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FISCAL REVIEW

Minnesota State Senate

1991 Session



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Fiscal Review

of the

1991 Legislative Session

Minnesota Senate
Office of Senate Counsel and Research

Edited by Bill Riemerman

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Introduction

This review is a report of actions taken by the 1991 session of the Minnesota legislature. The first such report was issued in 1975.

This is not an accounting of all legislative actions, but covers those with fiscal impact.

The tables in the Fiscal Review are all-inclusive and can be reconciled with fund statements prepared by the Department of Finance.

The report is on appropriations—not actual spending. Spending is affected by many factors including accounting practices, program participation etc. Appropriations are basically authorizations for expenditures.

Some of these appropriations are open-ended and determined by formula or participation rates. These are called open and standing. The Review uses the estimates of open and standing made through the Department of Finance at the time the budget was enacted.

Direct appropriations essentially are the limits of spending set by the Legislature.

This report handles open and standing appropriations as direct appropriations when the appropriation amount is specified in the session law when passed. (For example, education aids are based on open and standing authority to comply with the funding formulas, but the legislature actually uses the estimate of this cost in the session law).

This report is organized by functional groupings of appropriations which are most comprehensive on Table C of the statistical section.

There are also tables on appropriations by fund (Table A); a table by fund and law (chapter) (Table D); a general fund statement (Table B); a listing of open and standing appropriations (Table E); and a table of Federal funds (Table F).

Highlights

The 1991 Legislature adopted appropriations of about \$23,012,235,000 for fiscal years 1992 and 1993. This includes about \$5.1 billion in federal funds. These are the net appropriations levels after a number of appropriation vetoes by the governor.

These appropriations were made in a session dominated by projected revenue shortfalls due to the recession and sharply rising program costs.

In the first major actions of the 1991 session the Legislature adopted the Governor's proposal on 1991 adjustments which included a number of program cuts and the funding of deficiencies in the human services area.

The Human Services deficiencies totaled more than \$125 million and the cuts in fiscal year 1991 totaled more than \$150 million. One section of the adjustment bill reduced local aids that were payable in state fiscal year 1992, which coincided with local government fiscal year 1991, by \$50 million.

Revenues

About \$600 million in tax increases were enacted by the 1991 Legislature, led by more than \$400 million in increases in the sales and motor vehicle excise tax. This tax was dedicated to local aids and includes a local option provision. Failure to enact the local option results in major losses in state aids. Specifically, the sales and MVET increases brought these taxes from 6 percent to 6.5 percent.

Income taxes were increased by nearly \$150 million by not allowing the income tax marginal rate to drop from 8.5 percent to 8 percent and by conforming exemption and itemized deduction provisions to the federal rules.

The corporate income tax was changed to conform with federal provisions to raise about \$4 million; and the cigarette tax was increased five cents a package—from 38 cents to 43 cents.

Appropriations

Major functional areas and their appropriations were: Elementary & Secondary Education: \$5,064,108,000; Higher Education: \$2,734,483,000 (including tuition); Human Services: \$3,421,048,000; Transportation: \$1,714,832,000; Natural Resources: \$370,011,000; Pollution Control: \$104,241,000; Economic Development: \$124,251,000.

Various state aids again were the major part of the appropriations. A major portion of non-categorical local governmental unit aid was shifted into a trust fund financed by 2 percent of the 6.5 percent sales tax and MVET collections. Property tax classifications were adjusted to phase in proportionate property tax cuts to high valued homes and commercial property.

Higher Education

A major policy change in higher education was adopted with the enactment of a higher education merger bill which will merge the Technical colleges, the Community Colleges and the State University system under one board by July 1, 1995.

Health Care Access

The Legislature adopted a health care access bill funded by a further increase in the cigarette tax which was vetoed by the governor.

Transportation

The Legislature eliminated the transfer of Motor Vehicle Excise Tax money to the highway fund for the biennium and restored that transfer for the next biennium. The restoration was line-item vetoed by the Governor.

Economic Development

The 1991 session changed the name of the Greater Minnesota Corporation to Minnesota Technology Inc. and took the agency out of the automatic distribution formula for lottery receipts. The old law gave the corporation 25 percent of net lottery proceeds. This was eliminated and Minnesota Technology Inc. was appropriated \$25 million for the biennium from the general fund.

The Legislature also adopted an aid package for Northwest Airlines to help the corporation locate new facilities in Minnesota and to refinance existing facilities in the state. The package consisted primarily of general obligation bond authority. The new facilities were an engine repair facility in Hibbing and an aircraft maintenance facility in Duluth. The package includes authority of financial commitments by the state and involved local governmental units.

Protection of Workers

The 1991 session removed the sunset from a dislocated worker provision and a payroll tax passed in

the 1990 session. The new law also broadens the definition of workers who can receive benefits from this program.

The session also passed legislation that makes it unlawful for an employer to hire permanent replacements during a lockout or a strike authorized by the organization representing the workers.

The session also passed a major workers compensation bill which was vetoed by the governor.

Lottery

The 1991 session of the Legislature changed the allocation of net lottery proceeds so that 40 percent will go to the Natural Resources trust fund and 60 percent will go to the general fund.

The old distribution was 40 percent to the Natural Resources trust fund; 25 percent to the Greater Minnesota Corporation and 35 percent to the Infrastructure Development fund for debt retirement in connection with certain capital improvement projects. These projects included higher education and environmental and natural resources projects.

Revenues

State Taxes

Individual Income Tax

The individual income tax changes enacted by the 1991 legislature included updating to federal law changes enacted in 1990, increasing the top tax rate applied to high income individuals and providing a new tax credit for low income individuals. The combined impact of these changes was a revenue increase of \$146.5 million for the 1991-93 biennium.

The 1990 federal income tax changes provided for a phase-out of personal exemptions at incomes above \$150,000 on joint returns, \$125,000 for heads of household, \$100,000 for single returns and \$75,000 for returns of married couples filing separately. The personal exemptions are reduced by two percent for each \$2,500 by which the taxpayer's income exceeds the threshold.

The other major 1990 federal law change provided for a reduction in itemized deductions for single and joint filing taxpayers with incomes over \$100,000 (\$50,000 for married separate filers). The reduction is equal to three percent of the taxpayer's income which exceeds the threshold. The reduction is limited to 80 percent of the taxpayer's itemized deductions other than medical expenses, investment interest and casualty losses.

The update of Minnesota law to incorporate the 1990 federal changes is estimated to increase state individual income tax collections by \$78.5 million in the 1991-93 biennium.

The 1991 legislature also increased the top tax rate which applies to high income taxpayers. Under prior law, the state tax rates were as follows:

Married Joint	Single Taxpayer	Tax Rate Pct.
0 - 19,910	\$0 - 13,620	6
19,911 - 79,120	13,621 - 44,750	8
79,121 - 172,920	44,751 - 97,460	8.5
172,921 and over	97,461 and over	8
Married Separate	Head of Household	Tax Rate
0 - 9,960	\$0 - 16,770	6
9,961 - 39,560	16,771 - 67,390	8
39,561 - 133,620	67,391 - 141,480	8.5
133,621 and over	141,481 and over	8

Beginning in 1991, the top tax rate will remain at 8.5 percent rather than dropping back to 8 percent at the income levels shown above. The tax rate for the alternative minimum tax is increased from six to seven percent. The effect of these tax rate increases is estimated to be an increase of \$89.3 million for the 1991-1993 biennium.

A new refundable tax credit was enacted which is equal to 25 percent of the federal earned income credit. The federal credit is equal to 16.7 percent of the first \$7,200 of a taxpayer's wages and self-employment income for a taxpayer with one dependent. For a taxpayer with more than one dependent, the federal credit percentage is 17.3 percent. The maximum credit is reduced by 11.93 percent of income exceeding \$11,340 for taxpayers with one dependent and by 12.36 percent for taxpayers with more than one dependent. The state earned income credit is estimated to cost \$20 million in the 1991-93 biennium.

Corporate Franchise Tax

The update to 1990 federal law changes for corporations is estimated to increase franchise tax collections by \$3.8 million for the 1991-93 biennium. The federal law changes affecting the corporate franchise tax are generally technical accounting provisions.

Sales Tax

The state general sales tax and motor vehicle excise tax rates were increased from 6 to 6.5 percent for the period from July 1 through December 31, 1991. Beginning January 1, 1992, the half-percent increase in the tax rate is subject to local approval by county governments. The revenue from the half-percent tax rate increase is dedicated to a local government trust fund along with the revenue generated from the state general sales and motor vehicle excise taxes by a 1.5 percent tax rate. If a county chooses not to levy the half-percent local option sales tax

in a given year, the county government and cities and towns within the county would not receive state property tax relief aids for that year. The increase in the sales and motor vehicle excise taxes is estimated to be \$370.6 million for the 1991-93 biennium.

The sales tax base was broadened by extending the tax to dedicated telephone lines, business equipment sales and animal kennel services. The tax on telephone services is estimated to raise \$22.5 million, the tax on business equipment sales is estimated to raise \$14.2 million and the tax on kennel services is estimated to raise \$1.7 million in the 1991-93 biennium.

Special Taxes

A new tax was applied to motor vehicle rentals for periods of 28 or fewer days. The tax is \$7.50 per rental. This tax is estimated to raise \$10.1 million in the 1991-93 biennium.

A 7.5 percent surtax was applied to the use of pay-per-call telephone services. The surtax is estimated to raise \$2.9 million in the 1991-93 biennium.

The exemption from the telephone gross earnings tax for cellular telephones was repealed for a savings of \$2.1 million in the 1991-93 biennium.

The cigarette tax was increased from 38 cents per pack to 43 cents per pack. The increase in cigarette tax collections is estimated to be \$35.6 million for the 1991-93 biennium.

Local Property Tax and State Aids

Property Tax Aids and Credits

The 1991 legislative session continued the process of restructuring the system of state aids to local units of government. Major changes included the adoption of a local option sales tax, the dedication of a portion of sales tax revenues to a local government trust fund, and the establishment of an advisory commission to recommend changes in state aid formulas.

Beginning January 1, 1992, county governments have the option of levying a one-half percent sales and motor vehicle excise tax on sales occurring within the county. County boards must vote to approve or rescind the tax by July 1 of any year. The decision of the county board takes effect January 1 of the following year. The county board's decision may be reversed by the governing bodies of cities and towns representing more than half of a county's population. The vote by city and town governments must be taken by August 1. If a county board or the required number of city and town governing bodies choose not to levy the sales tax in a given year, the county government, cities, and towns would not receive property tax relief aids from the state for that year.

Revenue from the half-percent local option tax together with the state sales tax revenue raised by a 1.5 percent tax rate are dedicated to a newly created fund, called the local government trust fund. The following state aids to local governments (other than school districts) will be paid from the local government trust fund:

- Homestead and Agricultural Credit Aid (HACA)
- Disparity Reduction Aid
- Local Government Aid
- Equalization Aid
- Homestead and Agricultural Credit Guarantee
- Supplemental Homestead Credit
- Disparity Reduction Credit
- Attached Machinery Aid
- 25 Percent of the State Aid for County Human Services

A new state commission was created, called the Advisory Council on Intergovernmental Relations, which will make recommendations to the legislature regarding the aid formulas to be funded by the local government trust fund. In its first year, the commission will consist of ten legislators, eight local government officials, and two representatives of the executive branch of state government. After the first year, the number of legislative commission members will be reduced to four. In making its recommendations, the commission is required to consider local government revenue raising capacity, state-

local fiscal accountability, and state mandates for local services. The commission's recommendations may be adopted, modified, or rejected by a bill enacted into law.

The 1991 legislative session cut state aids payable to local governments in 1991 by \$85 million and cut aids payable in 1992 by \$86 million. The \$86 million reduction includes a \$51 million reduction previously enacted by the 1990 legislature. The aid cuts apply to counties, cities, towns, and special taxing districts. The 1991 aid cuts are determined by applying a uniform percentage to the revenue base (aids received plus taxes levied) of the affected local governments. Beginning with the December 1991 aid reduction the revenue base does not include county special levies for social services.

Property Tax

The 1991 legislative session substantially reduced property taxes on homes valued at more than \$115,000 and on commercial-industrial property valued at more than \$100,000. The highest property tax class rate for homes is phased out over two years, from 3 percent for taxes payable in 1991 to 2.5 percent in 1992 and to 2 percent in 1993 and thereafter. The property tax class rate for commercial-industrial property is reduced from 4.95 percent for taxes payable in 1991 to 4.75 percent in 1992, to 4.7 percent in 1993 and to 4.6 percent in 1994 and thereafter. The non-school portion of the residential homestead and commercial-industrial class rate changes are entirely paid for through the HACA aid formula. Class rate changes for the other property types are partially funded by the HACA formula. The table below summarizes the class rate changes.

	Pay 1991	Pay 1992	Pay 1993	Pay 1994
	Class Rate Pct.	Class Rate Pct.	Class Rate Pct.	Class Rate Pct.
Residential Homestead Value over \$115,000	3.0	2.5	2.0	2.0
Residential Nonhomestead Apartments	3.0	2.8	2.5	2.3
Seasonal Rec. Residential	3.6	3.5	3.4	3.4
Commercial-Industrial	2.3	2.2	2.0	2.0
	4.95	4.75	4.7	4.6

The seasonal recreational residential (cabins) property class is split beginning with taxes payable in 1993. The first \$72,000 of cabin value has a class rate of 2 percent and the remainder has a class rate of 2.5 percent.

The increase in HACA payments resulting from these class rate changes is estimated to be \$85 million in the 1991-1993 biennium.

The base for calculating the 1992 levy limits for counties, cities, and towns was frozen at the 1991 level. The three percent inflation adjustment and the population-

household growth factors were eliminated.

Referendum levies approved for taxes payable in 1993 and thereafter are required to be spread on the market value of taxable property in the jurisdiction rather than on the net tax capacity. This provision applies to all local governments, including school districts.

All State Aids

The 1991 legislature adopted budgets with local aid and credit appropriations of more than \$10.5 billion. Of that amount, about \$8.4 billion was from the general fund. This number is not comparable to previous years because the legislature created a trust fund for local aids from sales tax revenues formerly allocated to the general fund.

Property Tax and Local Aids
(000's)

	Trust Fund	General Fund
Local Government Aid	\$ 567,498	\$
Equalization Aid	38,951	
Disparity Aid	60,617	26,067
Border City Disparity	5,401	
Att. Machinery Aid	4,764	1,672
Homestead & Ag. Credit Aid	739,727	320,884
Supplemental Homestead Credit	716	1,122
Homestead Guarantee	108	
RTB Levy Reduction		5,338
Enterprise Credit		1,244
Circuit Breaker		421,400
General Fund Tax & Credit Aids		\$ 777,727
Total Local Government Trust	\$1,417,782	
TOTAL TAX AIDS & CREDITS - ALL FUNDS	\$2,195,509	
Police & Fire Aid		77,562
Mpls. Retirement Fund		20,910
Local Police - Fire		12,110
Judges' Retirement		5,000
Total Pensions		\$ 115,582
Human Service Aid	69,316	207,944
Mortgage Registry		109,084
Dedicated Hosp. Receipts		306,947
AFDC, etc.		163,348
General Assistance		136,592
Minnesota Supplemental Assistance		89,141
Medical Assistance		1,383,236
General Assistance Medical Care		274,257
Social Services		104,300
Total General Fund Human Service Aids		\$ 2,774,849
Community Health Aids		\$ 33,308
Education Aids		\$ 4,478,833
Local Corrections		80,372
Courts		106,380
Total Justice System Aid		\$ 186,752
TOTAL GENERAL FUND AIDS		\$ 8,367,051
TOTAL TRUST FUND	\$ 1,487,098	
Non-General Fund Aids Without Trust Fund		
Permanent School Fund		60,500
Highway County Aids		482,000
Municipal Highway Aids		133,000
Total		\$ 675,500
TOTAL AIDS ALL FUNDS		\$10,529,649

The new aid trust fund is a little less than \$1.5 billion; and \$675.5 million in non-general fund revenues were allocated to local highway aids and school aids.

As always, the largest local aid item was more than \$4.5 billion in education aids. All but \$60.5 million of these aids were from the general fund. That sum came from the dedicated permanent school fund.

Property tax aids and credits totaled almost \$2.5 billion, all but \$421.4 million going to local units of government. The \$421.4 million is for property tax credits to homeowners and renters. Other property tax aids were an appropriation of about \$186.8 million for community corrections and operations of the trial courts, and appropriations of about \$115.6 million for local governments' pension obligations to police, fire and other local government employees.

Human service aids for locally administered programs totaled more than \$2.8 billion with almost \$2 billion allocated to medical programs administered through medical assistance and general assistance medical care. The medical payments are to vendors such as hospitals, nursing home operators, doctors, dentists etc. for care administered to the elderly, handicapped, AFDC and/or general assistance recipients.

The remainder of the aids are for the support of families and individuals on these programs and for social service programs operated by the counties.

The other aids are for highway maintenance dedicated by the Minnesota Constitution for county and city road needs. These aids totaled \$482 million for the counties and \$133 million for the municipalities.

Appropriations

Fiscal Year 1991 Adjustments

The 1991 legislative session in Chapter 2 passed legislation to adjust appropriations to handle deficiencies in the human service areas and to help eliminate budget shortfall forecasts.

The actions included about \$194.5 million in appropriation and cancellation adjustments, transfers of moneys from other funds to the general fund and prior year adjustments. Deficiency appropriations totaled about \$125.4 million.

The appropriation cuts by areas were:

- K-12 education, about \$6.5 million;
- Higher education, about \$17 million;
- Human Development, about \$18.2 million;
- Environment and Natural Resources, about \$2.2 million;
- Infrastructure and Regulation, about \$52.8 million; and
- State Departments, about \$4.4 million.

The appropriation cuts totaled about \$101.1 million.

The cancellation adjustments totaled about \$6.9 million and the prior year adjustments added about \$3.1 million to the general fund balance.

The transfers from other funds were \$33.3 million, including \$9 million from a special revenue fund of the Greater Minnesota Corporation; \$1.6 million from the Transit Assistance fund; \$16.3 million from the Infrastructure Development fund; \$1.6 million from the computer service internal revenue fund; \$600,000 from Department of Administration project funds; \$400,000 from the workers' compensation special fund; and \$500,000 from the capital access account in the special revenue fund.

That bill also enacted a \$50 million local aid reduction for fiscal year 1992 (the July 1991 payment of local aids, HACA etc.).

Elementary and Secondary Education

The 1991 Legislature appropriated \$4.6 billion for elementary and secondary education for the 1992-1993 fiscal years. This represents an increase of \$759 million, or almost 20 percent, over the appropriations for the previous biennium of \$3.8 billion.

The table below summarizes the appropriations for the two bienniums.

The largest category—General Education Aid—accounts for approximately three-fourths of all appropriations for elementary-secondary education. The greatest percentage increases are in appropriations for District Organization and Capital Expenditures: both of these categories include major new programs.

Elementary and Secondary Education
Biennial Appropriations
(dollars)

	1989-91	1991-93	Percent Change
Dept. of Education and Arts Center	\$ 59,425,400	\$ 55,315,000	(6.9)
General Education Aid	2,827,495,000	3,411,283,000	20.6
Transportation Aid	206,310,700	239,593,000	16.1
Special Programs	403,098,900	460,887,000	14.3
Community and Adult Education	45,029,200	61,227,000	36.0
Capital Expenditures	180,504,500	251,719,000	39.4
Education Organization	11,025,300	9,873,000	(10.5)
Educational Improvement	11,290,400	7,573,000	(32.9)
Other Educational Aids	92,933,700	98,460,000	5.9
Total	\$3,837,113,100	\$4,595,930,000	19.8%

Department of Education and Arts Center

The 1991 Legislature appropriated \$45.2 million for administration of the State Department of Education (including the Faribault residential academies). This was a decrease of \$2.5 million over the previous biennium. This reflects a 20 percent reduction to the department's budget. An additional \$10.1 million was appropriated for the Minnesota Center for Arts Education.

General Education Aid

The General Education Aid program is the largest category of aid paid to school districts. Unlike "categorical" aids, General Education Aid may be used to pay for a variety of a district's operating expenses. General Education revenue includes a series of complicated aid and levy formulas which have been modified many times.

General education revenue consists of four separate components:

- **Basic revenue** is \$2.953 per actual pupil unit for all school districts in fiscal year 1991. This amount will be \$3.050 in fiscal years 1992 and 1993.
- **Compensatory education revenue** is additional revenue for districts in which the number of children receiving AFDC is greater than six percent of the actual pupil units. This revenue may be used only to provide services for children whose achievement is below the age-appropriate level. Beginning in 1993, the minimum percentage is eliminated so that all districts will qualify for some compensatory revenue.
- **Training and experience revenue** is provided to districts in which the teachers have, on average, high levels of education and experience. It is intended to partially compensate for the relatively high salaries in these districts. Changes set to begin in 1993 would allow all districts to qualify for this revenue.
- **Sparsity revenue** is provided to districts which are both small and geographically isolated. There is a secondary component for districts with less than 400 secondary students and an elementary component for schools under 140 elementary students.

To receive general education revenue, each district must levy property taxes up to an amount equal to a specified tax capacity rate times the district's adjusted tax capacity. State aid will make up the difference between the district's total general education revenue and the proceeds of the levy.

The general education revenue formula has three additional provisions. The first is a **supplemental revenue** provision which guarantees that every district's revenue per pupil unit will equal at least its 1988 revenue per pupil unit plus a minimum guarantee. If a district's general education revenue is less than this guaranteed minimum, the district receives supplemental revenue equal to the difference. This revenue was rebased to 1991 during the session. The second provision is a **fund balance reduction**. If a district's operating fund balance exceeds \$600 per pupil unit, the district's general education revenue will be reduced by the amount of the excess, up to a maximum reduction of \$150 per pupil unit. The third provision is a **levy equity** provision, which increases local tax levies in districts with high property values per pupil unit. Once fully phased in, this provision will require all districts to levy the same general education tax capacity rate.

A significant change that affects general education revenue is a reduction in the secondary pupil weighting from 1.35 to 1.3. This also affects other categorical programs based on pupil units.

Transportation Aid

The 1991 Legislature appropriated \$239.5 million for Transportation Aid in fiscal years 1992 and 1993, up \$33 million from the prior two years. Revenue is no longer available for late activity transportation. The basic formula also was adjusted in a number of minor ways.

