20,195,000			20,195,000
Tax Compliance	45,594,000			45,594,000
Cigarette Tax Enforcement	183,000			183,000
Lottery	388,000			388,000
Open and Standing	1,033,000			1,033,000
Incidence Study			50,000	50,000
Corporate Alternative Minimum Tax			105,000	105,000
Bill of Rights			150,000	150,000
Tax Increment Financing			45,000	45,000
Renter Credit Study			50,000	50,000
Base Reduction			(1,550,000)	(1,550,000)
Subtotal Department of Revenue	133,783,000		(1,150,000)	132,633,000
State Planning Agency	12,610,000		100,000	12,710,000
Community Resources Program	7,129,000		7,129,000	
Health Care Access Commission	800,000			800,000
Timber Harvesting Environmental Impact Statement (EIS)			100,000	100,000
Subtotal State Planning Agency	20,539,000		200,000	20,739,000

**Statistics
Table C**

	<u>1989-1991 Biennium</u>	<u>Estimate Changes</u>	<u>Law Changes</u>	<u>Total</u>
Ethical Practices Board	\$ 553,000		20,000	573,000
Political Contribution Tax Credit			150,000	150,000
Human Rights	5,804,000		(60,000)	5,744,000
Indian Affairs Council	626,000		140,000	766,000
Council on Affairs of Spanish-Speaking People	380,000			380,000
Council on Black Minnesotans	352,000			352,000
Council on Asian-Pacific Minnesotans	306,000			306,000
Council on People with Disabilities.....	1,040,000		(10,000)	1,030,000
Minnesota Municipal Board	505,000			505,000
Uniform Laws Commission.....	34,000			34,000
Minnesota Historical Society				
Historical Society Operations.....	13,417,000			13,417,000
Repair and Replacement.....	908,000			908,000
Historic Grant-In-Aid.....	659,000			659,000
Fiscal Agent.....	784,000			784,000
State History Center	1,320,000			1,320,000
Minnesota Humanities Commission.....			25,000	25,000
Historic Site Operations.....	6,376,000			6,376,000
Base Reduction			(125,000)	(125,000)
Subtotal Minnesota Historical Society	23,464,000		(100,000)	23,364,000
Board of the Arts.....	8,328,000		(9,000)	8,319,000
Board of Architecture			22,000	22,000
Minnesota Horticultural Society.....	136,000			136,000
Minnesota Academy of Science	56,000			56,000
Science Museum of Minnesota.....	1,276,000			1,276,000
Minnesota Safety Council	142,000			142,000
Veterans of Foreign Wars	62,000			62,000
Military Order of the Purple Heart	20,000			20,000
State Appropriations.....	270,250,000		(1,205,350)	269,044,650

Statistics
Table C

	<u>1989-1991</u> <u>Biennium</u>	<u>Estimate</u> <u>Changes</u>	<u>Law</u> <u>Changes</u>	<u>Total</u>
Federal Appropriations	\$ 20,536,000	100,000		20,636,000
Total Other Departments, Boards, and Commissions Category	290,786,000	100,000	(1,205,350)	289,680,650
<u>Direct Capital Appropriations and Debt Service</u>				
Debt Service	369,000,000	(16,261,000)	7,171,000	359,910,000
Special Tax Bond Debt Service	42,620,000	416,000		43,036,000
Crime Bill	1,553,000	(50,000)		1,503,000
Subtotal Debt Service	413,173,000	(15,895,000)	7,171,000	404,449,000
Capital Improvements (Non-Bonded)	2,103,000		14,797,000	16,900,000
Total Direct Capital Appropriations and Debt Service Category	415,276,000	(15,895,000)	21,968,000	421,349,000
<u>Miscellaneous</u>				
General Contingent Accounts				
General Fund	500,000			500,000
Trunk Highway Fund	400,000			400,000
Highway User Tax Distribution Fund	250,000			250,000
Special Revenue	500,000			500,000
Worker's Compensation	200,000			200,000
Subtotal General Contingent Accounts	1,850,000			1,850,000
Tort Claims	1,838,000			1,838,000
Campaign Fund Checkoff	3,895,000			3,895,000
Claims Against the State			119,812	119,812
Stripper Well Litigation	3,430,200			3,430,200
Loans to Revolving Fund	1,000,000			1,000,000
Total Miscellaneous Category	12,013,200		119,812	12,133,012
State Appropriations – Gross	16,254,188,372	(35,581,000)	15,799,862	16,234,407,234
Indirect Cost Receipts	(17,800,000)			(17,800,000)
State Appropriations – Net	16,236,388,372	(35,581,000)	15,799,862	16,216,607,234
Federal Funds Appropriations	4,335,769,000	982,000		4,336,751,000
Total Appropriations	20,572,157,372	(34,599,000)	15,799,862	20,553,358,234
Budget and Cash Flow Reserve	550,000,000			

