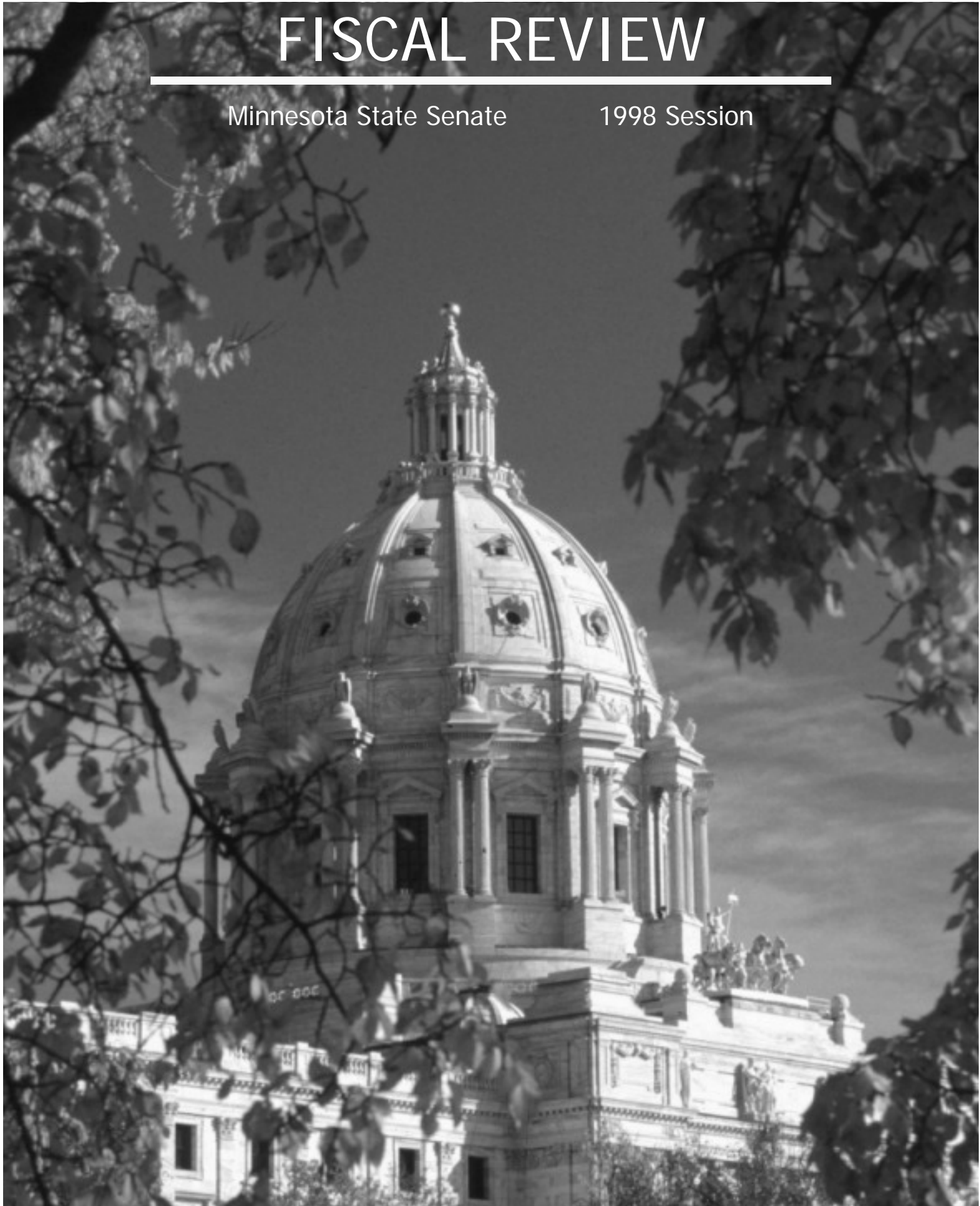


FISCAL REVIEW

Minnesota State Senate

1998 Session



A

Fiscal Review

of the

1998 Legislative Session

Minnesota Senate
Office of Senate Counsel & Research

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Introduction

The Fiscal Review is a report of actions taken by the 1998 regular session and one special session of the Minnesota Legislature. These reports have been issued annually since 1975. The 1998 appropriations amend the biennial budget in the 1997 session. Some changes involve updated estimates of open and standing appropriations, while other changes are the result of the passage of new laws.