Special Programs

The 1991 Legislature modified the funding formulas for special education, secondary vocational education for the handicapped, and limited English proficiency, resulting in a reduction of the state's share of funding for these programs. The special education and secondary vocational education for the handicapped funding formulas were reduced from 60 percent of salaries, with a maximum of \$16,727, to 56.4 percent of salaries, with a maximum of \$15,700, in fiscal year 1992. In fiscal year 1993 and thereafter, the formulas were reduced to 55.2 percent of salaries, with a maximum of \$15,320. The limited English proficiency formula was reduced to 55.2 percent of salaries, with a maximum of \$15,320, effective for fiscal year 1992 and thereafter. Regardless of the formula changes, state appropriations for these programs increased by \$5.3 million over the previous biennium for

Appropriations Elementary and Secondary Education

a total of \$361 million. The formula for individualized learning and development aid was also modified to increase funding and expand the program to include children in grades two and three. The aid was increased from \$62.25 times a district's average daily membership in grades K - 1 to \$64 times average daily membership in grades K - 2 in fiscal year 1992, and \$66 times average daily membership in grades K - 3 in fiscal year 1993. The total appropriation for individualized learning and development aid for the biennium is \$27.2 million.

Appropriations for American Indian education programs were increased by \$1 million over the previous biennium to a total of \$8.2 million for fiscal years 1992-93. Equalization aid for tribal contract schools was increased from \$400,000 to \$1.2 million. New funding of \$136,000 was provided to expand the Early Childhood Family Education program to include tribal contract schools. Funding for the Indian Teacher Preparation Grant program was also increased by \$80,000 to include a new partnership between Augsburg College and the Minneapolis public school district. Total funding for the program will equal \$380,000 for the biennium.

The Legislature also established equalization aid for special education levies beginning with fiscal year 1993. An appropriation of \$9.2 million is available to equalize local school district special education levies at an adjusted net tax capacity of \$3,540 per pupil unit.

Due to the 1989-91 biennium budget deficit, an emergency reduction of \$3.6 million in the fiscal year 1991 special education appropriation was made.

Community and Adult Education

The appropriation for community and adult education programs was significantly increased for the 1991-93 biennium. The 1991 Legislature appropriated \$61.2 million for the new biennium, an increase of \$16.2 million over the 1989-91 biennium. The appropriation for developmental screening, which is now mandatory for enrollment of children in kindergarten or first grade, was increased from \$2.2 million in the previous biennium to \$3.1 million. The Early Childhood Family Education program formula was increased from \$87.75 per child under the age of five residing in the school district to \$96.50 per child for fiscal year 1992, and \$101.25 per child for fiscal year 1993. Total funding for ECFE increased from \$19.9 million in fiscal years 1990-91 to \$25.5 million in 1992-93. Beginning in fiscal year 1993, funding for adult basic education for school districts and other provider agencies will be computed on an equalized

per student basis. Provider agencies will be entitled to revenue of 65 percent of the general education formula allowance for each full-time equivalent student enrolled in an approved adult basic education program. State aid will equal the difference between the revenue amount and the amount raised by a local levy of .21 percent of the adjusted net tax capacity of the school district. Previously, provider agencies received state aid of 75 percent of approved salaries and supplies. The state appropriation for adult basic education programs increased from \$9.8 million in fiscal years 1990-91 to \$11.9 million in fiscal years 1992-93.

Two new statewide Early Childhood School Readiness programs were initiated by the 1991 Legislature. Way to Grow was expanded from five pilot projects to a statewide program. An appropriation of \$950,000 is available for the biennium. The Learning Readiness program is a comprehensive integrated program providing education, health, nutrition, and social services to four-year-old children who are not enrolled in kindergarten. Of the \$28 million appropriated for the biennium for Learning Readiness, \$20 million in fiscal year 1993 was vetoed.

Due to the 1989-91 biennium budget deficit, an emergency reduction of \$1.8 million in the fiscal year 1991 community and adult education appropriation was made.

Capital Expenditures

The Legislature appropriated \$252 million to fund district expenditures on capital. This includes \$219 million for facilities and equipment, and \$23 million for health and safety improvements. An additional \$9.9 million was appropriated for debt service for maximum effort school loans.

Educational Organization

Appropriations to Education Organization declined by \$1.2 million. About \$3.1 million of the total dollars was for education districts, \$205,000 was for secondary vocational cooperation, and \$6.5 million was for the cooperation and combination program.

Educational Improvement

The 1991 Legislature appropriated \$7.5 million for a variety of general educational improvement programs in fiscal years 1992 and 1993. This was a decrease from the \$11.3 million appropriated for similar purposes in fiscal years 1990 and 1991. A minority faculty program was funded at \$1 million. This program provides salary subsidies for minority teachers. A new program for Outcome Based Education was funded at \$1.4 million.

Other Education Aids

A total of \$98.5 million was appropriated for other education aids for fiscal years 1992 and 1993. This represents a 5.9 percent increase over the \$92.9 million appropriated for the previous biennium. Included in this amount is \$29.9 million for desegregation grants to the Minneapolis, St. Paul and Duluth school districts, to assist with the additional costs of mandatory school desegregation.

Other continuing appropriations included regional management information centers (\$6.8 million), abatement aid (\$12.0 million), school lunch aid (\$11.9 million), library grants (\$11.1 million), aid to nonpublic school students (\$17.4 million). The school lunch and library appropriations were increased significantly.

Higher Education

The omnibus higher education funding bill appropriated about \$2 billion to higher education.

transfer of technical colleges from school board governance, and proposals for providing legal services and a single accounting system.

Merger

The major legislative initiative in the omnibus higher education funding bill was the creation of the Higher Education Board, and merger of the Technical College System, Community College System, and State University System. Each congressional district will have one representative on the newly-created board. In addition, there are four members-at-large and one student member. The merger will become effective July 1, 1995.

The initial board will be composed of two members each from the three existing system boards, and six members appointed by the governor. Appointments must be made by July 1, 1991. Subsequent members will be selected by an advisory council.

An interim chancellor must be hired by November 1, 1991. A search for a permanent chancellor will take place during the transitional period.

The Higher Education Board will address a number of issues related to the operation of the new system. Issues include: prospective administrative structures, the

Appropriations Summary

Appropriations for higher education were as shown in the following table. The appropriations are reduced to include the Governor's item vetoes. The vetoes challenged in district court were rejected in district court, but this decision is on appeal.

The Governor's line-item vetoes resulted in a \$24.2 million reduction in state appropriations to higher education.

The following reductions were made to each system:

Higher Education Coordinating Board	\$1 million
Board of Regents—University of Minnesota	23.2 million

Some line item vetoes were found invalid by a District Court, but are under appeal by the Governor. These reductions are not included in these totals. They involve the Technical Colleges (\$1.5 million), the Community Colleges (\$14.6 million) and the State University system (\$14.4 million).

Appropriations Higher Education

Higher Education Appropriations (dollars)

	FY 1992	FY 1993	Biennial Total
Higher Education Coordinating Board	\$ 97,669,000	\$ 93,494,000	\$ 191,163,000
State Board for Technical Colleges	165,466,000	165,061,000	330,527,000
State Board for Community Colleges	99,436,000	100,697,000	200,133,000
State University Board	183,134,000	179,666,000	362,800,000
Board of Regents – Univ. of Minnesota	446,760,000	427,869,000	874,629,000
Mayo Medical Foundation	985,000	956,000	1,941,000
Total	\$ 993,450,000	\$967,743,000	\$1,961,193,000

Fiscal 1991 Reductions

Appropriation reductions also were made to each system's FY 1991 budget. Reductions were as follows:

Higher Education Coordinating Board	\$ (3,020,000)
State Board for Technical Colleges	(1,880,000)
State Board for Community Colleges	(1,190,000)
State University Board	(2,130,000)
Board of Regents — University of Minnesota	(8,800,000)
Total	\$(17,020,000)

Higher Education Coordinating Board

The Legislature appropriated \$191.2 million to the Higher Education Coordinating Board for the FY 92-FY 93 biennium. About \$80.6 million in FY 1992 and \$78.1 million in FY 1993 are for state financial aid grants to students. A total of \$5 million was appropriated for child care grants.

An appropriation for \$150,000 was made for telecommunications grants for instructional programs. Grants were awarded to Southwest State University, St. Cloud Technical College, and the University of Minnesota at Crookston.

Technical Colleges

The technical college board received a biennial appropriation of \$330.5 million. The appropriation included \$1.1 million for library acquisitions, and \$16.8 million for instructional equipment.

The state board of technical colleges was directed to allocate 12.75 percent of the funds received from the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 to the state board of education. These

funds are used to support secondary vocational technical education programs and services. The two boards must establish a process for allocating these funds in the future.

Community College System

The community college board received a biennial appropriation of \$200 million. This appropriation included \$1.8 million for library acquisitions, and \$4.6 million for instructional equipment. The appropriation also included \$2.8 million in FY 1992 and \$2.7 million in FY 1993 for increased enrollments. The latter appropriation is nonrecurring, and does not become part of the base.

State Universities

The state university board received a biennial appropriation of \$362.8 million. The appropriation included \$5.2 million for library acquisitions, and \$12.6 million for instructional equipment.

The State University System will establish a school of law enforcement in the metro area by July 1, 1992. The school will offer professional peace officer education, graduate and continuing education programs and conduct applied research.

University of Minnesota

The University of Minnesota received a biennial appropriation of \$874.6 million. The legislature intends that \$8.2 million be used for library acquisitions, and \$14 million for instructional equipment. The appropriation includes \$147.2 million for the following programs: agriculture and extension services, and health sciences.

Mayo Medical Foundation

Mayo Medical Foundation received a biennial appropriation of \$1.9 million.

Miscellaneous Provisions

The 1991 session transferred the unencumbered balance in the infrastructure development fund to the general fund. Consequently, the 28.3 percent of lottery proceeds dedicated to capital improvement projects at higher education institutions will be deposited in the general fund.

The omnibus bill created the Iron Range Higher Education Committee. The Committee will advise the Commissioner of the Iron Range Resources and Rehabilitation Board on developing a contract with the state university system to provide courses in the taconite tax relief area.

The Minnesota Academic Excellence Scholarship Program was established in the omnibus bill. Special collegiate license plates will be issued to anyone contributing at least \$100 to the scholarship account. Three-fourths of the funds raised must be distributed to the campuses that raised the funds. Scholarships are awarded to eligible students who have demonstrated potential and

achievement in one of the following areas: English/creative writing, fine arts, foreign languages, math, science, or social studies.

A task force on postsecondary funding was established. The task force is charged with examining alternative funding formulas for postsecondary education. Incentives for the provision of quality education programs should be incorporated into proposed funding options.

Science Museum of Minnesota

The 1991 Legislature appropriated \$2.3 million from the general fund to the Science Museum of Minnesota for the 1991-93 biennium, which is a 78.4 percent increase over the last biennium.

Minnesota Academy of Science

The 1991 Legislature appropriated \$68,000 from the general fund to the Minnesota Academy of Science for the 1991-93 biennium, which is a 21.4 percent increase over the last biennium.

Human Services

The Legislature made available almost \$3.8 billion for human service programs, including:

- almost \$3.1 billion appropriated in the Omnibus Human Services Appropriations bill (Chapter 292);
- about \$277.2 million provided in the tax bill to pay the county share of historical welfare costs;
- about \$109.1 million provided in the tax bill from mortgage and deed registry taxes to offset AFDC expenditures; and
- an offset against Medical Assistance of about \$319.9 million because collections for the cost of services provided at state operated human services facilities are dedicated to the Medical Assistance account.

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

Administration

About \$23.9 million was provided for DHS administration. Agency-wide reductions of over \$5.7 million were taken through elimination of positions and reductions in printing costs and travel. An appropriation of \$1.7 million was approved to administer the provider surcharge initiative described below.

Legal and Intergovernmental

Approximately \$8.7 million was appropriated for contracting, rules and bulletins, legislation/policy coordination, community service evaluation, and licensing.

Appropriations Human Services

Economic Support Services

Over \$732 million was provided for economic support services, including assistance payments administration, quality control/corrective action, employment and training, refugee and immigrant assistance, child support enforcement, reports and analyses, the MAXIS computerization project, AFDC, General Assistance, Work Readiness, Minnesota Supplemental Aid, and the child care fund.

Administration of Economic Support Services

Over \$7.4 million was provided for administration of economic support services. The appropriation included about \$1.7 million to expand the fraud prevention investigation initiative. Over \$1 million was provided to contract with banks to ensure access to no-cost check cashing of public assistance checks.

Quality Control/Corrective Action

Almost \$6.3 million was provided for this activity, which involves meeting federal reporting requirements for the Medical Assistance, AFDC, and Food Stamp programs.

Employment and Training

About \$25.2 million was provided for this activity. Funding for the STRIDE employment and training program for AFDC recipients was reduced by \$1.3 million. The Legislature provided \$680,000 to plan and design an automated system to report financial and statistical information regarding STRIDE. The system is necessary to meet federal reporting requirements. An \$850,000 appropriation was approved to continue planning of the Minnesota Family Investment Plan (MFIP), a welfare reform initiative designed to encourage welfare families to become self-sufficient through employment. Actual implementation of MFIP was delayed until specifically authorized for the 1993-1995 biennium. A savings of \$605,000 was taken by reducing Work Readiness transportation funding and eliminating Work Readiness grants to pay client expenses directly related to starting a job.

Refugee and Immigrant Assistance

The Legislature appropriated \$591,000 for continued statewide planning and administration of refugee and immigrant services.

Child Support Enforcement

Almost \$14.5 million was provided for this program, including \$1.4 million each year for payments to counties for administrative costs. This money will be distributed based on AFDC child support collections in each county.

Reports and Analyses

Over \$1.9 million was provided for this activity, which involves forecasting and reporting on expenditures in the health care and family support programs.

MAXIS

The Legislature provided \$14 million for continuing the implementation of the MAXIS computer system to provide an automatic eligibility determination process statewide.

Aid to Families with Dependent Children

The appropriation for AFDC was about \$330 million, including \$163.3 million provided in the human services bill; \$57.6 million provided in the tax bill to pay the county share of historical AFDC costs (about \$54.8 million) and case management costs for AFDC clients (about \$2.7 million); and \$109.1 million provided in the tax bill from mortgage and deed registry taxes.

Expansion of the fraud prevention initiative was expected to save over \$1 million. Changes in child support laws were anticipated to reduce AFDC costs by about \$4.7 million. Savings of \$578,000 were projected from reinstating a county share of AFDC-Emergency Assistance costs. The appropriation includes about \$3.2 million which is the state cost of paying the county share of growth in the AFDC program.

General Assistance

The GA appropriation was about \$77.6 million, including \$47.5 million provided in the human services bill and \$30.1 million provided in the tax bill to pay the county share of historical GA costs. Single adults residing in the state for less than six months are limited to 60 percent of the GA grant unless they can prove they were receiving a higher amount in their previous home state. This is expected to save \$928,000. Over \$5 million was saved by restructuring GA eligibility categories and moving some clients to the time-limited Work Readiness program. A \$400,000 savings was achieved by reinstating a county share of GA-Emergency Assistance costs. The appropriation reflects a savings of about \$12.1 million related to the state takeover of the county share of growth in the GA program. Legislative action to restrict GA eligibility has reduced the cost of this takeover.

Work Readiness

The Work Readiness (WR) appropriation totaled about \$101.4 million, including \$89.1 million for WR grants provided in the human services omnibus bill and \$12.3 million provided in the tax bill to pay the county share of historical WR grant costs (\$9.9 million) and WR services costs (\$2.4 million). Savings from the 60 percent grant limit for certain new state residents (see General Assistance) is expected to save \$729,000. The shift of GA clients to the WR program is expected to increase WR costs by almost \$3.7 million. A savings of about \$14.9 million was realized by placing time limits on WR eligibility. Persons who qualify by reason of illiteracy will be eligible for seven months out of 12, and all other clients will be eligible for only five months. Savings of more than \$3 million were realized by eliminating full-time post-secondary students from the program and by delaying the initial grant until the first day of the month following a completed application. The appropriation includes over \$13.5 million which is the state cost of paying the county share of growth in the WR program.

Minnesota Supplemental Aid

The MSA appropriation totaled about \$103.4 million, including \$89.1 million provided in the human services bill and \$14.3 million provided in the tax bill to pay the county share of historical MSA costs. Savings of almost \$4.5 million were realized by placing limits on development of new negotiated rate facilities. A savings of \$557,000 was taken in the second year of the biennium by limiting the negotiated rate for certain non-MA

certified board and care facilities to 65 percent of the average nursing home level "A" rate in effect in the geographic area in which the facility is located. A savings of \$547,000 was assumed through reinstating a county share for costs of negotiated rate facilities. Savings of over \$8.8 million are anticipated from shifting from the MSA program to MA the costs of supervision and general care of persons with mental retardation living in foster care arrangements. This is contingent on federal approval. Expansion of the Semi-Independent Living Services (SILS) program is expected to increase MSA costs by \$328,000 because MSA pays living expenses for SILS participants. A savings of \$576,000 is anticipated from downsizing 18 facilities currently classified as institutions for mental disease (IMDs). (This downsizing will enable these facilities to escape the IMD designation and will allow them to qualify for MA reimbursement.) A net cost of \$585,000 is anticipated in MSA as a result of growth in housing options for persons with mental retardation because MSA pays the room and board costs when those options are developed. A savings of almost \$2 million is anticipated from elimination of inflationary increases for negotiated rate facilities.

The appropriation includes \$901,000 which is the state cost of paying the county share of growth in the MSA program.

Child Care Fund

Almost \$50 million was provided for child care, including about \$24.5 million for AFDC recipients entitled to services and about \$21.2 million for the sliding fee program. The Legislature approved \$375,000 to cover additional child care and administrative costs associated with Minnesota's participation in a national evaluation of STRIDE and other welfare-to-work programs.

Economic Services to the Elderly

About \$58.9 million was provided for economic services to elderly persons, including almost \$49.5 million for preadmission screening and alternative care grants (PAS/ACG) for persons not eligible for Medical Assistance (\$45.5 million provided in the human services bill and \$4 million provided in the tax bill to pay the county share of historical ACG costs). Funding of about \$11.6 million was provided for program expansion, but this was partially offset by savings of about \$1.6 million achieved by limiting inflationary increases for ACG services to 3 percent the second year; about \$4.5 million by instituting a system of sliding fee premiums for ACG

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services; and \$599,000 by limiting the cost of care for ACG clients to 75 percent of the statewide average nursing home per diem for persons at the same case mix level.

Aging Administration was funded at about \$1.8 million, including a new appropriation of \$420,000 for congregate housing as part of the SAIL (Seniors' Agenda for Independent Living) initiative. Area Agencies on Aging received almost \$4.4 million, including \$200,000 in new money to subsidize congregate and home delivered meals programs. Other activities funded under economic services to the elderly were the Aging Ombudsman (\$410,000); Foster Grandparents (about \$1.3 million); the Retired Senior Volunteer Program, or RSVP (\$694,000), and Senior Companion Grants (\$782,000).

Special Needs Adults

Funding for special needs adults totalled about \$245.4 million. Within this program, about \$1.8 million was provided for social services administration and about \$104.3 million for Community Social Services Act (CSSA) grants, including over \$1 million for a 3 percent wage increase for day training and habilitation service employees for fiscal year 1992.

Developmental disabilities administration received over \$3.8 million; chemical dependency administration got \$971,000; American Indian chemical dependency grants totaled more than \$2.1 million; and chemical dependency special grants for adults were more than \$2.5 million. The Semi-Independent Living Services (SILS) program received about \$10.7 million, including over \$1 million to expand the number of clients served and \$338,000 for a three percent wage increase for SILS employees in fiscal year 1992.

Over \$58.5 million was approved for the chemical dependency consolidated treatment fund. Mental health administration was funded at just over \$2.8 million, including \$600,000 for costs associated with the mental health housing initiative, and about \$53.4 million was provided for mental health grants for adults. These grants included \$2 million for housing subsidies and housing support services, \$750,000 to downsize institutions for mental disease (IMDs), and \$882,000 to develop alternatives to IMDs. Over \$1.3 million was provided for a 3 percent wage increase for employees in community and residential mental health programs. A \$600,000 appropriation was approved to develop alternative community-based placements for residents of regional treatment centers (RTCs) with mental illness. The hearing impaired program received over \$4.6 million.

Special Needs Children

Programs for special needs children received over \$32.2 million. Children's Mental Health was funded at \$5.1 million, including increases of about \$1.3 million for case management for non-MA children and about \$1.5 million for increased services for non-MA children. (These services are already paid for through MA for MA-eligible children.) Money for children's services administration was increased by \$500,000 to over \$1.4 million. Children's Services Grants were funded at over \$22.8 million. This amount included \$995,000 for Families First and \$800,000 for early intervention services. The Family Subsidy program was funded at almost \$2.9 million, which included \$900,000 to expand the number of families served.

Health Care

More than \$2.2 billion was provided for health care programs and administration.

Health Care Management

About \$12.2 million was provided for management of health care programs.

Medical Assistance Grants

The Legislature made almost \$1.84 billion available for MA, including:

- over \$1.38 billion provided in the human services bill;
- \$135.2 million provided in the tax bill to pay the county share of historical MA costs for medical transportation (\$4.2 million) and other services (\$131 million); and
- about \$319.9 million made available for MA costs by dedicating all collections at state facilities to the MA account.

Almost \$4.2 million was provided to cover costs that will be shifted from the MSA program to the Developmental Disabilities waiver if the federal government approves a proposal to use MA dollars to cover room and board and certain other costs of mentally retarded persons living in foster care. The impact of growth in the Alternative Care Grants program is expected to reduce MA nursing home costs by almost \$9.1 million. The mental health housing initiative, which includes downsizing institutions for mental disease (IMDs) so that they regain

eligibility for federal MA funding, is expected to increase state MA spending by over \$3.2 million. Requiring counties to pay half of the non-federal costs of treating emotionally disturbed children in regional treatment centers (RTCs) is budgeted to save over \$1.6 million.