Table D
Direct Appropriations
by Fund, by Chapter

Regular Session

<u>Chapter</u>	<u>Fund</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>Biennial Total</u>
	General			
519	Refunds		62,150	62,150
525	Farmer-Lender		100,000	100,000
530	Wholesale Produce Dealers		15,000	15,000
531	Handicap Access		1,500	1,500
534	Technology Assistance		34,000	34,000
536	Bone Marrow Donors		55,000	55,000
537	Claims		53,528	53,528
557	Legal Bias		50,000	50,000
561	Corporate Farming		60,000	60,000
562	Education Aids	(383,900)	(65,295,000)*	(65,678,900)*
565	Transportation and Semi-State Omnibus	772,000	1,153,000	1,925,000
568	Human Services Omnibus	37,870,000	60,925,000	98,795,000
574	Family Law		890,000	890,000
584	Court Administration		100,000	100,000
591	Higher Education	(9,783,400)	(11,276,600)	(21,060,000)
593	Flexible Gas Rate Study		5,000	5,000
594	State Department Omnibus	(1,183,000)	(15,043,000)	(16,226,000)
602	Drunken Driving		60,000	60,000
604	Tax Bill		1,100,000	1,100,000
607	Grasshoppers		725,000	725,000
608	Campaign Reform		170,000	170,000
610	Bonding Bill		4,263,000	4,263,000
	Total General	27,291,700	(21,792,422)	5,499,278
	Special			
483	Nursing		23,000	23,000
524	Prescriptions		5,300	5,300
565	Semi-States		50,000	50,000
568	Human Services	50,000	91,000	141,000
594	State Department	100,000	(1,149,000)	(1,049,000)
	Total Special Revenue	150,000	(979,700)	(829,700)

Statistics
Table D

Regular Session

<u>Chapter</u>	<u>Fund</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>Biennial Total</u>
	Higher User Tax Distribution			
565	Semi-States		134,000	134,000
602	Drunken Driving		31,000	31,000
	Total Highway User Tax Distribution		165,000	165,000
	Trunk Highway			
529	License Administration		146,000	146,000
537	Claims		66,284	66,284
563	Vehicle Inspection		263,000	263,000
565	Semi-States		(3,642,000)	(3,642,000)
594	State Departments		(1,864,000)	(1,864,000)
602	Drunken Driving		12,000	12,000
610	Bonding		<u>10,484,000</u>	<u>10,484,000</u>
	Total Trunk Highway		5,465,284	5,465,284
	Transit Assistance			
565	Semi-States	<u>516,000</u>	<u>(1,600,000)</u>	<u>(1,084,000)</u>
	Total Transit Assistance	516,000	(1,600,000)	(1,084,000)
	County State Aid Highway			
565	Semi-States		<u>(800,000)</u>	<u>(800,000)</u>
	Total County State Aid Highway		(800,000)	(800,000)
	Municipal State Aid			
565	Semi-States		<u>(2,700,000)</u>	<u>(2,700,000)</u>
	Total Municipal State Aid		(2,700,000)	(2,700,000)
	Airport			
610	Bonding		<u>50,000</u>	<u>50,000</u>
	Total Airport		50,000	50,000
	Minnesota Resources			
594	State Departments		<u>(72,000)</u>	<u>(72,000)</u>
	Total Minnesota Resources		(72,000)	(72,000)
	Workers's Compensation			
521	Workers' Compensation		<u>325,000</u>	<u>325,000</u>
	Total Workers' Compensation		325,000	325,000

Regular Session

<u>Chapter</u>	<u>Fund</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>Biennial Total</u>
	Environmental			
560	Toxic Pollution Control		940,000	940,000
594	State Departments		150,000	150,000
597	Pesticides		75,000	75,000
	Total Environmental		1,165,000	1,165,000
	Natural Resources			
594	State Departments		1,000,000	1,000,000
	Total Natural Resources		1,000,000	1,000,000
	Game and Fish			
594	State Departments		150,000	150,000
	Total Game and Fish		150,000	150,000
	Grand Total	27,957,700	(19,623,838)	8,333,862

*This includes a \$37,093,000 change in education aid estimates not shown in any bill.

Table E
Open and Standing Appropriations
Fiscal Years 1990 and 1991

	<u>1989-1991 Biennium</u>
Aids and Credits	
Property Tax Refund	\$ 276,530,000
Homestead Credit and Agricultural Credit (HACA)	1,435,315,000
Disparity Aid	105,011,000
Border City Disparity Aid	4,696,000
Local Government Aid	748,909,000
Attached Machinery Aid	6,436,000
Supplemental Homestead Property Tax Relief	1,786,000
Wetlands Credit	37,000
Native Prairie Credit	9,000
Disaster Credit	4,000
In-Lieu Payments on DNR Lands	9,163,000
Enterprise Zone Credit	624,000
Border City Enterprise Credit	1,900,000
Small Business Credit	1,294,000
Regional Transit Board Levy Reduction	4,960,000
Region 3—Occupation Tax	754,000
Mortgage and Deed*	<u>114,200,000</u>
Total Aids and Credits	2,711,628,000
Retirements	136,698,102
Debt Service	404,941,000
Other Open and Standing*	<u>29,931,750</u>
Total Open and Standing	3,283,198,852*

*Includes some non-general fund amounts.

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