The Fiscal Review is not an accounting of all legislative actions. It covers those with significant fiscal impact and other significant actions of the Legislature.

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 appropriations are open-ended and determined by formula or participation rates

specified by statute. These are called open and standing appropriations. The Review uses the estimates of open and standing appropriations made through the Department of Finance at the time the budget was enacted.

Direct appropriations essentially are the limits on spending put into the session laws.

The report handles open and standing appropriations as direct appropriations when the appropriation amount is specified in the session law. (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 the 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 of appropriations by fund (Table A); a table of appropriations by fund and law (chapter) (Table D); a General Fund balance statement (Table B); and a listing of open and standing appropriations (Table E).

Highlights

The 1998 session of the Legislature appropriated over \$1.1 billion in new money. Most of the increase was in the General Fund. Included in this amount is over \$500 million in direct appropriations for capital projects.

Taxes

The Legislature enacted a property tax rebate program equal to 20 percent of property taxes paid in 1998 up to \$1,500 per taxpayer. For renters, the rebate is based on 19 percent of rent paid. For agricultural homesteads, the rebate is limited to the property tax paid on the house, garage, and 320 acres of farm land. The cost of the rebate is estimated to be \$469.3 million in the 1997-1999 biennium and \$25.2 million in the 1999-2001 biennium.

The Legislature also enacted property tax reform, including property tax class rate compression, increased education funding, and an increase in the education homestead credit. For the 1999-2001 biennium, the increase in education funding will cost \$146 million, and the increase in the education homestead credit will cost \$271.7 million.

The sales tax rate for sales of new farm machinery and aquaculture production equipment was reduced from 2.5 percent to 2 percent for sales after June 30, 1998, to 1 percent for sales after June 30, 1999, and exempt from the sales tax after June 30, 2000. The cost of this rate reduction and exemption is estimated to be \$1.7 million in the 1997-1999 biennium and \$15 million in the 1999-2001 biennium.

Budget Reserve

The amount of the budget reserve was increased from \$522 million to \$622 million. If the Commissioner of Finance forecasts that additional surplus revenues will be available for the biennium, the first \$200 million of the additional revenue after the budget reserve increase will be deposited in the tax reform and reduction account.

K-12 Education

The Legislature appropriated approximately \$215 million for K-12 education. \$70.8 million of this amount is to help districts implement the new state graduation standards through staff development, technology improvements, class size reduction, and programs for gifted and talented students. \$90.1 million of the total was used to buy back the remaining 7 percent of the general education levy recognition shift.

Higher Education

The Legislature appropriated \$73 million to higher education: \$36 million to the University of Minnesota, \$36 million to the Minnesota State Colleges and Universities (MnSCU), and \$1 million for student financial aid.

Capital Budget

The Legislature adopted a Capital Budget Bill totaling approximately \$1 billion, and chose to pay cash for approximately \$500 million worth of projects. Among the larger projects were: \$87.1 million for the expansion of the Minneapolis Convention Center; \$65 million for a loan to the

city of St. Paul to demolish the existing RiverCentre Arena, and to design, construct, furnish, and equip a new arena; \$206.8 million for the construction and repair of facilities at University of Minnesota campuses and agricultural experiment stations; \$143.1 million for the construction and repair of facilities at state universities, community colleges, and technical colleges statewide; \$10.8 million for recreation and community center grants statewide; \$30 million for flood hazard mitigation grants; \$40.4 million for the improvement of parks, trails, and recreation areas statewide; and \$40 million for the construction of light rail transit from downtown Minneapolis through the Minneapolis-St. Paul International Airport and ending in southern Hennepin or northern Dakota county.