A freeze on the conversion of intermediate care facilities for persons with mental retardation (ICFs/MR) to the more intensive B service level is expected to save over \$4 million. About \$1.6 million was provided for enhanced waiver services to ensure continuing discharges from RTCs. A freeze on ICF/MR downsizing to closure, which temporarily increases MA costs during the downsizing period, is expected to save almost \$3.6 million. A freeze on the development of new ICFs/MR is expected to save over \$2.5 million. Over \$3.2 million was appropriated to cover a one-time increase required for counties to include in their rates the costs of commissioner's special projects and increases in Metro Mobility. Limiting certain waiver costs is expected to save about \$1.3 million. A delay in implementation of the client-based reimbursement rule for ICFs/MR is expected to save about \$1.4 million. Almost \$2.2 million was provided for a 3 percent wage increase for workers in day training programs and developmental disability waiver programs during fiscal year 1992.

Cost saving initiatives involving the establishment of computer edits in the claims processing system and manual claims reviews in areas where national coding schemes are not adequate are expected to save over \$2.4 million. Restrictions on over-the-counter drugs are anticipated to save almost \$1.3 million. The extension to 29 months of state-paid insurance for persons infected with the HIV virus is expected to save about \$1.3 million in MA. Tightened criteria in the managed home care area is expected to reduce MA costs by over \$1.4 million. Increases in long-term care field audits is budgeted to save almost \$3.7 million. The MA appropriation includes over \$44.4 million, which is the state cost of paying the county share of MA program growth.

MA Demonstration Grants

Almost \$2.1 million was budgeted for this activity, which involves establishing contracts to utilize capitated health plans for MA clients in order to reduce costs.

General Assistance Medical Care

The appropriation for GAMC totaled about \$298 million, including \$274.3 million provided in the human services bill and \$23.7 million provided in the tax bill to pay the county share of historical GAMC costs for

transportation (\$1.4 million) and other services (\$22.3 million). Eligibility changes in the General Assistance and Work Readiness programs are expected to reduce GAMC costs by almost \$5.1 million. The mental health housing initiative is expected to reduce GAMC costs by over \$1.3 million by establishing MA eligibility for some persons currently residing in institutions for mental disease (IMD's) and therefore dependent on GAMC rather than MA for their medical needs. The elimination of special transportation services under GAMC is expected to save almost \$1.2 million. The appropriation includes almost \$6.4 million which is the state cost of paying the county share of GAMC program growth.

Children's Health Plan

Almost \$19.3 million was provided for the Children's Health Plan, which provides primary health care for children ages one through 17 in families with gross annual incomes of 185 percent or less of federal poverty guidelines.

Long Term Care Management

Almost \$17 million was provided for this activity. As part of the SAIL initiative to expand community care options for senior citizens, the Legislature provided over \$1.1 million for caregiver support and respite care; \$800,000 for expanded preadmission screening assessment and service referral; \$300,000 for adult foster care development; \$550,000 for technical assistance and public information; and \$480,000 for community care and block nurse programs.

Other Health Care Programs

The Legislature provided over \$18.7 million for health care support; over \$6.1 million for health care collections; over \$6.8 million for audits; and more than \$1.4 million for provider appeals.

Provider Surcharges

The Legislature authorized surcharges levied against Medical Assistance payments received by hospitals and nursing homes. The hospital surcharge is 10 percent of inpatient payments received and 5 percent of outpatient payments received. The nursing home surcharge is \$500 per licensed bed for facilities that participate in the MA program.

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The surcharges are expected to generate about \$105 million in payments, of which about \$40 million will be used to reimburse providers for the surcharge amounts paid in and the remainder will be used for other MA and GAMC payments.

About \$21.3 million was appropriated for nursing homes, including about \$17.4 million to offset reductions proposed in the governor's budget and almost \$2.3 million to freeze property reimbursement rates at the current level rather than instituting the rental reimbursement system.

Appropriations for hospitals included almost \$5.4 million to cancel the proposed peer grouping system for MA and GAMC hospital reimbursement, about \$2.3 million in MA payments to offset the effects of eliminating GAMC inflationary increases, and \$2.7 million to increase MA outpatient reimbursement rates to 80 percent of calendar 1990 charges.

Physician reimbursement was increased effective July 1, 1992, to the median of 1989 charges minus discounts of 20, 30, or 40 percent, depending on the type of service performed. This is expected to cost over \$7.4 million in MA, GAMC, and the Children's Health Plan. Dental reimbursement was increased effective July 1, 1992, by 20 percent for preventive services and 5 percent for all other services at an anticipated cost of \$986,000 in MA, GAMC, and CHP. Another \$5.6 million was provided to cancel a proposed MA limit of \$150 for adult dental care.

Other appropriations from the surcharge revenue included about \$1.5 million to partially offset the proposed reductions in reimbursement for special transportation; \$597,000 to continue cost of living adjustments for the personal needs allowance; over \$3 million in inflationary adjustments for various home care service providers; about \$12.2 million to cancel proposed cuts in GAMC services; and \$1.7 million for DHS administration costs.

State Residential Programs

Over \$477 million was appropriated for state regional treatment centers and nursing homes, state

operated community services, and for associated administrative costs. About \$5.2 million was provided to supplement the operation of RTC chemical dependency programs. (The governor line item vetoed the language that transfers money from the chemical dependency consolidated treatment fund to the RTCs.) Over \$3.1 million was appropriated to provide Clozapine to mentally ill RTC patients. Clozapine is a relatively new anti-psychotic medication which is sometimes effective in treating difficult cases of schizophrenia. Savings of \$364,000 are anticipated through reduced use of other drugs for these clients. A total of \$1.4 million was provided to issue revenue bonds to finance the construction and renovation of state nursing home beds, and more than \$3.8 million was provided the second year to operate those beds. Some \$615,000 was approved to issue Minnesota Housing Finance Agency bonds to finance the construction of additional state security hospital beds, and \$1 million was approved to operate those beds. About \$9.4 million in savings is anticipated from downsizing of RTC mental retardation services, but the savings are somewhat offset by costs of over \$3.2 million for staff mitigation measures.

Almost \$17 million was approved for state-operated community services (SOCS), which are small residential facilities for persons with mental retardation who formerly resided at the RTCs. About \$2.9 million was transferred from the SOCS to the RTCs to reflect a planned slowdown in the development of SOCS. About \$1.5 million was approved for the transition unit in charge of SOCS development, and \$3.6 million was appropriated for residential facility management.

Miscellaneous Appropriations

Chapter 336 provided \$1.2 million to the Department of Human Services for treatment of compulsive gamblers (see gambling section for details).

Health

The Omnibus Health and Human Services Appropriations Bill (Chapter 292) provided about \$99.2 million for the Minnesota Department of Health, including about \$94.9 million from the general fund, \$336,000 from the metro landfill fund, \$968,000 from the state government special revenue fund, and almost \$3 million from the trunk highway fund.

About \$32.3 million was appropriated for health protection services. Disease prevention and control activities received about \$8.7 million, a reduction of \$370,000 from the base level. Public health labs were funded at about \$4.6 million. Environmental health programs received about \$15.6 million. Health promotion and education activities received about \$3.3 million, a \$314,000 reduction from the base level. Anti-smoking programs were cut by \$150,000. The budget for advertising was reduced by \$100,000.

Health delivery programs received about \$54.6 million. The Legislature appropriated about \$14.8 million for maternal and child health programs, including an increase of \$1.9 million for family planning efforts and a \$200,000 increase for the federal supplemental food program for women, infants and children (WIC). In addition, \$500,000 in WIC funds unspent during fiscal year 1991 were reappropriated for fiscal 1992. About \$2.2 million was provided for health systems development, including \$95,000 for additional staff to process HMO complaints. The \$95,000 will be recovered through fees levied on HMOs. The Legislature appropriated about \$4.3 million for health resources programs. This amount includes an increase of \$216,000 to provide inflationary increases in various departmental programs supported by fees. A \$240,000 appropriation was approved to study nursing home licensure laws and regulations. This amount will be recovered through fees levied on nursing homes. A \$160,000 appropriation was provided to develop rules for the licensure of residential care homes, and this amount will be recovered through fees on licensees. Community Health Services (CHS) were funded at about \$33.3 million. CHS block grants were cut by 1.5 percent, saving \$432,000.

The Legislature provided \$968,000 from the state government special revenue fund for departmental activities. This includes \$230,000 to establish an office of mental health professionals to replace several licensing boards. In addition, \$322,000 was provided to operate registration systems for contact lens technicians and occupational therapists and to expand the regulatory system for speech and hearing occupations.

Health support services were funded at about \$8.1 million. This includes about \$3.3 million for health information/general services and about \$4.8 million for management support.

Miscellaneous Appropriations

Chapter 335, the health care access bill, was vetoed by the governor. The bill passed by the legislature established a new state program in the Department of Health to provide health coverage to uninsured and underinsured Minnesotans. Eligible persons would receive subsidized coverage of outpatient and preventive care and could also purchase an optional, unsubsidized plan covering inpatient care. The bill also contained rural health initiatives, health insurance reforms, health data and research programs, and special requirements relating to small employer health plans. The bill included a total of \$32,426,000 in appropriations for the biennium. Appropriations to the Commissioner of Health for the new state program included \$15,526,000 for premium subsidies and \$11,982,000 for the costs of establishing the new program, including hiring staff, research, contracts, and administration. The Commissioner of Commerce was given \$316,000 for various duties relating to implementation of the new program and the insurance reform provisions. The Commissioner of Human Services was given \$1,161,000 for increased costs expected in the Medical Assistance and General Assistance Medical Care programs due to referral of eligible persons from the new state program and \$211,000 for administration and planning costs associated with the new program.

Money provided for rural health initiatives included \$500,000 to encourage pediatricians to practice in rural areas, \$250,000 for rural hospital transition grants, \$200,000 to subsidized isolated rural hospitals, and \$628,000 to establish and operate a new Office of Rural Health. Also included were appropriations to the Higher Education Coordinating Board for rural practitioner education programs, including \$80,000 for the physician loan forgiveness program, \$56,000 for a mid-level practitioner loan forgiveness program, and \$10,000 for continuing education for rural nurses. The Commissioner of Human Services was given \$276,000 to continue providing higher payments to small rural hospitals.

Appropriations

Health - Veterans - Transportation

The bill also contained an appropriation of \$1,230,000 to the Commissioner of Health to establish a Health Care Analysis Unit to undertake health care research and data collection activities.

Chapter 286 appropriated \$300,000 to the Commissioner of Health for the WIC program to expand services

to all eligible Minnesotans by January 1, 1994. (This chapter also appropriated \$130,000 to the Commissioner to continue a health screening and intervention program for herbicide and fumigant applicators, but that appropriation was line-item vetoed by the governor.)

Veterans

Veterans Nursing Homes Board

The Health and Human Services Omnibus Appropriations Bill (Chapter 292) provided about \$50.7 million to the board to operate facilities in Minneapolis, Hastings, Silver Bay, and Luverne, and for board expenses. Total appropriations for the facilities were over \$49.7 million, including about \$35.8 million for Minneapolis; about \$6.7 million for Hastings; about \$5.6 million for Silver Bay; and \$1.6 million to start up the Luverne facility.

These amounts are offset somewhat by collections from veterans who contribute towards their cost of care. These collections are deposited in the general fund. For operation of the board, the Legislature provided \$953,000, including \$150,000 for a long range physical plant study.

Department of Veterans Affairs

The Omnibus Economic and State Affairs Appropriations Bill (Chapter 345) provided about \$5.8 million for the Department of Veterans Affairs. About \$2.1 million was provided for emergency financial and medical needs of veterans; \$500,000 was appropriated for a grant to Vinland National Center; \$25,000 was provided to prepare a welcome home celebration on November 10, 1991, for all veterans, and about \$3.2 million was provided for department administration costs.

Transportation

Motor Vehicle Excise Tax (MVET)

The Legislature returned to the general fund the \$52.2 million in Motor Vehicle Excise Tax (MVET) revenue that had been transferred out in fiscal year 1991 to the Department of Transportation and the Department of Public Safety. This amount represented 30 percent of all MVET revenue.

In Chapter 233, the Legislature accepted the Governor's recommendation that no MVET funds be transferred in the 1991-93 biennium but authorized a 10.67 percent transfer for the 1993-95 biennium. This transfer would amount to about \$37.2 million. However, the Governor vetoed the statutory language changes that would have authorized this transfer.

The 1991-93 biennium marks the first time since the 1985-87 biennium that no MVET revenue was transferred out of the general fund for transportation purposes.

Highways

The Legislature appropriated \$811.8 million to the Department of Transportation for construction on the state trunk highway system. This represented a cut of about \$53 million, or six percent, from the previous biennial appropriation. The appropriation for state road operations and maintenance rose about seven percent to \$289 million.

For county state aid highways, the Legislature appropriated \$482 million, the same level as the previous biennium, and for municipal state aid streets the appropriation was \$133 million, slightly higher than the previous biennium.

Transit

As part of the discontinuation of the MVET transfer, the Legislature eliminated the transit assistance fund (TAF) and made up part of the funding shortfall from the general fund.

The Legislature appropriated \$53.3 million to the Regional Transit Board for metropolitan transit. This includes \$25.3 million for Metro Mobility, which represents a 17.8 percent increase over the previous biennium. Chapter 233 prohibits the RTB from spending any more than this amount on Metro Mobility. The RTB appropriation also includes \$23.1 million for regular route transit, a 9.5 percent increase from the previous biennium.

The Legislature appropriated a \$15.9 million for transit services in Greater Minnesota, a slight decrease from the previous biennium.

Public Safety Transportation Activities

State Patrol

The Legislature appropriated \$83.2 million to the Department of Public Safety (DPS) for the activities of the state patrol, a slight decrease from the previous biennium.

Driver and Vehicle Services

The Legislature appropriated \$65.5 million to DPS for its licensing, registration, examination and other services related to vehicle ownership and operation. This represented a slight increase over the 1989-91 biennium.

Chapter 233 authorized the department to spend \$118,000 over the biennium on creating collegiate license plates for the academic excellence scholarship program. This amount is to be repaid to the highway user tax distribution fund from revenues received through the sale of the plates.

Traffic Safety

A total of \$480,000 was appropriated by the Legislature to DPS for its traffic safety activities, an 8 percent increase over the previous biennium.

Agriculture

Department of Agriculture

The 1991 Legislature appropriated \$26.3 million to the Department of Agriculture for the 1991-93 biennium which is a 1.7 percent decrease over the last biennium. The major source of appropriations to the Department of Agriculture is the general fund (98%). The table below provides a list of the funds along with the amounts and percentage of funding.

Department of Agriculture Biennial Appropriations by Fund		
Fund	1991-93	Pct. of Total
General	\$25,678,000	97.61
Environmental	260,000	0.99
Special Revenue	370,000	1.41
Total	\$26,308,000	100.00

The two major areas of spending for the Department of Agriculture are for administrative supports and grants (42.7%) and the agricultural protection service (40%). The table below provides a list of appropriations along with the amounts and percentage of total appropriations for each purpose.

Department of Agriculture Biennial Appropriations by Purpose		
Purpose	1991-93	Pct. of Total
Protection Service	\$10,518,000	39.98
Promotion and Marketing	1,503,000	5.71
Family Farm Services	2,436,000	9.26
Administrative Support and Grants	11,221,000	42.65
Chapter 332 - Rural Finance Authority	630,000	2.39
Total	\$26,308,000	100.00

Appropriations Agriculture

Included in the general fund appropriations to the Department of Agriculture is \$400,000 for mediation, \$300,000 for agricultural information centers, and \$200,000 for a base adjustment for grants to county agricultural societies. Not included in the appropriation amounts is \$200,000 for farm and small business management programs, through the technical college system, which was passed by the Legislature but vetoed by the Governor.

In Chapter 332 the 1991 Legislature created the agricultural development program which uses tax-exempt bonds for agricultural development loans to beginning farmers. Under the program the state sells a tax-exempt bond to a lender and the lender then borrows the amount of the bond to the beginning farmer. The state assigns its responsibility for paying the bond to the farmer and the state is then removed from the responsibility of paying the bond. Because the bond is tax-exempt the interest rate is less than a conventional loan. The program also allows the use of tax-exempt bonds for seller sponsored loans to beginning farmers. The Legislature appropriated \$300,000 to the Rural Finance Authority (RFA) for the start-up costs of the program. Also in Chapter 332 the RFA was transferred from the Department of Finance to the Department of Agriculture along with \$330,000 for administration of the existing RFA programs.

Board of Animal Health

The 1991 Legislature appropriated \$4.2 million from the general fund to the Board of Animal Health for the 1991-93 biennium which is a 3 percent decrease over the last biennium. Included in the appropriation is \$300,000 for an integrated pseudorabies control and research program.

Inspection Fees

The 1991 Legislature increased the inspection fees for nursery stock growers, nursery stock dealers, licensed food handlers, and egg handlers. The following tables show the old fees prior to the change and the new fees based on the size of the operation.

Nursery Licensing

	Old Fee	New Fee
Nursery Stock Growers		
1/2 acre or less	\$ 40	\$ 70
Over 1/2 acre and up to 2 acres	60	85
Over 2 acres and up to 10 acres	125	150
Over 10 acres and up to 50 acres	360	400
Over 50 acres	725	725
		plus \$1 per acre over 50 acres
Nursery Stock Dealers (per location)		
Gross Sales up to \$1,000	\$ 40	\$ 70
Gross Sales over \$1,000 up to \$5,000	50	70
Gross Sales over \$5,000 up to \$10,000	85	100
Gross Sales over \$10,000 up to \$25,000	125	200
Gross Sales over \$25,000 up to \$75,000	175	300
Gross Sales over \$75,000 up to \$100,000	260	400
Gross Sales over \$100,000 up to \$250,000	400	500
Gross Sales over \$250,000	400	600

The 1991 Legislature also increased the maximum annual inspection fee for commercial canneries from \$2,500 to \$3,000, and removed the deduction for fees paid under the food handler licensing.

Food Handler License Fees

	Old Fee	New Fee
Retail Food Handler		
Gross Sales less than \$15,000 with only prepackaged food	\$ 40	\$ 40
Gross Sales of \$15,000 to \$50,000 and Gross Sales under \$15,000 with food preparation	40	55
Gross Sales of \$50,000 to \$250,000	75	105
Gross Sales of \$250,000 to \$1 million	125	180
Gross Sales of \$1 million to \$5 million	250	500
Gross Sales of \$5 million to \$10 million	250	700
Gross Sales over \$10 million	250	800
Wholesale Food Handler		
Gross Sales less than \$250,000	\$100	\$200
Gross Sales of \$250,000 to \$1 million	150	400
Gross Sales of \$1 million to \$5 million	200	500
Gross Sales over \$5 million	200	575
Food Broker	\$ 75	\$100
Wholesale Food Processor Or Manufacturer		
Gross Sales less than \$250,000	\$200	\$275
Gross Sales of \$250,000 to \$1 million	275	400
Gross Sales of \$1 million to \$5 million	375	500
Gross Sales over \$5 million	375	575
Wholesale Meat or Poultry Processor		
Gross Sales less than \$250,000	\$100	\$150
Gross Sales of \$250,000 to \$1 million	150	225
Gross Sales of \$1 million to \$5 million	175	275
Gross Sales over \$5 million	175	325
Nonresident Frozen Dairy Manufacturer		\$200

Egg Handlers Annual Inspection Fees

Cases During Highest Volume Month	Old Fee	New Fee
1 to 50	\$ 10	\$ 10
51 to 100	10	25
101 to 1,000	25	50
1,001 to 2,000	50	75
2,001 to 4,000	75	100
4,001 to 6,000	100	125
6,001 to 8,000	125	150
8,001 to 10,000	150	200
Over 10,000	200	250

Dairy Inspection Fees

The 1991 Legislature reduced the Grade A dairy farm annual inspection fee (includes two inspections) from \$66 per farm to the lesser of 40 percent of the cost of inspection or \$50. The reinspection fee is similarly reduced from \$33 per inspection to the lesser of 40 percent of the cost of inspection or \$25. The annual inspection fee (includes one inspection) and the reinspection fee for manufacturing grade dairy farm certification is also reduced from \$33 to the lesser of 40 percent of the cost of inspection or \$25.

Beginning July 1, 1991, fluid milk processors must pay a fee of five cents per hundredweight. The Commissioner of Agriculture may, by rule, increase the fee up to nine cents per hundredweight if needed to provide adequate funding for inspections of dairy farms.

Ethanol Development Account

The maximum total payments from the account to all ethanol producers in any fiscal year is reduced from

\$10 million to \$4.5 million. Under the Ethanol Development program, ethanol producers in Minnesota are paid 20 cents per gallon of ethanol produced.

Farm Safety

The 1991 Legislature established an interdisciplinary research center for agricultural health and safety within the University of Minnesota School of Public Health. A Farm Safety Advisory Commission is created to support, review, and monitor the programs of the research center.

The 1991 Legislature also:

- prohibited the sale by dealers of tractors that do not include power-take-off shields, a road transport lighting and reflector system, and a slow-moving vehicle sign;
- established a farm safety audit pilot project; and
- required the Minnesota Pesticide Applicator Education and Training Review Board to perform an evaluation of the effectiveness of the pesticide applicator training program.

Minnesota Horticultural Society

The 1991 Legislature appropriated \$143,000 from the general fund to the Minnesota Horticultural Society for the 1991-93 biennium which is a 5.1 percent increase over the last biennium.

Economic Development

Department of Trade & Economic Development

The 1991 Legislature appropriated \$81.7 million to the Department of Trade and Economic Development (DTED) for the 1992-93 biennium. However, executive vetoes of \$21.3 million cut the department's biennial appropriations to \$60.4 million. The major components of the appropriations are shown in the table below.

A number of programs were funded to assist existing Minnesota businesses and encourage and attract new businesses, including the Advantage Minnesota Initiative, Small Business Development Centers and Women Venture. A total of \$11 million was appropriated for economic recovery grants, of which up to \$500,000 may be used to implement the Capital Access Program. The Legislature also appropriated a \$500,000 matching grant to the World Trade Center for an annual medical exposition, trade fair and health care congress to be held in conjunction with the World Health Care Organization's 1993 International Conference on Children's Health Care.