Human Services

The Legislature reduced General Fund appropriations for the Department of Human Services by almost \$321.8 million and reduced health care access fund appropriations by almost \$17.6 million. The General Fund reduction was the net result of forecast reductions of almost \$374.2 million offset by new spending of over \$37.7 million and transfers to the state Temporary Assistance for Needy Families (TANF) reserve account of almost \$14.7 million.

Tornado Relief

The Legislature appropriated an additional \$27.6 million from the General Fund for tornado

relief due to damage from the March 29, 1998, tornadoes.

Feedlots

The 1998 Legislature enacted various provisions relating to feedlots. Included in the enacted provisions were:

- (1) An appropriation of \$1.2 million to the Office of Strategic and Long-Range Planning to provide funding for the Environmental Quality Board (EQB) to begin preparation of a generic environmental impact statement (GEIS) on feedlots;
- (2) Requirements for the Pollution Control Agency (PCA) to issue a federal National Pollutant Discharge Elimination System (NPDES) permit for feedlots over 1,000 animal units; and
- (3) An appropriation of \$11 million for financial assistance for the upgrade of existing feedlots.

Crisis Agriculture Counties

The Legislature appropriated \$8.8 million from the General Fund for reimbursement of 1997 federal crop insurance premiums and administrative fees paid on wheat and barley in crisis counties. The crisis counties are Beltrami, Clay, Clearwater, Kittson, Lake of the Woods, Lincoln, Lyon, Mahnomon, Marshall, Norman, Pennington, Pipestone, Polk, Red Lake, Roseau, and Wilkin.

Revenues

State Taxes

Income Tax

Federal law changes enacted through December 31, 1997, were adopted for Minnesota income tax purposes. There were a number of significant federal provisions concerning IRAs and capital gains which affect the taxable income of Minnesota taxpayers.

The income limits for phasing out the traditional IRA deduction are increased over ten years from the current phase-out beginning at \$40,000 (on joint returns) for tax year 1997 to a phase-out beginning at \$80,000 in tax year 2007. Two new IRA programs, the Education IRA and the Roth IRA, were added effective for 1998 tax returns. Contributions to the Education and Roth IRAs are not deductible, but distributions from these IRA accounts are tax-exempt if the following requirements are met: for the Education IRA, \$500 may be contributed per beneficiary; the contribution must be made before the beneficiary turns 18, and the distributions must be made for higher education expenses. For the Roth IRA, \$2,000 per year may be contributed, less any contribution to a regular IRA (subject to the regular IRA phase-out). Distributions from the Roth IRA are not taxable after five years if the distribution is made after the taxpayer reaches age 59½, dies, becomes disabled, or uses the distribution for a first-time home purchase.

The exclusion of capital gain on the sale of a principal residence was broadened significantly. Under prior law, a taxpayer was allowed a one-time exclusion of up to \$125,000 of gain on the sale of a principal residence after the taxpayer

had reached age 55. The new rules allow taxpayers to exclude up to \$250,000 of gain on the sale of a home after owning and using the home as a principal residence for two years. The age restriction was dropped.

The update to federal law changes is estimated to cost \$14.6 million in the 1997-1999 biennium and \$29 million in the 1999-2001 biennium.

The Minnesota Working Family Credit for taxpayers with children was restructured. Under prior law, the Working Family Credit was equal to 25 percent of the federal Earned Income Credit. Under the new provisions, the Working Family Credit will be calculated independently from the federal Earned Income Credit, providing additional credit to families earning between \$6 and \$8 per hour. This increase in the Working Family Credit is estimated to cost \$4.4 million in the 1997-1999 biennium and \$10.1 million in the 1999-2001 biennium.

The property tax rebate enacted by the 1997 Legislature was authorized again for property taxes payable in 1998. The rebate for homeowners and renters is once again equal to 20 percent of property taxes paid. A new provision was added that limits the amount of the rebate to \$1,500 per taxpayer. The rebate is a refundable income tax credit which will be claimed on the taxpayer's 1998 individual income tax return. The cost of the rebate is estimated to be \$469.3 million in the 1997-1999 biennium and \$25.2 million in the 1999-2001 biennium.

Sales and Excise Taxes

The sales tax rate for sales of new farm machinery and aquaculture production equipment was reduced from 2.5 percent to 2 percent for sales after June 30, 1998, and to 1 percent for sales after June 30, 1999. Sales of new farm machinery and aquaculture production equipment are exempt from the sales tax beginning with sales after June 30, 2000. The cost of this rate reduction and exemption is estimated to be \$1.7 million in the 1997-1999 biennium and \$15 million in the 1999-2001 biennium.

A sales tax exemption was enacted for construction materials used in constructing or improving the Duluth Entertainment Convention Center, the Minneapolis Convention Center, and the St. Paul RiverCentre. The cost of these exemptions is estimated to be \$1.8 million in the 1997-1999 biennium and \$4.5 million in the 1999-2001 biennium.

Local option sales taxes were authorized for the cities of Bemidji, Detroit Lakes, Fergus Falls, Hutchinson, Owatonna, Rochester, St. Cloud, St. Joseph, Sartell, Sauk Rapids, Two Harbors, Waite Park, and Winona. The local option sales taxes will be an additional one-half percent in

addition to the state sales tax rate and an additional tax of \$20 on motor vehicle sales occurring within the city. These local option taxes must be approved by referendum.

The tax rates on lawful gambling were reduced by 5 percent beginning July 1, 1998. The cost of these rate reductions is estimated to be \$2.7 million in the 1997-1999 biennium and \$5.8 million in the 1999-2001 biennium.

Budget Reserve

The amount of the budget reserve was increased from \$522 million to \$622 million. If the Commissioner of Finance forecasts that additional surplus revenues will be available for the biennium, the first \$200 million of the additional revenue after the budget reserve increase will be deposited in the tax reform and reduction account. The next \$400 million of additional revenue will be used to pay for projects authorized using bond proceeds in the 1998 Capital Budget Bill, reducing the need for state borrowing. Any remaining additional revenue will be an undesignated balance in the General Fund.

Local Property Tax Aids and Credits

The property tax rebate enacted by the 1997 Legislature was authorized again for property taxes payable in 1998. The rebate for homeowners and renters is once again equal to 20 percent of property taxes paid. A new provision was added that limits the amount of the rebate to \$1,500 per taxpayer. For renters, the rebate is based on the 19 percent of rent which is deemed to be used to pay property taxes on the rental unit. For agricultural homesteads, the rebate is limited to the property tax paid on the house, garage, and 320 acres of farm land. The rebate is a refundable income tax credit which will be claimed on the taxpayer's 1998 individual income tax return. The cost of the rebate is estimated to be \$469.3 million in the 1997-1999 biennium and \$25.2 million in the 1999-2001 biennium.

The education homestead credit enacted in 1997 was increased from 32 percent of the general education tax on a homestead to 68 percent for taxes payable in 1999, and 69 percent for taxes payable in 2000 and thereafter. The maximum credit is increased from \$225 to \$320 for taxes payable in 1999 and to \$335 for taxes payable in 2000 and thereafter. The percentage of the credit may be adjusted by the Commissioner of Revenue to account for increases in the general education levy. The additional cost of the credit is estimated to be \$271.7 million in the 1999-2001 biennium.

The statewide general education levy was reduced by \$57 million annually beginning with state FY 2000. Referendum equalization aid was increased by \$7 million annually, and

alternative facilities aid was increased by \$3 million annually. Desegregation aid was increased by \$7 million in FY 2000, and by \$13 million in FY 2001. After accounting for the metering of school aid payments, the cost of these education aid increases is \$146 million in the 1999-2001 biennium.

Family Preservation Aid (FPA) was increased by \$30 million annually beginning with aid payable in FY 2001. Of the \$30 million FPA increase, \$10 million was a transfer from county Homestead and Agricultural Credit Aid (HACA). The net cost of the FPA increase is \$20 million in the 1999-2001 biennium.