Department of Trade and Economic Development
Biennial Appropriations
(dollars)

Division	1992-93
Community Development	\$18,338,000
Minnesota Trade Office	4,247,000
Tourism	16,546,000
Business Development and Analysis	10,718,000
Administration	4,304,000
State Planning Agency Transfer	6,984,000
Base Cut	(709,000)
Total	\$60,428,000

The Legislature eliminated the Can-Do program and grants for Community Development Corporations, and the St. Paul Depot. In addition, it closed two foreign offices of the Minnesota Trade Office.

Major vetoes included \$11.8 million for targeted neighborhood revitalization programs (URAP) for Minneapolis, St. Paul, Duluth and South St. Paul; \$4 million for bond retirement for the Great River Road project, the Como Park Conservatory, the Hennepin County Regional Park District and land acquisition in Washington county; and \$2.8 million for operation and maintenance of the metropolitan regional park system.

Community Resource Programs and Regional Development Commissions, formerly administered by the State Planning Agency, were transferred to DTED

when the Agency was restructured by the Legislature.

The DTED FY 1991 appropriation reduction and transfers totalled approximately \$3.7 million. This included a department appropriation reduction of \$549,000.

Northwest Airlines

The 1991 Legislature authorized the State of Minnesota and the Metropolitan Airports Commission (MAC) to assist Northwest Airlines in financing new facilities and refinancing present facilities by issuing up to \$740 million in revenue and general obligation bonds. An aircraft maintenance facility in Duluth and an engine repair facility in Hibbing are to be financed using state issued bonds, while existing Northwest facilities at the Minneapolis/St. Paul International Airport will be refinanced with bonds issued by the MAC. In addition, the legislature granted a job creation income tax credit to Northwest, and exempted all construction materials and supplies for the facilities from sales and use taxes until January 1, 1995. The Legislature established an Interagency Task Force to oversee the projects and advise the responsible public agencies concerning:

- Financial commitments of the State and the participating local units of government;
- Loan, lease, or revenue agreements; and
- The financial condition of Northwest Airlines.

The legislation authorizes the Commissioner of Finance to sell up to \$250 million in state revenue bonds to finance the construction of the Duluth facility, the total cost of which is estimated at \$235 million. Four types of state revenue bonds will be sold to finance the project:

- \$50 million of revenue bonds secured by the lease payments on the facility;
- \$125 million of bonds secured by lease payments with a backup security of a \$125 million State general obligation bond pledge;
- \$12.6 million of bonds secured by lease payments with a backup security of a \$12.6 million St. Louis County general obligation bond pledge; and,
- \$47.6 million of state revenue bonds secured by the City of Duluth.

The Hibbing facility will be financed with \$65 million of state revenue bonds and \$35 million of Iron Range Resource and Rehabilitation Board (IRRRB) bonds. A total of \$50 million of state revenue bonds will be secured by a State general obligation bond pledge, and

\$15 million of bonds will be secured by a St. Louis County general obligation pledge. The remaining \$35 million of revenue bonds will be issued and secured by the IRRRB. St. Louis County and the cities of Chisholm and Hibbing are also authorized to issue bonds secured by the increments of a 30 year tax increment district created for the facility.

Finally, the legislation authorized MAC to issue up to \$120 million in revenue bonds and \$270 million in general obligation revenue bonds to acquire and finance airline property for lease back to the airline, and to refinance MAC properties presently leased by the airline.

Greater Minnesota Corporation

The 1991 Legislature changed the name of the Greater Minnesota Corporation to Minnesota Technolo-

gy, Inc. It enlarged and restructured the board of directors and charged the corporation with the primary duties of applied research, technology transfer and early stage funding to small manufacturers. In addition, the Legislature transferred the following programs from the Department of Trade and Economic Development to Minnesota Technology, Inc.: Minnesota Project Outreach Corporation, Minnesota Project Innovation, Inc., Minnesota Quality Council, Minnesota High Technology Corridor Corporation, and the Office of Science and Technology.

The dedication of lottery proceeds to the corporation was discontinued. Instead, the Legislature appropriated \$25 million to the corporation for the biennium from the general fund, \$1 million of which was to fund the World Trade Center. However, the governor vetoed funding for the World Trade Center.

Housing

The 1991 Legislature appropriated \$8.5 million in new money for affordable housing to the Minnesota Housing Finance Agency (MHFA). The following table shows the distribution of new housing funds.

The Legislature also approved a \$500,000 increase in the Transitional Housing program funded through the Department of Jobs and Training.

MHFA New Housing Monies Biennial Appropriations (dollars)	
Program	1992-93
Rent Assistance for Family Stabilization	\$3,000,000
Housing Capital Reserve Program	1,650,000
Blighted Property Acquisition Program	1,750,000
Housing Trust Fund	1,600,000
Neighborhood Land Trust Program	100,000
Wet/Dry Housing	100,000
Homeless Housing and Planning Grants	50,000
Partial Restoration of cuts to Tribal Indian Housing	400,000
Total	\$8,650,000

In addition, the MHFA budget was approved as shown in the following table. The budget represents a shift of resources from home ownership to rental housing

and special needs programs. The table also reflects a \$1.4 million cut in the Rehabilitation/Accessibility Loan Program and an \$800,000 cut in the Tribal Indian Housing Program. The Tribal Indian Housing Program was partially restored in the new appropriations above.

Minnesota Housing Finance Agency
Biennial Appropriation
(dollars)

Program	1992-93
Homesharing Program	\$ 500,000
Homeownership Assistance Fund	750,000
Tribal Indian Housing	2,975,000
Urban Indian Housing	450,000
Rehabilitation/Accessibility Loans	8,600,000
Urban and Rural Homesteading	375,000
Special Needs Housing	1,750,000
Rental Housing	4,168,000
Non-Profit Capacity Building Grants	200,000
Home Equity Counseling	50,000
Total	\$19,818,000

To help balance the fiscal year 1991 budget, the Legislature transferred \$600,000 from MHFA's housing development fund to the general fund.

Natural Resources

Department of Natural Resources

The 1991 Legislature appropriated \$294.4 million to the Department of Natural Resources (DNR) for the 1991-93 biennium which is a 3.6 percent increase over the last biennium. The two major funding sources for the DNR are the general fund (53.3%) and the game and fish fund (34.08%). The table below provides a list of the funds along with the amounts and percentage of total funding.

Department of Natural Resources
Biennial Appropriations by Fund
(dollars)

Fund	1991-93	Pct. of Total
General	\$156,901,500	53.30
Game and Fish	100,342,000	34.08
Natural Resources	35,946,000	12.21
Permanent School	1,200,000	0.41
Total	\$294,389,500	100.00

The three largest areas of spending for the DNR are fish and wildlife management (24.45%), forest management (15.77%), and parks and recreation management (13.47%). The following table provides a list of appropriations along with the amounts and percentage of total appropriations for each purpose.

Department of Natural Resources
Biennial Appropriations by Purpose
(dollars)

Purpose	1991-93	Pct. of Total
Mineral Res. Mgmt.	\$ 10,567,000	3.59
Water Res. Mgmt.	16,596,000	5.64
Forest Management	46,416,000	15.77
Parks & Rec. Mgmt.	39,642,000	13.47
Trails & Waterways	22,088,000	7.50
Fish & Wildlife Mgmt.	71,976,000	24.45
Enforcement	28,965,000	9.84
Field Operations Support	22,999,000	7.81
Reg. Operations Support	10,257,000	3.48
Special Ser. & Programs	11,734,000	3.99
Admin. Mgmt. Services	13,192,000	4.48
General Reduction	(1,020,000)	-0.35
Chapter 354 - Wetlands	977,500	0.33
Total	\$294,389,500	100.00

Not included in the appropriation amounts are \$10,000 for stream stabilization and \$50,000 for county forest management grants which were passed by the Legislature but vetoed by the Governor. Included in the general fund appropriation for parks and recreation

management is \$1.2 million which is a transfer from the state parks working capital account to be used for state park resource management and interpretive programs. The working capital account consists of revenue for the sale or rental of state park items. Included in the general fund appropriation for fish and wildlife management is \$3.3 million for Reinvest in Minnesota (RIM) programs of game and fish, critical habitat, and wetlands. Included in the natural resource fund appropriations for field operations support is \$1.5 million from the land acquisition account for acquisition costs associated with Tettegouche State Park, Glendalough State Park, and other state park in-holding acquisition.

To increase funding for snowmobile trails, state parks, and fish and wildlife activities, chapter 254 increased fees on natural resource activities relating to snowmobile registration, state park permits, and several game and fish license fee categories. The table below shows the old fees prior to the change along with the new fees (including surcharges and issuing fees).

Natural Resources Fees*

License	Old Fee	New Fee
Snowmobile Reg.- 3 yr	\$18.50	\$30.50
State Park - annual	16.00	18.00
State Park - 2nd. veh.	8.00	12.00
State Park - two-day	3.25	4.00
State Park - daily-group	**	2.00
State Park - annual for handicapped or over 65	8.00	12.00
State Park - 2-day for handicapped or over 65	2.00	4.00
Resident Turkey	14.00	16.00
Res. Fam. Deer License	85.00	Repealed
Res. Deer - antlered only, only in more than one zone		45.00
Nonresident Turkey	33.00	56.00
Nonres. Fishing - annual	23.50	28.50
Nonres. Fishing - fam. yr	37.00	38.50

*Includes surcharges and issuing fees where applicable.

**Set by the Commissioner of Natural Resources.

The snowmobile license fee change is effective on July 1, 1991. The state park fee changes are effective beginning October 1, 1991. The game and fish license fees are effective beginning March 1, 1992.

Board of Water and Soil Resources

The 1991 Legislature appropriated \$18.1 million from the general fund to the Board of Water and Soil Resources (BOWSR) for the 1991-93 biennium which is a 29.2 percent increase over the last biennium. Included in the appropriations to BOWSR are \$1.8 million for implementation of the RIM-Reserve program, \$5 million for comprehensive local water planning, and \$200,000 for an abandoned well inventory pilot project. Also included in the total is \$2 million appropriated in the "Wetlands Conservation Act of 1991" (Chapter 354).

Zoological Board

The 1991 Legislature appropriated \$17.8 million to the Zoological Board for the 1991-93 biennium which is a 61.6 percent increase over the last biennium.

Minnesota-Wisconsin Boundary Area Commission

The 1991 Legislature appropriated \$254,000 from the general fund to the Minnesota-Wisconsin Boundary Area Commission for the 1991-93 biennium which is a 12.4 percent increase over the last biennium. The appropriation only is available to the extent that it is matched by the State of Wisconsin.

Citizen's Council on Voyageurs National Park

The 1991 Legislature appropriated \$160,000 from the general fund to the Citizen's Council on Voyageurs National Park for the 1991-93 biennium which is a 12.7 percent increase over the last biennium.

Legislative Commission on Minnesota Resources

The 1991 Legislature appropriated \$35 million from the three funds used for natural resources acceleration for

the 1991-93 biennium which is an 88.9 percent increase over the last biennium. The increase is due to the additional money appropriated from the Environment and Natural Resources Trust Fund. The 1991-93 biennium is the first biennium where money from the fund is appropriated. The two major sources of funding for natural resources acceleration are the Minnesota Future Resources Fund (47.25%) and the Minnesota Environment and Natural Resources Trust Fund (42.75%). The table below provides a list of the funds along with the amounts and percentages of total funding.

Legislative Commission on Minnesota Resources Biennial Appropriations by Fund

Fund	1991-93	Pct. of Total
Minnesota Future Res. Fund	\$16,534,000	47.25
MN Env. & Nat. Res. Trust Fund	14,960,000	42.75
Special Rev.- Oil Overcharge	3,500,000	10.00
Total	\$34,994,000	100.00

The four areas of spending receiving the largest appropriation amounts from the three funds are water (16.49%), land (13.79%), wildlife (12.86%), and recreation (12.43%). The table below provides a list of appropriations along with the appropriation amounts and percentage of total funding for each of the funding categories.

Legislative Commission on Minnesota Resources Biennial Appropriations by Purpose

Purpose	1991-93	Pct. of Total
LCMR Administration	\$ 850,000	2.43
Recreation	4,349,000	12.43
Water	5,769,000	16.49
Education	2,885,000	8.24
Agriculture	2,090,000	5.97
Forestry	1,850,000	5.29
Fisheries	2,020,000	5.77
Wildlife	4,500,000	12.86
Land	4,826,000	13.79
Minerals	120,000	0.34
Waste	235,000	0.67
Energy	3,500,000	10.00
Transfer to General Fund	2,000,000	5.72
Total	\$34,994,000	100.00

Included in the appropriations is a transfer of about \$22 million to the general fund from the Minnesota Future Resources Fund.

Appropriations
Natural Resources - Wetlands Conservation

Natural Resources Bonding

The 1991 Legislature appropriated \$28 million from the bond proceeds fund for natural resource projects.

The table below provides a list of the appropriations along with the amounts and percentages of total funding.

Natural Resource Bonding
 Appropriations by Purpose

Purpose	Amount	Pct. of Total
Board of Water and Soil Resources		
RIM-Reserve	\$ 1,900,000	6.79
RIM-Reserve Wetland Restorations	5,000,000	17.88
Wetland Easements	7,000,000	25.03
Department of Natural Resources		
Critical Habitat Matching	3,000,000	10.73
Trail Acquisition and Dev.	1,000,000	3.58
State Park Rehabilitation	2,650,000	9.47
State Park Development	750,000	2.68
State Forest Acquisition	145,000	0.52
Trade and Economic Development		
Regional Park Acquisition and Dev.	6,525,000	23.33
Total	\$27,970,000	100.00

Wetlands Conservation

The "Wetlands Conservation Act of 1991" (Chapter 354) includes an interim regulatory program, a permanent regulatory program beginning in 1993 and financial incentives to preserve, restore and create wetlands.

Under the interim program which is scheduled to start on January 1, 1992 and end on July 1, 1993, state agencies or local units of government may not issue a permit that would include draining, burning, or filling a wetland unless an exemption is provided or for which the local soil and water conservation district (SWCD) or other permitting authority certifies that any loss of wetland area will be replaced. SWCDs and local permitting authorities may charge a fee of up to \$75 for the certification exemption.

By July 1, 1993 the Board of Water and Soil Resources (BOWSR), in consultation with the commissioner of natural resources, must adopt rules on the public value of wetlands and that govern the approval of wetland replacement plans. After the effective date of the public value and wetland replacement rules, wetlands may not be drained or filled unless replaced by restoring or creating wetlands of at least equal public value as provided in rule, or under a mineland reclamation plan when a permit to mine is required.

A person denied use of a wetland that appeals the decision to BOWSR and loses the appeal may apply to BOWSR for compensation. To receive compensation, the proposed use of the wetland must otherwise be allowed under other laws, rules, ordinances, or other legal requirements, and the person must suffer damages. If compensation is not provided to an eligible applicant within 90 days from application, the applicant may drain or fill the

wetland without an approved replacement plan. Compensation is equal to 50 percent of the estimated market value of agricultural property.

One of the incentive programs for preserving wetlands is the permanent wetlands preserve. Landowners with types 1, 2, and 3 wetlands may apply to BOWSR to include the wetlands in the permanent wetlands preserve. In exchange for a permanent easement on wetlands outside of the seven-county metropolitan area or wetlands on agricultural land within the metropolitan area, a landowner will receive 50 percent of the estimated market value for agricultural property in the township. For non-agricultural land within the metropolitan area, the easement rate is 20 percent of the estimated market value for agricultural property. The rate for any upland portion included in the preserve is 60 percent for land that has not been cropped and 90 percent for land which has been cropped. Up to four acres of upland may be included for each acre of wetland included. The property rights acquired by the state are similar to those acquired under a RIM-Reserve permanent easement.

Another incentive program for the preservation of wetlands is the Wetland Preservation Area Program. Owners of wetlands in a high priority wetland region identified by BOWSR and in a high priority wetland area of the county may apply to the county for designation as a wetland preservation area. The wetland preservation area must include an upland strip which is at least 16-1/2 feet in width and may include up to four acres of upland for every acre of wetland. The owner must covenant the preservation of the land designated as a wetland preservation area and may only use the area as prescribed by

BOWSR. The wetland preservation area may be terminated by the landowner eight years after notice by the landowner. Early termination may be granted by the governor after petition from the landowner in cases of public emergency. Beginning with taxes levied in 1992 and payable 1993, land in a wetland preservation area is exempt from property taxation. All revenue lost by local taxing jurisdictions, other than school districts, as a result of the exemption is appropriated to the commissioner of revenue for payments to the taxing jurisdictions.

The Wetland Establishment and Restoration Program is an incentive program for involving willing landowners and local units of government in the restoration and establishment of wetlands. A landowner may apply to a local unit of government (county, joint county board, watershed district, or watershed management organization) to have a wetland established or restored on property owned by the landowner. The property must be located in an area designated by BOWSR as a high priority region of the state and located in a high priority wetland area designated by the local unit of government in their comprehensive local water plan. BOWSR may provide cost-share funding to the local unit of government for up to the lesser of \$20,000 or 50 percent of the cost of wetland establishment which includes the engi-

neering costs, establishment or restoration costs, and the costs of providing the compensation to the landowner. In exchange for the cost-share payment to the local unit of government, BOWSR must acquire a conservation easement similar to a RIM-Reserve easement. The local unit of government shall pay the applicant the amount required for a permanent easement under the RIM-Reserve program for the establishment of the wetland.

The 1991 Legislature appropriated \$12 million from the bond proceeds fund to BOWSR for conservation easements on wetlands, of which \$5 million is for wetland restorations under the RIM-Reserve program.

General Fund appropriations in Chapter 354 for the biennium to BOWSR, the department of natural resources, and the attorney general are as follows:

Board of Water and Soil Resources		
Administrative Costs		\$722,500
Education Grants		\$200,000
Wetland Restoration		\$1,100,000
DNR		
Administration		\$977,500
Attorney General		
Rule Development		\$ 77,000

Pollution Control

Pollution Control Agency

The 1991 Legislature appropriated \$60.8 million to the Pollution Control Agency (PCA) for the 1991-93 biennium which is a 16.7 percent increase over the last biennium. The two major sources of appropriations for the PCA are the general fund (34.8%) and the environmental fund (58.37%). The environmental fund appropriations consist of fees collected by the PCA and other money transferred to the fund. The table below provides a list of the funds along with the amounts and percentage of total funding.

Pollution Control Agency
Biennial Appropriations by Fund
(dollars)

Fund	1991-93	Pct. of Total
General	\$21,129,000	34.77
Environmental	35,473,000	58.37
Metro Landfill Company	2,460,000	4.05
Special Revenue	1,710,000	2.81
Total	\$60,772,000	100.00

The two areas of the PCA receiving the highest percentage of funding are Groundwater and Solid Waste Control (31.93%) and Water Pollution Control (20.98%). The table below provides a list of appropriations by general purpose along with the appropriated amount and the percentage of total funding.

Pollution Control Agency
Biennial Appropriations by Purpose
(dollars)

Purpose	1991-93	Pct. of Total
Water Pollution Control	\$12,750,000	20.98
Air Pollution Control	10,492,000	17.26
Groundwater and Solid Waste	19,404,000	31.93
Hazardous Waste Pollution Control	9,963,000	16.39
Regional Support	104,000	0.17
General Support	8,399,000	13.82
General Reduction	(340,000)	-.56
Total	\$60,772,000	100.00

One of the major PCA funding initiatives of the 1991 Legislature is the increased funding for the air pollution control program through fees paid for air pollution control permits. With the phase-in of the air

Appropriations

Pollution Control - Protection of Workers

permit fees which are required in the federal Clean Air Act Amendments of 1990, the portion of the program paid by the general fund is significantly reduced.

Office of Waste Management

The 1991 Legislature appropriated \$41.3 million to the Office of Waste Management (OWM) for the 1991-93 biennium which is a 35 percent increase over the last

biennium. Of this total, \$39.6 million (or 96%) is from the general fund and \$1.7 million (or 4%) is from the environmental fund. The funding to the OWM from the environmental fund is for costs related to the Toxic Pollution Prevention Act (TPPA) which was enacted in 1990. The funding for the TPPA is from a fee paid on toxic pollution releases. Within the general fund appropriation to the OWM is \$28 million for recycling grants to counties based on population. The recycling grants program was established as a part of recycling legislation in 1989.

Protection of Workers

Dislocated Workers

The dislocated worker bill was included in the omnibus human service bill.

It broadened the definition of dislocated workers and repealed a provision that would have sunset the dislocated worker assessment as of June 30, 1992.

The previous law limited eligibility to workers unemployed as a result of "plant closing or any substantial layoff..."

The broadened definition includes:

- laid off or terminated workers who are eligible for or have exhausted unemployment compensation benefits;
- long-term unemployed because of job unavailability or age factors;
- self-employed workers, including farmers, who are unemployed because of general economic conditions or because of natural disasters;
- persons laid off or on layoff notice from a public or nonprofit employer;
- long-term homemakers who have ceased getting support from spouses due to divorce, death or disability; or public assistance recipients no longer eligible for such support.

All categories of dislocated workers must have resided in Minnesota.

Strikebreakers

The 1991 legislature enacted legislation that makes it unlawful for an employer to hire permanent replacements for employees during a lockout of organized employees or when organized employees are on strike authorized by their labor organization.

The law applied to both public and private sector employees.

The governor attempted to veto this enactment, but the veto was held invalid by the courts because the veto message was not returned to the appropriate legislative body within the constitutional deadline.

Workers' Compensation

The 1991 session of the Legislature passed a workers' compensation reform bill that was vetoed by the Governor.

The bill provided for an estimated 10.8 percent in cost cuts to the employer-insurer, including an estimated 5.6 percent savings resulting from benefits reductions to injured workers; and a 5.2 percent savings generated from fee schedules and procedure changes involving medical vendors and vocational rehabilitation consultants.

The bill mandated a 12 percent cut in workers' compensation insurance premiums and froze premiums until January 1, 1993.

Jobs and Training

The Omnibus Health and Human Services Appropriations Bill (Chapter 292) provided about \$71.5 million for departmental operations. In addition, about \$41.1 million is expected to be generated through a payroll tax, of which \$10 million is to be transferred to the general fund and the remainder will be available for retraining of dislocated workers.

The Legislature approved over \$37.8 million for rehabilitation services, including about \$12.3 million for vocational rehabilitation services, an increase of \$300,000 over the base funding level. About \$1.5 million was provided for independent living services. Workers' compensation services were funded at just over \$3.4 million, a reduction of \$174,000 from the base level, and the activity was transferred to the Department of Labor and Industry. Extended employment services received \$20.6 million, including \$622,000 for a 3 percent wage increase.

Services for the blind were funded at about \$7.3 million.

Economic opportunity programs received about \$17.1 million, including about \$3 million for community action programs; about \$13 million, including a \$2 million increase, for Head Start; \$200,000 for food assistance; and \$840,000 for housing assistance.

About \$9.3 million was approved for employment and training programs. Youth programs were funded at about \$6.1 million, a net reduction of \$300,000 from the base level. Displaced homemaker programs received about \$2.7 million. Employment programs were funded at \$700,000, which represents a \$300,000 reduction from the base level achieved through elimination of funding for the hospitality host program.

Public Employees

Early Retirement Incentive

The 1991 Legislature renewed, and expanded, an early retirement incentive that was first offered in 1990. The incentive provides employer-paid health insurance benefits to public employees who retire early. According to the legislation, this year's incentive was "enacted as a temporary measure to help solve the financial crisis facing units of state and local government" by encouraging early retirements in hopes of helping public employers reduce their work forces without widespread layoffs.

Last year's incentive program was limited to state executive-branch employees who were members of the Minnesota State Retirement System. This year's version extends to all state employees, as well as employees of the state university system, the community college system, and the three statewide retirement systems. In addition, the 1991 legislation gives the University of Minnesota and local units of government the option of offering the same incentive to their employees.

To take advantage of the incentive, an employee must have 25 years of public service, be between the ages of 55 and 65, be eligible for retirement benefits, and retire between June 30 and October 1, 1991. Employer-paid insurance benefits will continue until the retirees reach age 65, when they will become eligible for Medicare benefits.

Pensions

No major changes in public pension plans were enacted in 1991. Among the few changes in benefits was legislation making surviving spouses of deceased public employees eligible for survivor benefits even if they remarry. In the past, survivor benefits ended upon remarriage of a surviving spouse. Another change covers unclassified state employees who are members of the unclassified retirement plan, which is a defined-contribution plan. Not all unclassified employees are members of the unclassified plan. In the past, when an unclassified employee who was covered by the plan moved to an unclassified position that was not covered, the employee was transferred to the regular Minnesota State Retirement System defined-benefit plan. This year's change gives those employees the option of remaining in the unclassified plan.

Other 1991 pension legislation limits new Minneapolis Employees Retirement Fund (MERF) investments to the kind of investments the State Board of Investments is authorized to make. In the past, MERF had more discretion. The move was prompted by the disclosure of large losses suffered by MERF as a result of risky investments that the State Board of Investments would not have been permitted to make. In addition, a cap of \$10,455,000 was placed on the state's obligation to provide the money needed to keep MERF in operation. Under the old law, the state's obligation was open-ended.

Industry Regulation

Insurance Solvency

The 1991 Legislature appropriated a total of \$1,918,000 for the 1992-1993 biennium from the general fund for the implementation of Chapter 325, the insurer insolvency chapter.

A total of \$858,000 was appropriated to the Department of Commerce in fiscal year 1992, and \$860,000 in fiscal year 1993. The approved complement of the department of commerce was increased by 15 positions in 1992, and by an additional 17 positions in 1993. Included in these positions was an actuary, who will evaluate the actuarial statements supplied by insurers.

A total of \$100,000 was appropriated to the Attorney General in 1992 and \$100,000 in 1993. The approved complement of the Attorney General was increased by two positions. These positions will be used to enforce the insurance insolvency provisions.

These new appropriations from the general fund were offset by an increase in the fee paid by life insurance companies to the Department of Commerce for valuing insurance policies. The maximum fee was increased from \$1,000 per year for any company to a maximum of \$13,000 per year per company. The legislation also allows the Department of Commerce to assess companies for the costs of desk audits.

These appropriations were part of a bill which increases the attention that the Department of Commerce will give to the solvency of insurance companies. Chapter 325 reduces the size of the investments in junk bonds and other risky investments. Insurers may not hold more than 20 percent of their investments in junk bonds by January 1, 1992; 17.5 percent by January 1, 1993; and 15 percent by January 1, 1994. Increased reporting requirements will give the Department better warning if an insurer is in danger of insolvency. In addition, several model acts of the National Association of Insurance Commissioners were adopted.

Gambling

The 1991 omnibus gambling bill, Chapter 336, appropriated \$600,000 in fiscal year 1992 and \$600,000 in fiscal year 1993, for a total appropriation of \$1.2 million to the commissioner of human services for the compulsive gambling treatment program. Of these funds, only \$91,500 per year may be used for administration.

A total of \$400,000 was cut from a separate compulsive gambling appropriation in the Human Services bill, leaving \$200,000 over the biennium for a toll-free hot line for compulsive gamblers.

The total of \$1.4 million in appropriations for compulsive gambling represents an increase from the last biennium, which contained \$600,000 in compulsive gambling funds.

The compulsive gambling appropriations were part of a larger gambling bill that allowed the establishment of off-track betting or "tele-racing" parlors at four locations in Minnesota; eased regulations on lawful gambling organizations, but improved their accounting requirements; made minor changes in lottery statutes; and regulated the flow of gambling devices from manufacturers and distributors in Minnesota.

Changes were also made in the distribution of lottery proceeds. The following table outlines the 1991 distribution of lottery proceeds. This new 1991 distribution replaces the 1990 distribution of lottery profits, which had included specific disbursements to the Greater Minnesota Corporation, to a fund for higher education construction, as well as funding for the natural resources trust fund.

Category	Percent of lottery profits	Estimated revenue next fiscal year
Natural Resources Trust Fund	40	\$23 million
General Fund	60	\$35 million

Public Safety

Corrections

The Health and Human Services Omnibus Bill (Chapter 292) provided over \$331 million for the Department of Corrections.

Funding for correctional institutions was over \$229.9 million. Almost \$23.6 million was provided to hire additional staff (40 in the first year and 85.5 more in the second year) needed because of prison population increases. About \$5.3 million was provided for a salary increase for staff in security positions or who directly supervise inmates or offenders.

Community services were funded at about \$80.4 million. Probation and supervised release services received about \$19.8 million. County probation reimbursement, funded through collections from the drivers license reinstatement fee collected from persons convicted of driving under the influence, was modified. The portion of the DWI reinstatement fee intended for probation costs will now be deposited in the general fund rather than going to the Department of Corrections. County probation will receive an appropriation directly for those costs. The reinstatement fee was raised to \$250 from \$200 and the percentage earmarked for probation

services was increased to 55 percent from 50, which will maintain the 50 percent reimbursement level for county probation officer salaries. Some \$793,000 was provided to increase departmental probation staff, and \$372,000 was approved to provide probation services for juveniles in Redwood, Douglas, and Watonwan counties at the counties' request. Over \$46.6 million was approved for Community Corrections Act (CCA) services. The Legislature provided about \$3.7 million to expand and introduce new correctional programs in CCA counties. Over \$6.6 million was provided for community projects. About \$2 million was provided for planning and inspection. This includes \$1.1 million for new juvenile detention facilities and programs, and \$290,000 for administration of this new initiative, designed to ensure that juveniles are not held in jails longer than six hours. About \$5.3 million was provided for community services support. About \$20.7 million was appropriated for management services. This includes almost \$3.2 million for administrative management, about \$1.2 million for fiscal services, over \$1.5 million for office services, about \$1.1 million for personnel, \$861,000 for training, and about \$3.4 million for information and analysis.

Governance

Legislature

The biennial appropriation for the legislature was \$97,204,000. This is about one half of one percent of total appropriations. The appropriation included \$32.5 million for the Senate, \$43.4 million for the House, \$14.6 million for the Legislative Coordinating Commission, and \$7.7 million for the Legislative Audit Commission.

The Legislative Coordinating Commission must allocate a base cut of \$979,000 over the biennium among its programs.

The FY 1991 general fund appropriation to the legislature was reduced by \$2 million.

Courts

A biennial appropriation of \$32.1 million was made to the Supreme Court. The Court of Appeals received a biennial appropriation of \$11.4 million; District Courts \$106.4 million over the biennium; the Board of Judicial Standards \$342,000 over the biennium; and the Board of Public Defense \$45.2 million over the biennium.

The Supreme Court must cut its base by \$154,000 in each year of the biennium. These cuts must be allocated among the agency's programs. The Board of Public Defense must allocate a base cut of \$208,000 in each year of the biennium among its programs.

Appropriations Governance - Vetoes

Governor and Constitutional Officers

Biennial appropriations to the governor and constitutional officers were as follows:

- Governor and Lieutenant Governor – \$6.8 million
- Office of Strategic and Long Range Planning – \$6 million
- State Auditor – \$13.2 million

- State Treasurer – \$2.4 million
- Attorney General – \$42.5 million

The Attorney General's office must cut its base by \$392,000 over the biennium.

The FY 1991 general fund appropriation to the Governor and Lieutenant Governor was reduced by \$68,000.

Vetoes

The Governor vetoed 43 bills enacted by the Legislature, including eight bills with line item strikeouts.

The legislature appealed 13 of the vetoes alleging that the constitutional deadline for returning the vetoed bills was missed. The challenge was upheld. Line-item vetoes in the higher education omnibus bill have been challenged by the teachers' organizations. The district court held the veto invalid, but the issue is being appealed.

Vetoed bills without appropriations were:

Chapter 41, high pressure piping regulation of chlorine; Chapter 46, resale price maintenance; Chapter 87, Minneapolis park district reapportionment; Chapter 91, higher penalties for assaulting public employees; Chapter 127, first omnibus tax bill; Chapter 132, Aitkin county land exchange; Chapter 213, extension of the ban on bovine somatotropin; Chapter 216, exempting state fair buildings maintenance and renovation from Department of Administration governance; Chapter 218, changing human rights law to extend time period for filing complaints; Chapter 222, changing authority in the Duluth and St. Paul teacher retirement plans; Chapter 236, dealing with motor vehicle engine replacement; and Chapter 247, workers' compensation reform bill.

The appropriation vetoes are:

Chapter 178, \$50,000 restoration of the Justice Warren Burger homestead; Chapter 179, \$10,000 for a meat inspection survey; Chapter 208, \$15,000 funding of an agricultural data task force; Chapter 233, \$2,646,000 in eight line-item vetoes in the omnibus transportation bill, including \$35,000 for operating and equipping a Lake of the Woods weather tower; \$1 million for a school of law enforcement; \$446,000 for historic site grants; \$40,000 for a school academic partnership program with the Soviet Union; \$25,000 for a Cloquet fire museum; \$25,000 for a Prairieland expo center; \$50,000 for a cultural center on the Leech Lake reservation; \$25,000 for the restoration of a theater in Kiester; \$1 million for operating expenses of the Greater Minnesota Corporation; \$250,000 for the Transportation Study

Board; and the MVET transfer for the next biennium.

Chapter 235, \$1 million for energy efficiency; Chapter 254, \$260,000 for these three line item vetoes in the environmental and natural resources omnibus appropriations bill: \$10,000 for stream stabilization of the Snake river; \$50,000 for forest management grants; and \$200,000 for grants for small business and farm management programs at the technical colleges.

Chapter 265, \$28,333,000 in 9 line item vetoes in the education aids bill. These are: \$4,950,000 for debt service equalization; \$1,895,000 for joint educational districts; \$138,000 for aid to secondary vocational districts; \$20 million for learning readiness; \$100,000 for local partnerships on learning readiness; \$750,000 for career teacher aids; \$140,000 for a state principal assessment center; \$250,000 for computer assisted instructional strategy; \$25,000 for the Worthington district to plan for residential facilities for handicapped students; \$40,000 for a leadership program at the Chisholm district; and \$20,000 for the legislative commission on children and youth and their families.

Chapter 270, \$214,000 for drunk driver programs; Chapter 286, \$30,000 for screening of herbicide and fumigant application; Chapter 291, \$1,500 in the second omnibus tax bill; Chapter 292, \$856,000 in six line-item vetoes, including a transfer of funds to regional chemical dependency programs; a \$250,000 carry-forward from regional treatment centers; \$80,000 for a regional demonstration project in northeastern Minnesota; \$400,000 for mental illness innovative demonstration projects; \$75,000 for a Dakota county pilot project for diversion of mentally ill patients to community-based care; and \$50,000 for a pilot program for adolescents to earn high school diplomas and career counseling.

Chapter 298, \$290,000 for the funding of the transportation study board; Chapter 302, \$240,000 for ethanol promotion and marketing; \$32,426,000 for the health care access bill; and Chapter 345, \$27,984,000 in the omnibus state department bill which included these

line item vetoes: a carry forward for the legislative coordinating commission; \$200,000 to fund local research and analysis positions; \$70,000 for a district courts diversion program for drug offenders in Dakota county; \$10,000 for the state band; \$480,000 in block grants to public television stations; \$1,680,000 for public television equipment needs; \$264,000 for public education radio; \$180,000 for Minnesota Public Radio; \$2.5 million for a new statewide accounting system; \$178,000 for the Public Employment Relations board; \$754,000 for regional planning grants; \$11,808,000 for neighborhood revitalization programs in Minneapolis, St. Paul, Duluth and South St. Paul; \$2,791,000 for the metropolitan area regional park system; \$4,012,000 to pay interest and principal on bonds for the Great River Road project, the Como conservatory, the Hennepin county regional park district and for land acquisition in Washington county; \$118,000 for the Minnesota High Tech corridor; \$75,000 for Itasca center; \$500,000 to subsidize youth summer employment; \$120,000 for the interstate compact on

agricultural grain marketing; \$150,000 for a Nicollet county interpretive center; \$400,000 for the office of small business and job creation; \$100,000 for the Northeast Entrepreneur fund; \$500,000 for Minnesota Project Outreach; and \$97,000 for a full-time women's sports director and staff.

Chapter 355, \$400,000 for research on the impact of agriculture on groundwater; and \$54,797,00 in nine line-item vetoes in the omnibus higher education funding bill, including \$1,546,000 for technical colleges non-instructional costs; \$100,000 for an equity funding plan for Cambridge; \$14,585,000 for second year non-instructional costs for the community colleges; \$24,359,000 for FY 1993 non-instructional funding of the State University system; \$3,605,000 for second year Institute of Technology programs; \$19,602,000 of University of Minnesota "specials" appropriations; \$1 million for the newly created higher education board; and \$25,000 for a conservation study.

Most of the line-item vetoes in this bill are being challenged in court.

Capital Budget Reform

The 1991 Legislature adopted several changes in the way the executive branch and legislature will put together and adopt capital budgets. A capital budget item is construction or repair of state buildings paid for by bonds sold for that purpose by the state.

\$350,000 was appropriated in fiscal year 1992 to the Commissioner of Administration for the development of a framework for an integrated infrastructure management system, including the establishment of a database of building classification standards.

The purpose of this appropriation is to develop better information on capital budget requests. In addition to this appropriation, the department was given expanded ability to consult with architects and other experts on

building standards. By January 1, 1992 the commissioner shall report to the legislature on the cost of continuing this program.

In addition to this appropriation, Chapter 342 requires the governor to submit to the legislature a debt capacity forecast by January 14 of each odd-numbered year. This forecast measures the current amount of indebtedness of the state, and projects debt service requirements over the next six fiscal years.

Other new provisions include the requirement that a capital facilities note, similar to a fiscal note, accompany every new building request. The commissioner of administration is also required to study ways to make capital budgets impact the operating budgets of agencies.

Statistics

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Table A
Summary of Biennial Appropriations by Fund
1991 Regular Session

Fund	1991-93
County-State Aid Highway	\$ 482,000,000
Environmental	40,202,000
Environmental Trust Fund	14,960,000
Game and Fish	100,342,000
General	12,729,050,000
General Dedicated	1,264,508,000
Highway User Tax Distribution	27,450,000
Local Government Trust Fund	1,488,860,000
Metro Landfill Contingency	4,188,000
Minnesota Resources	16,534,000
Mortgage Registry	109,084,000
Municipal-State Aid Street	133,000,000
Natural Resources	35,946,000
Permanent School	61,700,000
Special Revenue	47,106,000
State Airports	31,887,000
State Lottery Fund *	89,806,000
Transportation Services	200,000
Trunk Highway	1,188,595,000
Workers' Compensation	31,990,000
Total State Appropriations	\$17,897,408,000
Indirect Cost Receipts	(18,000,000)
Federal Funds Appropriations	5,132,827,000
Total Appropriations	\$23,012,235,000

*This item represents the statutory maximum of 15 percent of lottery gross revenues that may be annually credited to the lottery operations account.

Table B
General Fund Resources and Appropriations
1991-1993 Biennium
(dollars)

	1991-93
I. RESOURCES	
A. Balance Forward	\$ 523,391,000
B. Taxes and Receipts (before 1991 law changes)	
Individual Income Taxes	6,977,100,000
Corporate Franchise Tax	1,093,600,000
Sales Tax	4,160,800,000
Motor Vehicle Tax	489,900,000
Estate Tax	36,120,000
Liquor, Wine, Beer	113,523,000
Cigarette and Tobacco Products Tax	290,469,000
Taconite Occupation	4,500,000
Taconite Production	110,000
Deed and Mortgage Tax	107,700,000
Insurance Gross Premiums	264,600,000
Telephone, Telegraph, and Other Gross Earnings	15,070,000
Lawful Gambling Tax	111,511,000
Controlled Substance	1,170,000
Departmental Earnings	189,475,000
Investment Income	54,500,000
Income Tax Reciprocity	52,100,000
Other Non-dedicated Receipts	159,395,000
Total Taxes and Receipts (before 1991 law changes)	\$14,121,643,000
C. Revenue Refunds	
Individual Income Tax	(421,400,000)
Corporate Franchise Tax	(195,000,000)
Sales Tax	(54,627,000)
Other Refunds	(38,052,000)
Total Refunds	\$ (709,079,000)
D. Transfers From Other Funds	
Other Special Revenue Funds	9,899,000
All Other Transfers	6,647,000
New Legislation Transfers	99,272,000
Total Transfers	\$ 115,818,000
E. Dedicated Revenues/Appropriations (Self-Cancelling)	
State University Board	204,000,000
State Community College System	116,000,000
Technical Colleges	132,000,000
University of Minnesota	321,000,000
Human Services County Reimbursement	171,570,000
Human Services Hospital Receipts ¹	319,938,000
All Other	66,963,000
Total Dedicated Revenues/Appropriations	\$ 1,331,471,000

	1991-93
F. Taxes and Receipts — 1991 Law Changes	
Individual Income Taxes	141,500,000
Corporate Franchise Tax	2,800,000
Sales Tax ²	(974,700,000)
Motor Vehicle Tax ²	(121,400,000)
Estate Tax	(300,000)
Cigarette Excise Tax	35,600,000
Telephone, Telegraph, and Other Gross Earnings	5,000,000
Other Taxes	10,100,000
Departmental Earnings	152,914,000
Investment Income	2,700,000
	(745,786,000)
G. Prior Year Adjustments	30,000,000
TOTAL REVENUES AND RECEIPTS	\$13,341,670,000
II. APPROPRIATIONS	
A. Major Spending Categories	
Elementary and Secondary Education	4,533,751,000
Higher Education	1,961,483,000
Human Services, Health, Corrections	3,624,909,000
Transportation and Semi-States	280,367,000
State Departments	725,949,000
Environment and Natural Resources	304,187,000
	\$11,430,646,000
B. Transfers to Other Funds	
C. Open and Standing Appropriations	
Aids and Credits	957,362,000
Debt Service	391,926,000
Retirements	77,562,000
Other Open and Standing	28,856,000
	\$ 1,455,706,000
TOTAL REVENUES AND RECEIPTS	13,341,670,000
TOTAL APPROPRIATIONS — GROSS	12,886,352,000
Less Cancellations	(20,000,000)
TOTAL APPROPRIATIONS — NET	\$12,866,352,000
Budget and Cash Flow Reserve	400,000,000
UNRESTRICTED BUDGETARY BALANCE	\$75,318,000

NOTES: 1. This item includes receipts from Medical Assistance State Operated Community Services.
2. General Fund sales tax and motor vehicle excise tax receipts are reduced by the amount dedicated to the Local Government Trust Fund. These amounts are \$1,327,100,000 for the general sales tax and \$161,900,000 for the motor vehicle excise tax.

Table C
Detailed Appropriations by Function - All Funds
Comparison of 1989-91 and 1991-93 Bienniums

Fiscal year 1991 appropriations have been adjusted to reflect appropriation reductions and deficiency appropriations as enacted in Chapter 2 of the 1991 session.

The appropriations for the 1991-1993 biennium reflect vetoes made by the governor. The fiscal impact of vetoes overturned by the Ramsey County District Court or still under litigation are not included.

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Aids and Credits				
Homestead and Agricultural Credit				
Aid (HACA)				
School Districts	138,275,000	320,884,000		
Cities, Towns, Counties	496,831,000	739,727,000		
Homestead Credit				
School Districts	358,839,000			
Cities, Towns, Counties	342,892,000			
Agricultural Credit				
School Districts	64,729,000			
Cities, Towns, Counties	45,748,000			
Changes HACA	(11,999,000)			
Subtotal HACA, Homestead and Agricultural Credit Aid	1,435,315,000	1,060,611,000	(374,704,000)	-26.1
Property Tax Refund				
Renters	177,830,000	163,682,000	(14,148,000)	
Homeowners	84,800,000	80,025,000	(4,775,000)	
Targeting	13,900,000	29,900,000	16,000,000	
Political Contribution Refunds		10,400,000	10,400,000	
Supplemental Homestead Property				
Tax Relief	1,786,000	1,838,000	52,000	
Red Lake Watershed HACA Payment ¹		154,000	154,000	
Buffalo-Red River Watershed HACA Payment ¹		186,000	186,000	
Homestead and Agricultural Credit Guarantee		108,000	108,000	
Aid to Local Governments	748,909,000	567,498,000	(181,411,000)	
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	10,000		(10,000)	
Payments in Lieu of Taxes -				
Department of Natural Resources Lands	9,163,000	9,000,000	(163,000)	
Enterprise Zone Credit				
School Districts	244,000	84,000	(160,000)	
Cities, Towns, Counties	380,000	160,000	(220,000)	
Small Business Credit				
School Districts	1,294,000		(1,294,000)	
Regional Transit Board Levy Reduction	4,960,000	5,338,000	378,000	
Region 3 Occupation Tax Distribution	754,000	783,000	29,000	

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Disaster Credit				
School Districts	\$ 4,000		(4,000)	
Border City Enterprise Zone	1,900,000	1,000,000	(900,000)	
Equalization Aid		38,951,000	38,951,000	
Disparity Aid				
School Districts	31,427,000	26,067,000	(5,360,000)	
Cities, Towns, Counties	73,584,000	60,617,000	(12,967,000)	
Border City Disparity Aid				
School Districts	1,871,000	2,329,000	458,000	
Cities, Towns, Counties	2,825,000	3,072,000	247,000	
Total Aids and Credits Category	2,597,429,000	2,068,239,000	(529,190,000)	-20.4
Elementary and Secondary Education				
Department of Education	47,750,400	45,194,000	(2,556,400)	
Minnesota Center for Arts Education	11,675,000	10,121,000	(1,554,000)	
General Education Aid	2,769,005,000	3,352,173,000	583,168,000	
Endowment Fund	58,000,000	60,500,000	2,500,000	
Exceptional Need Aid	490,000		(490,000)	
Transportation Aid	206,136,000	239,473,000	33,337,000	
Transportation Aid for				
Post-Secondary Enrollment Options	100,000	90,000	(10,000)	
Transportation Aid for Enrollment Options	74,700	30,000	(44,700)	
Special Programs				
Special Education Aid	340,391,100	349,911,000	9,519,900	
Special Programs Equalization Aid		9,215,000	9,215,000	
Limited English Proficiency Pupils Program Aid	6,673,000	7,847,000	1,174,000	
Indian Education Programs	7,190,000	8,231,000	1,041,000	
Secondary Vocational Handicapped	9,681,600	9,343,000	(338,600)	
Assurance of Mastery	9,922,700	25,194,000	15,271,300	
Individualized Learning and Development Aid	6,049,500	27,217,000	21,167,500	
Secondary Vocational Education Aid	23,191,000	23,429,000	238,000	
Community Living Programs for Disabled Youth		500,000	500,000	
Community and Adult Education				
Community Education Aid	8,444,000	7,100,000	(1,344,000)	
Adult Education Programs	13,282,000	15,121,000	1,839,000	
Early Childhood Family Education Aid	20,478,100	25,480,000	5,001,900	
Way to Grow		950,000	950,000	
Learning Readiness		8,000,000	8,000,000	
Adult Handicapped Program Aid	1,420,000	1,480,000	60,000	
Early Childhood Screening	1,005,100	3,096,000	2,090,900	
Targeted Youth	400,000		(400,000)	
Capital Expenditures				
Facilities and Equipment	158,094,000	218,874,000	60,780,000	
Health and Safety	18,973,000	22,911,000	3,938,000	
Maximum Effort Loan Fund	3,447,500	9,934,000	6,486,500	
District Organization				
Education District Aid	8,620,000	3,193,000	(5,427,000)	
Cooperation and Combination Aid	1,192,000	6,475,000	5,283,000	
Secondary Vocational Cooperative Aid	718,800	205,000	(513,800)	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Technology Grants	\$ 494,500		(494,500)	
Educational Improvement				
Educational Effectiveness Programs	1,200,000	1,800,000	600,000	
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	1,724,000	(236,000)	
Career Teacher Aid	527,400		(527,400)	
Minority Teacher Incentives	1,000,000	1,000,000		
Area Learning Centers	300,000	300,000		
Restructuring and Outcome Based Education	1,550,000	1,350,000	(200,000)	
Math and Science Task Force	67,000		(67,000)	
Board of Teaching/Grants and Fellowships/Alternate Licensure	200,000	100,000	(100,000)	
Other Education Aids				
Educational Cooperative Service Units	1,498,000	1,496,000	(2,000)	
Educational Cooperative Service Unit Loans	500,000		(500,000)	
Management Information Centers	6,822,000	6,822,000		
Abatement Aid	11,129,000	12,036,000	907,000	
School Lunch and Milk Aid	9,250,000	11,850,000	2,600,000	
Integration Grants	29,888,000	31,688,000	1,800,000	
Interdistrict Desegregation Grants	200,000	600,000	400,000	
Library Grants	12,746,000	14,694,000	1,948,000	
Nonpublic Pupil Aid	17,371,000	17,784,000	413,000	
Alcohol-Impaired Driver Education and Chemical Abuse Prevention Grants	1,240,000	1,390,000	150,000	
Tobacco Use Prevention	1,234,700	100,000	(1,134,700)	
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	3,837,123,100	4,597,223,000	760,099,900	19.8
Federal Appropriations	343,322,000	466,885,000	123,563,000	36.0
Total Elementary and Secondary Education Category	4,180,445,100	5,064,108,000	883,662,900	21.1
Higher Education				
Higher Education Coordinating Board				
Agency Administration	6,918,300	6,641,000	(277,300)	
State Scholarships and Grants	133,851,200	158,693,000	24,841,800	
Interstate Tuition	9,350,000	11,675,000	2,325,000	
State Work Study	10,758,000	11,738,000	980,000	
Minitex Library Program	2,128,000	2,416,000	288,000	
Rural Health Nursing	140,000		(140,000)	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Subtotal Higher Education Coordinating Board.....	\$ 163,145,500	191,163,000	28,017,500	17.2
Technical Colleges	340,002,000	330,527,000	(9,475,000)	
Task Force on Education and Employment		40,000	40,000	
Agricultural Vocational Programs	700,000		(700,000)	
State Council	50,000		(50,000)	
Retirement Plan	(793,000)		793,000	
Base Reduction	(2,720,500)		2,720,500	
Subtotal Technical Colleges ²	337,238,500	330,567,000	(6,671,500)	-2.0
Community Colleges	187,747,000	200,133,000	12,386,000	
Retirement Plan	(610,000)		610,000	
Base Reduction	(1,656,500)		1,656,500	
Subtotal Community Colleges ²	185,480,500	200,133,000	14,652,500	7.9
State Universities	346,605,000	362,800,000	16,195,000	
Faculty Exchange	25,000		(25,000)	
Retirement Plan	(1,072,000)		1,072,000	
Base Reduction	(2,988,100)		2,988,100	
Subtotal State Universities ²	342,569,900	362,800,000	20,230,100	5.9
University of Minnesota				
Operations and Maintenance	732,596,000	736,042,000	3,446,000	
Health Sciences	33,711,000	34,784,000	1,073,000	
Institute of Technology	7,117,000	3,605,000	(3,512,000)	
System Specials	40,175,000	19,602,000	(20,573,000)	
Agriculture and Extension Service	87,846,000	89,186,000	1,340,000	
Farmer-Lender Mediation Program	300,000	200,000	(100,000)	
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)	
Red River Trade Corridor		50,000	50,000	
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 Association	200,000		(200,000)	
Retirement Plan	(554,000)		554,000	
Base Reduction	(11,035,400)	(8,590,000)	2,445,400	
Subtotal University of Minnesota	892,415,600	874,879,000	(17,536,600)	-2.0
Mayo Medical Foundation	2,115,000	1,941,000	(174,000)	-8.2
Higher Education Dedicated Appropriations				
Tuition and Fees				
University of Minnesota	286,766,000	321,000,000	34,234,000	
State Universities	179,517,000	204,000,000	24,483,000	
Technical Colleges		132,000,000	132,000,000	
Community Colleges	93,227,000	116,000,000	22,773,000	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Subtotal Dedicated Appropriations	\$ 559,510,000	773,000,000	213,490,000	38.2
State Appropriations	2,482,475,000	2,734,483,000	252,008,000	10.2
Federal Appropriations	53,612,000	63,700,000	10,088,000	18.8
Total Higher Education Category	2,536,087,000	2,798,183,000	262,096,000	10.3
Human Services				
Department of Human Services				
Administration — General	24,394,000	23,859,000	(535,000)	
Legal and Intergovernmental Programs	8,318,000	8,691,000	373,000	
Social Services	252,479,000	222,956,000	(29,523,000)	
Family Support				
Aid to Families with Dependent Children, General Assistance, Work Readiness Minnesota Supplemental Aid	332,513,000	389,081,000	56,568,000	
Aid to Families with Dependent Children Mortgage Registry Offset	114,200,000	109,084,000	(5,116,000)	
County Family Support Aid ³		114,300,000	114,300,000	
Child Care Fund		49,994,000	49,994,000	
Family Subsidy		2,888,000	2,888,000	
Health Care Programs				
Medical Care	1,232,383,000	1,657,493,000	425,110,000	
County Medical Assistance Aid ³		158,960,000	158,960,000	
Preadmission Screening and Alternative Care	33,060,000	45,452,000	12,392,000	
County Preadmission Screening Aid ³		4,000,000	4,000,000	
Children's Health Plan	10,052,000	19,287,000	9,235,000	
Administration — Family Support and Health Care Programs				
	110,225,000	134,243,000	24,018,000	
Mental Health				
	45,814,000	56,153,000	10,339,000	
Children's Mental Health		5,100,000	5,100,000	
State Residential Facilities				
Regional Treatment Centers/Nursing Homes	417,684,000	455,027,000	37,343,000	
Administration Activities	4,117,000	3,600,000	(517,000)	
State Operated Community Services		16,980,000	16,980,000	
SOCS Transition Unit		1,526,000	1,526,000	
Federal Reimbursement	(51,662,000)	(58,826,000)	(7,164,000)	
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	1,200,000	600,000	
Subtotal Non-Dedicated Appropriations	2,535,127,000	3,421,048,000	885,921,000	34.9
Dedicated Appropriations				
County Share of Medical Payments ⁴	158,961,000	171,570,000	12,609,000	
Hospital Revolving Account ⁵	289,511,000	306,947,000	17,436,000	
Miscellaneous	22,600,000	12,991,000	(9,609,000)	
Subtotal Dedicated Appropriations	471,072,000	491,508,000	20,436,000	4.3
Subtotal Department of Human Services	3,006,199,000	3,912,556,000	906,357,000	30.1

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Ombudsman for Mental Health and Retardation	\$ 1,809,000	2,064,000	255,000	14.1
State Appropriations	3,008,008,000	3,914,620,000	906,612,000	30.1
Federal Appropriations	2,220,455,000	3,174,806,000	954,351,000	43.0
Total Human Services Category	5,228,463,000	7,089,426,000	1,860,963,000	35.6
Health				
Department of Health				
Preventive and Protective Health Services	23,716,000	32,574,000	8,858,000	
Health Delivery Systems	53,120,000	58,381,000	5,261,000	
Health Support Services	7,764,000	8,269,000	505,000	
Disposal of Infectious and Pathological Wastes	210,000		(210,000)	
Expanded Women, Infants, Children Services		300,000	300,000	
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	84,904,300	99,524,000	14,619,700	17.2
Regional Emergency Medical Services		1,800,000	1,800,000	
Health-Related Boards	11,134,000	11,762,000	628,000	
Deficiencies		46,000	46,000	
Subtotal Health-Related Boards	11,134,000	11,808,000	674,000	6.1
State Appropriations	96,038,300	113,132,000	17,093,700	17.8
Federal Appropriations	102,928,000	119,456,000	16,528,000	16.1
Total Health Category	198,966,300	232,588,000	33,621,700	16.9
Veterans				
Veterans Affairs	5,628,000	5,825,000	197,000	
Veterans Nursing Homes	38,677,000	49,740,000	11,063,000	
Veterans Nursing Homes Board	15,000	953,000	938,000	
Total Veterans Category	44,320,000	56,518,000	12,198,000	27.5
Transportation				
Highway Development				
State Road Construction	420,900,000	380,804,000	(40,096,000)	
Highway Debt Service	53,449,000	30,958,000	(22,491,000)	
Highway Operations ⁶				
Maintenance	257,048,000	288,977,000	31,929,000	
Construction Engineering	119,556,000	134,238,000	14,682,000	
Truck Safety	200,000		(200,000)	
Subtotal Highway Development and Operations	851,153,000	834,977,000	(16,176,000)	-1.9
Transportation Aids to Local Governments				
County State Aids	493,024,000	482,000,000	(11,024,000)	
Municipal State Aids	154,136,000	133,000,000	(21,136,000)	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Subtotal Transportation Aids to Local Governments	\$ 647,160,000	615,000,000	(32,160,000)	-5.0
Technical Services ⁶				
Design Engineering	104,042,000	116,349,000	12,307,000	
State Aid Technical Assistance	1,892,000	2,215,000	323,000	
Electronic Communications	5,632,000	6,505,000	873,000	
Subtotal Technical Services	111,566,000	125,069,000	13,503,000	12.1
Public Transit Assistance				
Greater Minnesota Transit Assistance	17,486,000	15,908,000	(1,578,000)	
Light Rail Transit	6,166,000		(6,166,000)	
Metropolitan Transit Assistance				
Regional Transit Board	47,615,000	54,259,000	6,644,000	
Transit Administration	1,193,000	1,310,000	117,000	
Subtotal Public Transit Assistance	72,460,000	71,477,000	(983,000)	-1.4
Motor Vehicle Excise Tax Increased Distribution	1,642,000		(1,642,000)	-100.0
Program Management ⁶				
Highway Program Administration	3,700,000	4,291,000	591,000	
Motor Carrier Administration	2,424,000	3,299,000	875,000	
Railroads and Waterways	1,923,000	2,375,000	452,000	
Transportation Data Analysis	6,814,000	6,801,000	(13,000)	
Subtotal Program Management	14,861,000	16,766,000	1,905,000	12.8
General Support Services				
General Management	24,988,000	28,680,000	3,692,000	
General Services	12,524,000	13,059,000	535,000	
Equipment	31,872,000	34,395,000	2,523,000	
Legal Services	2,332,000	2,232,000	(100,000)	
Subtotal General Support Services	71,716,000	78,366,000	6,650,000	9.3
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)	-100.0
Railroad Crossings Study		60,000	60,000	
Railroad Grade Crossings Inventory		100,000	100,000	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Public Education Program	\$	40,000	40,000	
Aeronautics				
Administration	6,938,000	7,709,000	771,000	
Airport Development and Assistance	20,082,000	23,537,000	3,455,000	
Air Transportation Services	108,000	114,000	6,000	
Civil Air Patrol	130,000	130,000		
Subtotal Aeronautics	27,258,000	31,490,000	4,232,000	15.5
Transportation Regulation Board	1,296,000	1,487,000	191,000	
Transportation Study Board	134,000		(134,000)	
Federal Funds included in Highway Operations, Technical Services and Program Management ⁶	(60,000,000)	(60,000,000)		
State Appropriations	1,748,641,000	1,714,832,000	(33,809,000)	-1.9
Federal Appropriations	995,610,000	716,761,000	(278,849,000)	-28.0
Total Transportation Category	2,744,251,000	2,431,593,000	(312,658,000)	-11.4
Agriculture				
Department of Agriculture				
Protection Service	8,538,000	10,518,000	1,980,000	
Promotion and Marketing	914,000	1,503,000	589,000	
Family Farm Security	2,349,000	2,436,000	87,000	
Farm Crisis Assistance	800,000		(800,000)	
Administrative Support and Grants	8,993,000	11,221,000	2,228,000	
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)	
Rural Finance Authority		330,000	330,000	
Agricultural Development Bond Program		300,000	300,000	
Organic Food Certification	100,000		(100,000)	
Sustainable Agriculture Grants	400,000		(400,000)	
Dairy Task Force	30,000		(30,000)	
Minnesota Grown Women, Infants, 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 Control Reimbursement	597,000		(597,000)	
Grasshopper Control	400,000		(400,000)	
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)	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
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	25,581,000	26,308,000	727,000	2.8
Board of Water and Soil Resources	9,896,000	16,096,000	6,200,000	
Karananzi-Little Rock Watershed District	50,000		(50,000)	
Subtotal Board of Water and Soil Resources	9,946,000	16,096,000	6,150,000	61.8
Board of Animal Health	4,160,000	4,165,000	5,000	
Pseudorabies Control	175,000		(175,000)	
Base Reduction	(40,000)		40,000	
Subtotal Board of Animal Health	4,295,000	4,165,000	(130,000)	-3.0
Ethanol Producer Payments		9,000,000	9,000,000	
State Appropriations	39,822,000	55,569,000	15,747,000	39.5
Federal Appropriations	1,376,000	2,733,000	1,357,000	98.6
Total Agriculture Category	41,198,000	58,302,000	17,104,000	41.5
Economic Development				
Department of Trade and Economic Development				
Business Development and Analysis	8,726,000	10,718,000	1,992,000	
Tourism	16,400,000	16,546,000	146,000	
Administration	2,982,000	4,304,000	1,322,000	
Community Development	42,476,000	18,338,000	(24,138,000)	
Policy Analysis, Science, and Technology	2,382,000		(2,382,000)	
Minnesota Trade Office	4,626,000	4,247,000	(379,000)	
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)	(709,000)	(289,000)	
Base Reduction	(2,087,000)		2,087,000	
Transfers from State Planning Agency		6,984,000	6,984,000	
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)	
Regional International Trade Service Center		50,000	50,000	
Greater Minnesota Corporation		24,000,000	24,000,000	
Amateur Sports Commission	1,022,000	893,000	(129,000)	
Export Convention	35,000		(35,000)	
State Appropriations	79,632,000	85,371,000	5,739,000	7.2

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Federal Appropriations	\$ 100,437,000	38,880,000	(61,557,000)	-61.3
Total Economic Development Category	180,069,000	124,251,000	(55,818,000)	-31.0
Housing				
Housing Finance Agency	21,717,000	28,318,000	6,601,000	
Home Energy Loans	2,950,000		(2,950,000)	
Total Housing Category	24,667,000	28,318,000	3,651,000	14.8
Natural Resources				
Department of Natural Resources				
Administrative Management Services	11,761,000	13,192,000	1,431,000	
Regional Operations Support	9,773,000	10,257,000	484,000	
Field Operations Support	19,240,000	22,999,000	3,759,000	
Water Resources Management	13,229,500	16,596,000	3,366,500	
Mineral Resources Management	9,314,000	10,567,000	1,253,000	
Forest Management	51,194,500	46,416,000	(4,778,500)	
Fish and Wildlife Management	61,775,000	71,976,000	10,201,000	
Parks and Recreation Management	34,415,000	39,642,000	5,227,000	
Enforcement	25,583,000	28,965,000	3,382,000	
Trails and Waterways	19,325,000	22,088,000	2,763,000	
Special Services and Programs	9,977,000	11,734,000	1,757,000	
Leech Lake and White Earth Reservation	3,133,750	2,590,000	(543,750)	
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	5,500,000	(4,645,000)	
Firefighting	3,744,000	9,600,000	5,856,000	
Field Citation Pilot Project		200,000	200,000	
Mississippi Headwaters Board	50,000		(50,000)	
Planting (Absorption Study)	25,000		(25,000)	
Snowmobile Grants	500,000		(500,000)	
Nongame Checkoff	100,000	2,350,000	2,250,000	
Base Reduction	(1,263,000)	(1,020,000)	243,000	
Subtotal Department of Natural Resources	282,209,750	313,652,000	31,442,250	11.1
Zoological Board	10,887,000	17,797,000	6,910,000	
Shark Exhibit	100,000		(100,000)	
Dinosaur Exhibit	130,000		(130,000)	
Base Reduction	(101,000)		101,000	
Subtotal Zoological Board	11,016,000	17,797,000	6,781,000	61.6
Minnesota-Wisconsin Boundary Area Commission	226,000	254,000	28,000	12.4
Voyageurs National Park Citizens Committee	142,000	160,000	18,000	12.7
Wetlands Conservation				
Board of Water and Soil Conservation		2,022,500	2,022,500	
Department of Natural Resources		977,500	977,500	
Attorney General		154,000	154,000	
Subtotal Wetlands Conservation		3,154,000	3,154,000	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Minnesota Resources				
Department of Natural Resources	\$ 4,278,000	11,946,000	7,668,000	
Pollution Control Agency	2,932,000	2,102,000	(830,000)	
State Planning	560,000	3,056,000	2,496,000	
Department of Agriculture	590,000	1,380,000	790,000	
University of Minnesota	4,928,000	5,705,000	777,000	
State University Board	430,000		(430,000)	
Minnesota Historical Society	694,000	510,000	(184,000)	
Legislative Commission on Minnesota Resources ...	608,000	850,000	242,000	
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	400,000	(110,000)	
Department of Education	1,000,000	850,000	(150,000)	
Department of Administration		3,500,000	3,500,000	
Environmental Quality Board		400,000	400,000	
Office of Waste Management		235,000	235,000	
Water and Soil Resources Board		2,060,000	2,060,000	
Contingent Account	1,000,000		(1,000,000)	
General Reduction		2,000,000	2,000,000	
Subtotal Minnesota Future Resources	19,518,000	34,994,000	15,476,000	79.3
State Appropriations	313,111,750	370,011,000	56,899,250	18.2
Federal Appropriations	10,340,000	6,766,000	(3,574,000)	-34.6
Total Natural Resources Category	323,451,750	376,777,000	53,325,250	16.5
Pollution Control				
Pollution Control Agency				
Water Pollution Control	9,533,000	12,750,000	3,217,000	
Air Pollution Control	6,562,000	10,492,000	3,930,000	
Groundwater and Solid Waste Pollution Control	14,376,000	19,404,000	5,028,000	
Hazardous Waste Pollution Control	7,878,000	10,088,000	2,210,000	
Hazardous Waste Pollution Control Reduction		(250,000)	(250,000)	
General Support	6,347,000	8,399,000	2,052,000	
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)	
Environmental Enforcement		890,000	890,000	
Base Reduction	(213,000)	(340,000)	(127,000)	
Hopkins Landfill Cleanup		1,300,000	1,300,000	
Radioactive Waste Study	50,000		(50,000)	
Subtotal Pollution Control Agency	49,406,000	62,837,000	13,431,000	27.2
Environmental Quality Board	55,000		(55,000)	
Asbestos Legal Fees	133,000		(133,000)	
Subtotal Environmental Quality Board	188,000		(188,000)	-100.0

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Office of Waste Management	\$ 1,655,000	13,042,000	11,387,000	
Toxic Pollution	847,000		(847,000)	
Base Reduction	(614,000)		614,000	
Subtotal Office of Waste Management	1,888,000	13,042,000	11,154,000	590.8
Recycling				
Office of Waste Management	7,300,000	250,000	(7,050,000)	
Pollution Control Agency	2,550,000		(2,550,000)	
Department of Administration	300,000	96,000	(204,000)	
Department of Revenue	37,000		(37,000)	
Select Committee on Recycling and Environment				
County Block Grants	21,047,000	28,016,000	6,969,000	
Resource Recovery	70,000		(70,000)	
Capital Assistance Grants	285,000		(285,000)	
Subtotal Recycling	31,589,000	28,362,000	(3,227,000)	-10.2
Groundwater				
Health	4,690,000		(4,690,000)	
Agriculture	550,000		(550,000)	
Board of Water and Soil Resources	4,075,000		(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	1,000,000		(1,000,000)	
Subtotal Groundwater	13,800,000		(13,800,000)	-100.0
State Appropriations	96,871,000	104,241,000	7,370,000	7.6
Federal Appropriations	43,743,000	46,506,000	2,763,000	6.3
Total Pollution Control Category	140,614,000	150,747,000	10,133,000	7.2
Protection of Workers				
Department of Labor and Industry				
Employment Standards	1,874,000		(1,874,000)	
Workers Compensation Regulation and Enforcement	12,891,000	15,213,000	2,322,000	
Workers Compensation Special Compensation Fund	5,000,000		(5,000,000)	
Workplace Regulation and Enforcement		8,278,000	8,278,000	
Code Enforcement	3,022,000		(3,022,000)	
Occupational Safety and Health (OSHA)	2,617,000		(2,617,000)	
General Support	4,381,000	9,527,000	5,146,000	
Information Management Services	3,589,000		(3,589,000)	
Elevator Inspections	324,000		(324,000)	
Workers Compensation Injury Study	15,000		(15,000)	
Loggers Insurance (Workers Comp)	325,000		(325,000)	
Base Reduction	(2,520,000)		2,520,000	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Subtotal Department of Labor and Industry	\$ 31,518,000	33,018,000	1,500,000	4.8
Workers Compensation Court of Appeals	2,152,000	2,647,000	495,000	23.0
Mediation Services	3,519,000	3,709,000	190,000	5.4
Department of Jobs and Training				
Employment and Training	11,225,000	9,243,000	(1,982,000)	
Economic Opportunity Office	14,514,000	17,076,000	2,562,000	
Rehabilitation Services	36,685,000	37,446,000	761,000	
Services for the Blind	6,763,000	7,262,000	499,000	
Dislocated Workers	6,300,000		(6,300,000)	
Food Banks Program		800,000	800,000	
Base Reduction	(230,000)		230,000	
Subtotal Department of Jobs and Training	75,257,000	71,827,000	(3,430,000)	-4.6
State Appropriations	112,446,000	111,201,000	(1,245,000)	-1.1
Federal Appropriations	407,529,000	423,159,000	15,630,000	3.8
Total Protection of Workers Category	519,975,000	534,360,000	14,385,000	2.8
Public Employees				
Public Employment Relations Board	130,000		(130,000)	-100.0
Department of Employee Relations				
Administration	3,858,000	5,167,000	1,309,000	
Labor Relations	968,000	1,045,000	77,000	
Equal Opportunity		629,000	629,000	
Staffing and Compensation		6,110,000	6,110,000	
Safety and Workers' Compensation		4,789,000	4,789,000	
Personnel	14,497,000		(14,497,000)	
Benefits	875,000		(875,000)	
Training and Development		1,163,000	1,163,000	
Base Cut	(152,000)	(176,000)	(24,000)	
Base Reduction	(192,000)	(973,000)	(781,000)	
Subtotal Department of Employee Relation	19,854,000	17,754,000	(2,100,000)	-10.6
Salary Supplement	126,293,000		(126,293,000)	-100.0
Reduction in Employer Pension Contribution	(3,355,000)		3,355,000	-100.0
Retirement				
State Employee Supplemental Benefits	34,000		(34,000)	
Minnesota Retirement System				
Employer Contribution Increase	2,530,612		(2,530,612)	
Public Employees Retirement Association	28,000		(28,000)	
Minneapolis Employees Retirement Fund	21,487,000	20,910,000	(577,000)	
Pre-1973 Retirement Adjustment	1,833,490	1,100,000	(733,490)	
Local Police and Fire Amortization Aid	9,310,000	12,110,000	2,800,000	
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	80,773,000	77,562,000	(3,211,000)	
Legislators' Retirement	2,585,000	5,000,000	2,415,000	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Judges' Retirement ⁷	\$ 11,400,000	9,997,000	(1,403,000)	
Constitutional Officers' Retirement	348,000	420,000	72,000	
Teachers Retirement	40,000		(40,000)	
Subtotal Retirement	136,698,102	127,099,000	(9,599,102)	-7.0
Total Public Employees Category	279,620,102	144,853,000	(134,767,102)	-48.2
Industry Regulation				
Department of Commerce				
Financial Examinations	8,332,000	10,502,000	2,170,000	
Registration and Analysis	3,726,000	4,007,000	281,000	
Administrative Services	3,154,000	3,586,000	432,000	
Enforcement and Licensing	5,265,000	6,607,000	1,342,000	
Petroleum Tank Release Cleanup Board	112,000	444,000	332,000	
Residential Contractors Licensing		912,000	912,000	
License Currency Exchanges	164,000		(164,000)	
Reinsurance		1,718,000	1,718,000	
Real Estate Appraisers	213,000		(213,000)	
Subtotal Department of Commerce	20,966,000	27,776,000	6,810,000	32.5
Nonhealth-Related Boards	1,105,000	1,298,000	193,000	17.5
Public Utilities Commission	4,110,000	4,886,000	776,000	
Task Force on Electric Utility Service Areas	200,000		(200,000)	
Subtotal Public Utilities Commission	4,310,000	4,886,000	576,000	13.4
Public Service	13,158,000	15,194,000	2,036,000	
Gas Utility Flexible Tariff Study	5,000		(5,000)	
Low-Income Energy Needs	22,000		(22,000)	
Base Reduction	(50,000)		50,000	
Energy Conservation Programs Study		80,000	80,000	
Utility Rate Study	200,000		(200,000)	
Subtotal Department of Public Service	13,335,000	15,274,000	1,939,000	14.5
Department of Gaming	370,000	10,000	(360,000)	
Lottery Division	8,500,000		(8,500,000)	
Subtotal Department of Gaming	8,870,000	10,000	(8,860,000)	-99.9
State Lottery Board ⁸		89,806,000	89,806,000	
Lawful Gambling Control Board		3,858,000	3,858,000	
Racing Commission	1,865,000	2,104,000	239,000	
Teleracing Facilities Licensing		234,000	234,000	
Subtotal Racing Commission	1,865,000	2,338,000	473,000	25.4
Gambling Enforcement—Public Safety	833,000	2,440,000	1,607,000	192.9
Gambling Investigation—Dept. of Revenue	400,000		(400,000)	-100.0
State Appropriations	51,684,000	147,686,000	96,002,000	185.7
Federal Appropriations	744,000	970,000	226,000	30.4

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Total Industry Regulation Category	\$ 52,428,000	148,656,000	96,228,000	183.5
Public Safety				
Department of Public Safety				
Administration and Related Services	10,547,000	9,762,000	(785,000)	
Emergency Management	1,910,000	2,936,000	1,026,000	
Emergency Response Commission	258,000	807,000	549,000	
Criminal Apprehension	27,020,000	31,255,000	4,235,000	
Fire Marshal	3,792,000	4,546,000	754,000	
State Patrol	77,048,000	83,237,000	6,189,000	
Capitol Security	3,112,000	2,677,000	(435,000)	
Driver and Vehicle Licensing	56,705,000	65,471,000	8,766,000	
Liquor Control	1,476,000	1,520,000	44,000	
Drug Policy		1,174,000	1,174,000	
Pipeline Safety	1,258,000	1,776,000	518,000	
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	3,207,000	427,000	
Crime Victims Ombudsman		143,000	143,000	
Children's Trust Fund	200,000	1,040,000	840,000	
Private Detective and Protective Agency Licensing Board	110,000	135,000	25,000	
Transfer to Trunk Highway Fund	3,311,000	3,506,000	195,000	
Transfer to General Fund	2,021,000	2,052,000	31,000	
1989 Crime Bill/Drugs	3,480,000		(3,480,000)	
Sex Offender/Missing Children Bill		314,000	314,000	
Drug Abuse Resistance Education		145,000	145,000	
Traffic Safety	480,000	480,000		
Traffic Safety Education		200,000	200,000	
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	(1,350,000)		1,350,000	
Subtotal Department of Public Safety	196,388,000	216,383,000	19,995,000	10.2
Department of Corrections				
Management Services	9,231,000	20,739,000	11,508,000	
Community Services	68,227,000	80,372,000	12,145,000	
Correctional Institutions	183,804,000	229,924,000	46,120,000	
Subtotal Department of Corrections	261,262,000	331,035,000	69,773,000	26.7
Sentencing Guidelines Commission	502,000	502,000		
Corrections Ombudsman	733,000	860,000	127,000	17.3
Board of Peace Officers Standards and Training	7,125,000	6,965,000	(160,000)	-2.2

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Military Affairs				
Maintenance of Training Facilities	\$ 11,018,000	12,220,000	1,202,000	
General Support	2,779,000	3,523,000	744,000	
Enlistment Incentives	3,798,000	4,700,000	902,000	
Base Cut	(138,000)	(203,000)	(65,000)	
Base Reduction	(189,000)		189,000	
Subtotal Department of Military Affairs	17,268,000	20,240,000	2,972,000	17.2
State Appropriations	483,278,000	575,985,000	92,707,000	19.2
Federal Appropriations	34,669,000	58,184,000	23,515,000	67.8
Total Public Safety Category	517,947,000	634,169,000	116,222,000	22.4
Governance				
Legislature				
Senate	28,548,000	32,451,000	3,903,000	
House	39,324,800	43,425,000	4,100,200	
Legislative Coordinating Commission	13,388,600	14,633,000	1,244,400	
Legislative Audit Commission	6,724,000	7,671,000	947,000	
Legislative Commission on Public Education	250,000		(250,000)	
Collector Compensation Report	10,000		(10,000)	
Redistricting Subcommittee	300,000		(300,000)	
Hearing Impaired Access		30,000	30,000	
Base Reduction	(2,000,000)	(979,000)	1,021,000	
Subtotal Legislature	86,545,400	97,231,000	10,685,600	12.3
Courts				
Supreme Court				
Operations	8,640,000	7,776,000	(864,000)	
State Court Administrator	11,822,000	15,292,000	3,470,000	
State Law Library	1,846,000	3,333,000	1,487,000	
Low Income and Family Farm Legal Assistance	1,700,000	4,228,000	2,528,000	
Base Cut	(399,000)	(308,000)	91,000	
Divorce Education Program		30,000	30,000	
Family Law Legal Assistance	890,000	1,780,000	890,000	
Racial Bias Study	50,000		(50,000)	
Base Reduction	(45,000)		45,000	
Court of Appeals	8,804,000	11,413,000	2,609,000	
District Courts	52,772,000	96,313,000	43,541,000	
Scott County	67,000		(67,000)	
Board on Judicial Standards	323,000	342,000	19,000	
Board of Public Defense	22,050,000	5,049,000	(17,001,000)	
State Public Defender		4,096,000	4,096,000	
District Public Defense		36,492,000	36,492,000	
Base Cut		(416,000)	(416,000)	
Other Legal Boards ⁹		5,081,000	5,081,000	
Tax Court	864,000	1,134,000	270,000	
Subtotal Courts	109,384,000	191,635,000	82,251,000	75.2

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Constitutional Officers				
Governor and Lieutenant Governor	\$ 5,622,000	6,795,000	1,173,000	20.9
Secretary of State				
Elections and Publications	905,000	1,583,000	678,000	
Uniform Commercial Code	332,000	441,000	109,000	
Business Services	1,264,000	1,446,000	182,000	
Administration	922,000	915,000	(7,000)	
Fiscal Operations	280,000	424,000	144,000	
Data Services	428,000	456,000	28,000	
Network Operations Voter Registration	1,476,000	1,544,000	68,000	
Reports Renewals Registration	368,000	985,000	617,000	
Network Operations Uniform Commercial Code		2,119,000	2,119,000	
Base Cut	(28,000)		28,000	
Base Reduction	(31,000)		31,000	
Campaign Finance		14,000	14,000	
Nonprofit Corporations	185,000		(185,000)	
Interpreter Services to Communication Impaired Persons	39,000		(39,000)	
Subtotal Secretary of State	6,140,000	9,927,000	3,787,000	61.7
State Auditor ¹⁰	1,140,000	13,026,000	11,886,000	1,042.6
State Treasurer	1,169,000	2,441,000	1,272,000	
Candidate Spending Limits	60,000		(60,000)	
Subtotal State Treasurer	1,229,000	2,441,000	1,212,000	98.6
Attorney General				
Government Services	6,858,000	8,393,000	1,535,000	
Public Resources	4,508,000	5,636,000	1,128,000	
Human Resources	5,578,000	3,105,000	(2,473,000)	
Legal Policy and Administration	9,063,000	5,494,000	(3,569,000)	
Law Enforcement	5,659,000	8,613,000	2,954,000	
Business Regulation	5,598,000	8,667,000	3,069,000	
Charitable Organization Registration	(99,480)		99,480	
Residential Contractors Licensing		216,000	216,000	
Base Cut	(344,000)	(397,000)	(53,000)	
Solicitor General		2,998,000	2,998,000	
Nonprofit Corporations	160,000		(160,000)	
Reinsurance		200,000	200,000	
Environmental Enforcement		238,000	238,000	
Lottery	136,000		(136,000)	
Base Reduction	(274,000)		274,000	
Lawful Gambling Prosecutors	70,000		(70,000)	
Subtotal Attorney General	36,912,520	43,163,000	6,250,480	16.9
Investment Board	3,350,000	3,882,000	532,000	15.9
Subtotal Constitutional Officers	54,393,520	79,234,000	24,840,480	45.7
State Appropriations	250,322,920	368,100,000	117,777,080	47.1

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Federal Appropriations	\$ 1,350,000	1,858,000	508,000	37.6
Total Governance Category	251,672,920	369,958,000	118,285,080	47.0
Other Departments, Boards, and Commissions				
Office of Administrative Hearings	5,998,000	7,075,000	1,077,000	18.0
Department of Administration				
Operations Management	7,955,000	9,278,000	1,323,000	
Information Management	11,595,000	16,385,000	4,790,000	
Property Management	14,949,000	31,736,000	16,787,000	
Administrative Management	9,742,000	5,680,000	(4,062,000)	
Management Analysis		1,180,000	1,180,000	
Information Policy Office	3,119,000	3,390,000	271,000	
Interagency Projects	1,000,000		(1,000,000)	
Base Cut	(324,000)	(414,000)	(90,000)	
Veterans Home Siting Study	200,000		(200,000)	
Purchasing from Small Business	390,000		(390,000)	
Handicapped Access Review Board	1,500		(1,500)	
Committee on Reform and Efficiency		500,000	500,000	
Prevailing Wage Study	100,000		(100,000)	
Minnesota Public Radio - Duluth	30,000		(30,000)	
Transfers from State Planning Agency ¹¹		4,434,000	4,434,000	
Base Reduction	(344,000)		344,000	
Subtotal Department of Administration	48,413,500	72,169,000	23,755,500	49.1
Capitol Area Architectural and Planning Board	445,000	472,000	27,000	6.1
Department of Finance				
Base Cut		(178,000)	(178,000)	
Transfer to Department of Agriculture (RFA)		(330,000)	(330,000)	
Local Government Trust Fund Administration		200,000	200,000	
Bond Refunds—Minneapolis, Koochiching County	62,150		(62,150)	
Subtotal Department of Finance	16,879,150	17,776,000	896,850	5.3
Department of Revenue				
Revenue Administration	37,911,000	43,273,000	5,362,000	
Tax Policy	6,139,000	8,091,000	1,952,000	
Property and Special Taxes	22,340,000	20,167,000	(2,173,000)	
Customer Service and Information		26,980,000	26,980,000	
Operations	20,195,000		(20,195,000)	
Tax Compliance	45,594,000	45,304,000	(290,000)	
Cigarette Tax Enforcement	183,000		(183,000)	
Lottery	388,000		(388,000)	
Open and Standing	1,033,000	2,200,000	1,167,000	
Incidence Study	50,000		(50,000)	
Corporate Alternative Minimum Tax	105,000		(105,000)	
Bill of Rights	150,000		(150,000)	
Income Tax Sample		76,000	76,000	
Tax Increment Financing	45,000		(45,000)	

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	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
Local Government Trust Fund Administration	\$	1,512,000	1,512,000	
General Administration		949,000	949,000	
Renter Credit Study	50,000		(50,000)	
Base Cut		(1,402,000)	(1,402,000)	
Base Reduction	(1,550,000)		1,550,000	
Subtotal Department of Revenue	132,633,000	147,150,000	14,517,000	10.9
State Planning Agency	12,710,000		(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	20,739,000		(20,739,000)	-100.0
Office of Strategic and Long Range Planning		5,974,000	5,974,000	
Advisory Commission On Intergovernmental Relations		50,000	50,000	
Ethical Practices Board	573,000	691,000	118,000	
Political Contribution Tax Credit	150,000		(150,000)	
Subtotal Ethical Practices Board	723,000	691,000	(32,000)	-4.4
Human Rights	5,744,000	6,383,000	639,000	11.1
Indian Affairs Council	766,000	899,000	133,000	17.4
Council on Affairs of Spanish-Speaking People	380,000	433,000	53,000	13.9
Council on Black Minnesotans	352,000	395,000	43,000	12.2
Council on Asian-Pacific Minnesotans	306,000	344,000	38,000	12.4
Council on People with Disabilities	1,030,000	1,151,000	121,000	11.7
Minnesota Municipal Board	505,000	561,000	56,000	11.1
Uniform Laws Commission	34,000	43,000	9,000	26.5
Minnesota Historical Society	23,364,000	25,429,000	2,065,000	8.8
Board of the Arts	8,319,000	8,036,000	(283,000)	-3.4
Minnesota Humanities Commission		494,000	494,000	
Board of Architecture	836,000	912,000	76,000	9.1
Minnesota Horticultural Society	136,000	143,000	7,000	5.1
Minnesota Academy of Science	56,000	68,000	12,000	21.4
Science Museum of Minnesota	1,276,000	2,276,000	1,000,000	78.4
Minnesota Safety Council	142,000	142,000		
Veterans of Foreign Wars	62,000	62,000		
Disabled American Veterans		25,000	25,000	
Military Order of the Purple Heart	20,000	20,000		

Statistics
Table C

	1989-1991 Biennium	1991-1993 Biennium	Increase (Decrease)	Percent Change
State Appropriations	\$ 269,158,650	299,173,000	30,014,350	11.2
Federal Appropriations	20,636,000	12,163,000	(8,473,000)	-41.1
Total Other Departments, Boards, and Commissions Category	289,794,650	311,336,000	21,541,350	7.4
Direct Capital Appropriations and Debt Service				
Debt Service	359,910,000	391,926,000	32,016,000	
Special Tax Bond Debt Service	43,036,000		(43,036,000)	
Crime Bill	1,503,000		(1,503,000)	
Subtotal Debt Service	404,449,000	391,926,000	(12,523,000)	
Capital Improvements (Non-Bonded)	16,900,000		(16,900,000)	-100.0
Total Direct Capital Appropriations and Debt Service Category	\$421,349,000	391,926,000	(29,423,000)	-7.0
Miscellaneous				
General Contingent Accounts				
General Fund	500,000	2,000,000	1,500,000	
Trunk Highway Fund	400,000	400,000		
Highway User Tax Distribution Fund	250,000	250,000		
Special Revenue	500,000	500,000		
Workers Compensation	200,000	200,000		
Subtotal General Contingent Accounts	1,850,000	3,350,000	1,500,000	81.1
Tort Claims	1,838,000	1,806,000	(32,000)	-1.7
Campaign Fund Checkoff	3,895,000	4,320,000	425,000	10.9
Claims Against the State	119,812	155,000	35,188	29.4
Arbitrage Rebate		2,196,000	2,196,000	
Stripper Well Litigation	3,430,200		(3,430,200)	-100.0
Transfer of Lands		20,000	20,000	
Debt Paying Agent Fees		80,000	80,000	
Loans to Revolving Fund	1,000,000	4,000,000	3,000,000	300.0
Total Miscellaneous Category	12,133,012	15,927,000	3,793,988	31.3
State Appropriations - Gross	16,248,129,834	17,897,408,000	1,649,278,166	10.2
Indirect Cost Receipts	(17,800,000)	(18,000,000)	(200,000)	1.1
State Appropriations - Net	16,230,329,834	17,879,408,000	1,649,078,166	10.2
Federal Funds Appropriations	4,336,751,000	5,132,827,000	796,076,000	18.4
Total Appropriations	20,567,080,834	23,012,235,000	2,445,154,166	11.9
Budget and Cash Flow Reserve	550,000,000	400,000,000	(150,000,000)	-27.3

Statistics
Table C

- NOTES:
1. These appropriations are for the restoration of reduced homestead and agricultural credit aid for 1990.
 2. The appropriation for Technical Colleges includes \$1,546,000 vetoed by the governor but restored by Ramsey County District Court. Vetoes of \$10,735,000 in the Community Colleges Board appropriation and \$13,791,000 in the State University Board appropriation which were overturned are also included here.
 3. These are open and standing aid appropriations to counties for reimbursement of Human Services costs.
 4. These are payments made by counties which are reimbursed by the state by other appropriations in this table.
 5. This item is a duplicated appropriation that is already accounted for in the state hospital appropriations. It accounts for transferring obligations of the state for medical care patients at state institutions back into the medical assistance pipeline without double-counting it as a non-dedicated appropriation.
 6. The appropriations for highway operations, technical services and program management include \$60 million in federal funds. These federal funds are deducted to arrive at the subtotal of state funds appropriated for transportation.
 7. This item is included in the appropriation for District Courts by the Department of Finance.
 8. This item represents the statutory maximum of 15 percent of lottery gross revenues that may be annually credited to the lottery operations account.
 9. This appropriation from the special revenue fund for the Client Security Board, Board of Continuing Legal Education, Board of Law Examiners and Board of Lawyers Professional Responsibility has not previously been included in the budget.
 10. The increase in the appropriation for the State Auditor is due to the inclusion of fee revenues not included in the budget in prior years.
 11. This item includes special revenue funds in addition to the general fund transfer.

Table D
Direct Appropriations
by Fund, by Chapter

Chapter	Fund	FY 1991	FY 1992	FY 1993	Biennial Total	Total Including 1991
General						
2	Appropriations - Reductions and Transfers	\$ 125,412,000				125,412,000
150	Payment of Claims Against the State		103,000		103,000	103,000
208	Farmer-Lender Mediation		200,000		200,000	200,000
233	Transportation - Semi-States	286,000	136,629,000	137,320,000	273,949,000	274,235,000
235	Energy Conservation		40,000	40,000	80,000	80,000
240	Hearing Impaired Access		30,000		30,000	30,000
254	Environment, Natural Resources and Agriculture Omnibus Bill		142,995,000	139,805,000	282,800,000	282,800,000
265	Education Aids		2,206,336,000	2,327,455,000	4,533,791,000	4,533,791,000
271	Marriage Dissolution		30,000		30,000	30,000
279	Controlled Substances		145,000		145,000	145,000
285	Crime Bill		228,000	86,000	314,000	314,000
286	Health - Nursing and Boarding Homes		300,000		300,000	300,000
291	Tax Bill		2,397,000	768,000	3,165,000	3,165,000
292	Human Services Omnibus Bill		1,786,540,000	1,894,841,000	3,681,381,000	3,681,381,000
302	Ethanol Producer Payments		9,000,000		9,000,000	9,000,000
304	State Resource Recovery		48,000	48,000	96,000	96,000
306	Contractor Licensing		524,000	604,000	1,128,000	1,128,000
325	Insurance		958,000	960,000	1,918,000	1,918,000
332	Agricultural Development		150,000	150,000	300,000	300,000
336	Gambling		688,000	746,000	1,434,000	1,434,000
344	Infectious Waste Control		(125,000)	(125,000)	(250,000)	(250,000)
345	State Department Omnibus	486,000	371,808,000	362,288,000	734,096,000	734,582,000
348	Red River Trade Corridor Project		100,000		100,000	100,000
349	Elections		14,000		14,000	14,000
354	Wetland Conservation Act		1,977,000	1,177,000	3,154,000	3,154,000
356	Higher Education		993,450,000	967,743,000	1,961,193,000	1,961,193,000
	Total General	\$ 126,184,000	5,654,565,000	5,833,906,000	11,488,471,000	11,614,655,000
Special Revenue						
233	Transportation - Semi-States		2,776,000	2,819,000	5,595,000	5,595,000
254	Environment, Natural Resources and Agriculture Omnibus Bill		4,540,000	1,040,000	5,580,000	5,580,000
265	Education Aids		1,465,000	1,465,000	2,930,000	2,930,000
292	Human Services Omnibus Bill		6,314,000	6,462,000	12,776,000	12,776,000
345	State Department Omnibus		6,575,000	6,570,000	13,145,000	13,145,000
	Total Special Revenue	\$	21,670,000	18,356,000	40,026,000	40,026,000
Highway User Tax Distribution						
233	Transportation - Semi-States		12,041,000	11,974,000	24,015,000	24,015,000
345	State Department Omnibus		1,720,000	1,715,000	3,435,000	3,435,000
	Total Highway User Tax Distribution	\$	13,761,000	13,689,000	27,450,000	27,450,000
Trunk Highway						
150	Payment of Claims Against the State		52,000		52,000	52,000
233	Transportation - Semi-States		592,101,000	591,912,000	1,184,013,000	1,184,013,000
265	Education Aids		21,000	21,000	42,000	42,000

Statistics
Table D

Chapter	Fund	FY 1991	FY 1992	FY 1993	Biennial Total	Total Including 1991
292	Human Services Omnibus Bill		1,487,000	1,486,000	2,973,000	2,973,000
345	State Department Omnibus		761,000	754,000	1,515,000	1,515,000
	Total Trunk Highway	\$	594,422,000	594,173,000	1,188,595,000	1,118,595,000
	County State Aid Highway					
233	Transportation - Semi-States		240,000,000	242,000,000	482,000,000	482,000,000
	Total County State Aid Highway	\$	240,000,000	242,000,000	482,000,000	482,000,000
	Municipal State Aid Highway					
233	Transportation - Semi-States		66,000,000	67,000,000	133,000,000	133,000,000
	Total Municipal State Aid Highway	\$	66,000,000	67,000,000	133,000,000	133,000,000
	Airport					
233	Transportation - Semi-States		16,069,000	15,818,000	31,887,000	31,887,000
	Total Airport	\$	16,069,000	15,818,000	31,887,000	31,887,000
	Minnesota Resources					
254	Environment, Natural Resources and Agriculture Omnibus Bill		16,534,000		16,534,000	16,534,000
	Total Minnesota Resources	\$	16,534,000		16,534,000	16,534,000
	Workers's Compensation					
233	Transportation - Semi-States		10,839,000	11,229,000	22,068,000	22,068,000
345	State Department Omnibus		4,842,000	5,080,000	9,922,000	9,922,000
	Total Workers' Compensation	\$	15,681,000	16,309,000	31,990,000	31,990,000
	Environmental					
233	Transportation - Semi-States		461,000	465,000	926,000	926,000
254	Environment, Natural Resources and Agriculture Omnibus Bill		17,740,000	19,687,000	37,427,000	37,427,000
345	State Department Omnibus		261,000	260,000	521,000	521,000
347	Waste Management Enforcement		679,000	649,000	1,328,000	1,328,000
	Total Environmental	\$	19,141,000	21,061,000	40,202,000	40,202,000
	Environmental Trust Fund					
254	Environment, Natural Resources and Agriculture Omnibus Bill		14,960,000		14,960,000	14,960,000
	Total Environmental Trust Fund	\$	14,960,000		14,960,000	14,960,000
	Natural Resources					
254	Environment, Natural Resources and Agriculture Omnibus Bill		18,612,000	17,334,000	35,946,000	35,946,000
	Total Natural Resources	\$	18,612,000	17,334,000	35,946,000	35,946,000
	Game and Fish					
254	Environment, Natural Resources and Agriculture Omnibus Bill		49,609,000	50,733,000	100,342,000	100,342,000
	Total Game and Fish	\$	49,609,000	50,733,000	100,342,000	100,342,000

**Statistics
Table D**

Chapter Fund	FY 1991	FY 1992	FY 1993	Biennial Total	Total Including 1991
Metro Landfill Contingency					
182 Metro Landfill Local					
Government Reimbursement		1,300,000		1,300,000	1,300,000
254 Environment, Natural Resources and Agriculture Omnibus Bill		1,663,000	797,000	2,460,000	2,460,000
292 Human Services Omnibus Bill		168,000	168,000	336,000	336,000
345 State Department Omnibus		46,000	46,000	92,000	92,000
Total Metro Landfill Contingency	\$	3,177,000	1,011,000	4,188,000	4,188,000
Transportation Services					
298 Railroad Grade Crossing Safety		130,000	70,000	200,000	200,000
Total Transportation Services	\$	130,000	70,000	200,000	200,000
Permanent School					
254 Environment, Natural Resources and Agriculture Omnibus Bill		565,000	635,000	1,200,000	1,200,000
Total Permanent School	\$	565,000	635,000	1,200,000	1,200,000
Local Government Trust Fund					
291 Tax Bill		972,000	790,000	1,762,000	1,762,000
Total Local Government Trust Fund	\$	972,000	790,000	1,762,000	1,762,000
Grand Total	126,184,000	6,745,868,000	6,892,885,000	13,638,753,000	13,764,937,000

Statistics
Table E

Table E
Open and Standing Appropriations
Fiscal Years 1992 and 1993

	FY 1992	FY 1993	Biennium
Aids and Credits¹			
Property Tax Refund			
Homeowners	\$ 39,487,000	40,538,000	80,025,000
Renters	79,080,000	84,602,000	163,682,000
Targeting	13,000,000	16,900,000	29,900,000
Homestead Credit and Agricultural Credit (HACA)	496,645,000	563,966,000	1,060,611,000
Disparity Aid	43,136,000	43,548,000	86,684,000
Border City Disparity Aid	2,630,000	2,771,000	5,401,000
Local Government Aid	285,361,000	282,137,000	567,498,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Supplemental Homestead Property Tax Relief	894,000	944,000	1,838,000
Equalization Aid	19,477,000	19,474,000	38,951,000
Homestead Guarantee	54,000	54,000	108,000
In-Lieu of Taxes Payments on DNR Lands	4,500,000	4,500,000	9,000,000
Enterprise Zone Credit	123,000	121,000	244,000
Regional Transit Board Levy Reduction	2,604,000	2,734,000	5,338,000
Region 3 - Occupation Tax	393,000	390,000	783,000
Mortgage and Deed Tax	54,542,000	54,542,000	109,084,000
Total Aids and Credits	\$1,045,144,000	1,120,439,000	2,165,583,000
Human Services Aids ²	138,630,000	138,630,000	277,260,000
State Lottery Board	44,903,000	44,903,000	89,806,000
Political Contribution Refunds	4,700,000	5,700,000	10,400,000
Retirement	39,749,000	37,813,000	77,562,000
Debt Service	186,966,000	204,960,000	391,926,000
Other Open and Standing ²	14,825,000	21,111,000	35,936,000
Total Open and Standing	\$1,474,917,000	1,573,556,000	3,048,473,000

- NOTES: 1. All or a portion of the following aids are paid from the Local Government Trust Fund: local government aid, equalization aid, disparity aid, border city disparity aid, attached machinery aid, HACA, supplemental homestead property tax relief, and the homestead guarantee.
2. Includes some non-general fund amounts.

Table F
Biennial Appropriations of Federal Funds

	1989-91 Biennium	1991-93 Biennium	Increase (Decrease)
Elementary and Secondary Education	\$ 343,322,000	466,885,000	123,563,000
Higher Education	53,612,000	63,700,000	10,088,000
Human Services	2,220,455,000	3,174,806,000	954,351,000
Health	102,928,000	119,456,000	16,528,000
Transportation	995,610,000	716,761,000	(278,849,000)
Agriculture	1,376,000	2,733,000	1,357,000
Economic Development	100,437,000	38,880,000	(61,557,000)
Natural Resources	10,340,000	6,766,000	(3,574,000)
Pollution Control	43,743,000	46,506,000	2,763,000
Protection of Workers	407,529,000	423,159,000	15,630,000
Industry Regulation	744,000	970,000	226,000
Public Safety	34,669,000	58,184,000	23,515,000
Governance	1,350,000	1,858,000	508,000
Other	20,636,000	12,163,000	(8,473,000)
Total	\$4,336,751,000	5,132,827,000	796,076,000

Appendix A

Tax Reference Information

(Selected Taxes)

Individual Income Tax:

Tax Base:	Federal Taxable Income with certain modifications	
Tax Rates:	(Tax Year 1991)	
	Married Joint Returns:	
	\$ 1 - 19,910	6%
	19,911 - 79,120	8%
	79,121 and over	8.5%
	Single	
	\$ 1 - 13,620	6%
	13,621 - 44,750	8%
	44,751 and over	8.5%
	Heads of Households:	
	\$ 1 - 16,770	6%
	16,771 - 67,390	8%
	67,391 and over	8.5%
	Married Separate Returns:	
	\$ 1 - 9,960	6%
	9,961 - 39,560	8%
	39,561 and over	8.5%

Recent Collections:		
	FY 1990	\$ 2,742,239,000
	FY 1991	2,891,311,000

Disposition: General Fund

Corporation Franchise Tax:

Tax Base:	Minnesota Taxable Net Income of the Corporation ("Domestic Unitary" reporting method is used.)	
Tax Rate:	9.8%	
Major Exemptions:	Nonprofit Corporations Cooperative Associations Credit Unions Mining companies subject to occupation tax.	
Apportionment Factors:	Minnesota Property ratio weighted	15%
	Minnesota Payroll ratio weighted	15%
	Minnesota Sales ratio weighted	70%
Recent Collections:	FY 1990	\$ 478,901,000
	FY 1991	443,900,000

Sales and Use Tax:

Tax Base: Sale and rental of tangible personal property at retail

Major Exemptions:	Food (off-premise consumption) Prescription Drugs Clothing Gasoline Motor Vehicles (Excise Tax) Many professional services Capital equipment for new or expanded manufacturing	
Tax Rates:	General Rate	6.0%
	Liquor and Beer:	8.5%
	Special Tooling	4.0%
	Farm Machinery, Logging Equipment	2.0%

The state sales tax rates are increased by 0.5 percent from July 1, 1991 through December 31, 1991. Beginning January 1, 1992, counties have the option of levying the additional half-percent.

Property shipped out of state is taxed at destination state rate.

Recent Collections:	FY 1990	\$1,871,170,000
	FY 1991	1,958,872,000
Disposition:	General Fund	(30.8%)
	Local Gov't. Trust Fund	(69.2%)

Motor Vehicle Excise Tax:

Tax Base:	Purchase price of any motor vehicle required to be registered in Minnesota.	
Major Exemptions:	Purchases for resale by dealers Inheritances Gratuitous transfers between joint owners, spouses, parents, children	
Tax Rate:	6%, (for vehicles over 10 years of age or over: \$10)	

The motor vehicle excise tax rate is increased by 0.5 percent from July 1, 1991 through December 31, 1991. Beginning January 1, 1992, counties have the option of levying the additional half-percent.

Recent Collections:	FY 1990	\$ 257,058,000
	FY 1991	232,000,000
Disposition:	General Fund	(69.2%)
	Local Gov't Trust Fund	(30.8%)

Motor Fuels Tax:

Tax Base:	Gallons of gasoline or special fuel used in highway vehicles, snowmobiles, motorboats, all-terrain vehicles, aircraft, trains, and to propel barges.	
Credits:	Refunds or credits are available for non-highway use (except for that used in snowmobiles, motorboats, and all-terrain vehicles).	

Tax Rate: 20 cents per gallon except in certain border areas.
Aviation fuels: 5 cents per gallon.

Recent Collections: FY 1990 \$ 464,617,000
FY 1991 459,895,000

Disposition: Highway user tax distribution fund
(Aviation revenues to State Airports Fund)
(Marine revenues to special revenue fund)

Alcoholic Beverages Tax:

Tax Base: Distilled spirits, beers, malt beverages, wines and premixed alcoholic beverages manufactured or received for sale in Minnesota.

Tax Rate: Beer:
3.2% or less alcohol by weight: \$ 2.40
More than 3.2 % 4.60
(rates per 31 gallon barrel)
Distilled spirits: per gallon 5.03

Wine (alcohol by volume):
14% or less \$.30 per gallon
14% to 21% 0.95 per gallon
21% to 24% 1.82 per gallon
More than 24% 3.52 per gallon
Sparkling Wine 1.82 per gallon

Recent Collections: FY 1990 \$56,216,000
FY 1991 58,576,000

Disposition: General Fund

Cigarette Tax:

Tax Base: Cigarettes sold in Minnesota

Credits: Distributors receive a 1.25% discount on the first \$1.5 million of stamps purchased and 0.75% on additional purchases.

Tax Rate: 43 cents per pack of 20

Recent Collections*: FY 1990 \$ 144,588,000
FY 1991 145,780,000

Disposition: Debt service on specified bonds (paid first)
2 cents per pack to Minnesota Resources Fund
4 cents per pack to Minnesota Water Pollution Control Fund less debt service (above)
2 cents per pack to public health fund
Balance to General Fund

Gambling Taxes:

Lawful Gambling Tax

Tax Base: Gross receipts of a licensed organization from lawful gambling (bingo, raffles, and paddlewheels) less prizes actually paid out.

Tax Rate: 10%

Pull-tab and tipboard tax

Tax Base: Ideal gross of each pull-tab or tipboard deal sold by a distributor.

Tax Rate: 2%

Combined Receipts Tax

Tax Base: Gross receipts from all lawful gambling, except bingo, raffles and paddlewheels.

Tax Rate:

Receipts	Rate
\$ 0 – 500,000	0%
500,001 – 700,000	2%
700,001 – 900,000	4%
900,001 and over	6%

Recent Collections: FY 1990 \$44,525,000
FY 1991 56,421,000

Disposition: General Fund

* Revenue includes tobacco products.

Appendix B

Glossary

Adjusted Tax Capacity—The equalized tax capacity of school districts. Adjustments are made by comparing values of actual sales of property to the market value at which these properties were assessed and applying the resulting ratio to tax capacity. These values are used in determining education aids.

Aid to Families with Dependent Children (AFDC)—Aid provided through counties to the qualifying families described in the title. Eligibility involves low or no income and lack of assets.

Alternative Minimum Tax—An income tax calculation which is made separately from the regular income tax. A taxpayer must pay the alternative minimum tax if it is higher than the regular income tax liability. For individuals, the alternative minimum tax is determined by applying a tax rate of seven percent to the federal tax preference items. For corporations, the tax is equal to the amount by which 5.8 percent of the Minnesota alternative minimum taxable income exceeds the regular income tax.

Area Vocational-Technical College—A school that provides post-secondary vocational training. Currently there are 34 technical college campuses throughout Minnesota.

Biennium—Two consecutive fiscal years beginning July 1 in an odd-numbered year. The biennium is described by the odd-numbered year in which it begins and the odd-numbered year in which it ends, such as the 1991-93 biennium for the biennium that began July 1, 1991, and ends June 30, 1993.

Categorical Aids—Education aids for specific purposes such as transportation or education of handicapped students.

Children's Health Plan—Provides primary health care to eligible children in families at or below 185 percent of poverty who are not eligible for Medical Assistance or otherwise insured. Eligible children are ages one through seventeen.

Class Rates—Statutory classification percentages that are applied to the market value of various classes of property to determine the tax base.

Deficiency Appropriations—Appropriations made to cover funding needs of a previous budget period prior to July 1 of the odd-numbered years. These are usually adjustments in previous appropriation amounts to cover unexpected funding needs. The budget period covered by this publication includes two fiscal years beginning July 1, 1991. Deficiency appropriations are made for funding needs of fiscal year 1991.

Direct Appropriations—Legislative appropriations specified as fixed dollar amounts (in contrast to open and standing appropriations). Direct appropriations provide a cap on the amount that can be spent for the purpose specified.

Disparity Reduction Aid—A property tax relief aid paid to taxing districts with high tax rates. Initially computed for taxes payable in 1989, the aid amounts are now frozen, but will be reduced if the aid would reduce extension rates to less than 90 percent of tax capacity.

Disparity Reduction Rate—A tax rate reduction determined by dividing the disparity reduction aid of each taxing district by the district's net tax capacity.

Equalization Aid—A property tax relief intended to help equalize tax base disparities among cities.

Estimated Market Value—The assessor's estimate of the market value or selling price, intended to represent the worth of the property in a transaction between a willing buyer and a willing seller.

Fiscal Year—That period of time beginning July 1 continuing 365(6) days until the following June 30. Used by the state for budgeting purposes. The fiscal year is described as the year in which it ends, such as the 1991 fiscal year ending June 30, 1991.

General Assistance (GA)—Payments of cash assistance, emergency assistance, or room and board for eligible persons.

General Assistance Medical Care (GAMC)—Payments made to medical vendors on behalf of medically indigent persons who do not qualify for federally-assisted medical programs.

General Education Formula—A formula that is used to determine the amount of general education revenue a school district receives each year. The formula guarantees that each district will receive a specified amount of revenue per pupil unit in return for a required local property tax levy. The formula may provide additional funds based on district sparsity, the number of AFDC students, and the level of training and experience of the district's teachers. This revenue provides the majority of districts' operating funds.

Homestead—One of the property classifications. Homesteads are residences occupied by the owner. Taxpayers are allowed to claim only one homestead for property tax purposes.

Homestead and Agricultural Credit Aid (HACA)—A property tax relief aid paid to local governments to reflect the incorporation of the homestead and agricultural credits into the class rates for homestead and agricultural property.

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

Local Government Aids—The funds distributed by a formula from the state general fund to cities, townships, and counties.

Medical Assistance (MA)—Payments made to medical vendors (nursing home operators, physicians, dentists, pharmacists, etc.) on behalf of welfare recipients and others who are eligible because of a lack of resources to pay for medical care. Persons covered include needy families with children, needy senior citizens, and needy handicapped or blind persons.

Minnesota Supplemental Aid (MSA)—Cash grants, special needs payments, and room and board payments for certain SSI recipients and other eligible persons who are either elderly, blind, or disabled.

Open and Standing Appropriations — Legislative appropriations for which the actual amount appropriated is determined by the need level or eligibility. Amounts ultimately spent are usually determined by the response of some eligible population to a statutory funding formula or criteria.

Programmatic Aids—State aids other than nonprogrammatic aids (defined above). These aids are provided to local governments or other entities to fund the costs of specific government programs or purposes such as education, income maintenance, or highway construction, for example.

Property Tax Refund—A yearly refund up to \$400 given to homeowners and \$1,000 to renters based on their incomes and the amount of property taxes paid on their home or apartment.

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

Supplemental Security Income (SSI)—Payments made directly from the federal government to eligible low-income persons who are aged, blind, or disabled.

Tax Capacity—The property tax base determined by multiplying the market value by the appropriate class rate.

Tax Capacity Rate—The rate of tax determined by dividing a taxing district's levy, reduced by certain aids, by the total net tax capacity of all property located within the taxing district. The rate is expressed as a percentage of tax capacity.

Tax Extension Rate—The tax rate actually applied to individual properties, determined by subtracting the disparity reduction rate from the tax capacity rate. The disparity rate cannot reduce the tax extension rate to less than 90 percent of tax capacity.

Tax Increment Financing—A method of providing state and local financial assistance to economic development projects in which taxes on newly developed property values are captured and dedicated to the repayment of certain development costs.

Weighted ADM—The average daily membership of a school district (i.e. the average number of students enrolled during the year), weighted by the grade level. Each kindergarten student counts as 0.5 weighted ADM, each student in grades 1-6 as 1.0 weighted ADM, and each student in grades 7-12 as 1.35 weighted ADM through fiscal year 1991 and 1.30 beginning in fiscal year 1992.

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