HACA was increased to reflect the reduction in the Fiscal Disparities areawide contribution pool resulting from the reduction in commercial-industrial class rates from 4.0 percent to 3.5 percent. The increase in Fiscal Disparities HACA is estimated to be \$13.2 million in the 1999-2001 biennium.

The percentage of rent which is deemed to be used to pay property taxes was increased from 18 percent to 19 percent. This change is estimated to increase the cost of the property tax refund by \$16.2 million in the 1999-2001 biennium.

Property tax class rates were reduced for a number of property types effective for taxes payable in 1999. The following table shows the class rates under prior law, and the newly enacted class rates.

PROPERTY TAX CLASS RATES

	Prior Law Payable 1999	Current Law Payable 1999
Residential homestead: Less than \$75,000 More than \$75,000	1.0 1.85	1.0 1.7
Residential non-homestead: Single unit: Less than \$75,000 More than \$75,000 2 or 3 units (& undeveloped land)	1.9 2.1 2.1	1.25 1.7 1.7
Apartments: Regular Low-income Small Cities	2.9 1.0 2.3	2.5 1.0 2.15
Agricultural land & buildings: Homestead < \$115,000 Homestead > \$115,000, < 320 acres Homestead > \$115,000, > 320 acres Non-homestead	0.4 0.9 1.4 1.4	0.35 0.8 1.25 1.25
Seasonal recreational residential (cabins): Less than \$75,000 More than \$75,000	1.4 2.5	1.25 2.2
Commercial seasonal recreational: Homestead resorts (1c) Seasonal resorts (4c)	1.0 2.1	1.0 1.8
Disabled homestead: Less than \$32,000	0.45	0.45
Commercial/Industrial: Less than \$150,000 More than \$150,000	2.7 4.0	2.45 3.5
Public utility: Land and buildings Attached machinery Public utility personal property	4.0 4.0 4.0	3.5 3.5 3.5

Functions of State Government

Elementary and Secondary Education

The 1998 Supplemental K-12 Education Bill appropriated approximately \$215 million for a variety of education purposes. The majority of the funding went to districts for additional staff development to implement the new graduation standards and to buy off the remaining portion of the general education levy recognition shift. The fiscal changes made this year authorize an additional \$126 million in spending for the next biennium.

Graduation Standards Implementation Revenue. The 1998 Legislature created a new categorical aid to help districts implement the new state graduation standards through staff development, technology improvements, class size reduction, and programs for gifted and talented students. Districts that implement the full graduation standards during the 1998-99 school year will receive \$66 per pupil, and districts that choose to phase in the implementation of the graduation standards will receive \$52 per pupil. For the 1999-2000 school year and later, all districts will receive \$43 per pupil for ongoing graduation standards programs. Certain low property wealth districts will receive an additional \$25 per pupil for graduation standards implementation. The statewide cost for this new categorical aid is about \$70.8 million for FY 1999, and about \$107 million for the next biennium.

Shift Eliminated. \$90.1 million was needed to buy back the remaining 7 percent of the general education levy recognition shift. The property tax recognition shift is the amount of anticipated property tax revenue school districts are required to recognize in the current year.

Transitional Compensatory Revenue. The Legislature appropriated \$14.7 million to certain

school districts who received less than a 35 percent increase in last year's new compensatory revenue formula to help offset budgetary problems encountered when districts had to allocate all of the compensatory revenue to school sites, as required by last year's funding changes.

Facilities and Flood Losses. The state will begin to house some students in at least three new residential academies through a \$12 million appropriation. These residential academies will house and educate certain at-risk children. The 1998 Legislature also appropriated almost \$11 million to aid districts that incurred excessive flood and storm-related damages.

Special Education. The Supplemental K-12 Education Bill contained a number of special education provisions which comply with federal changes in special education regulations and address some of the rising costs of special education. About \$800,000 was appropriated to help districts access federal health care money through a statewide data management system and staff training. The Omnibus Bill also contained \$500,000 to help districts with their litigation costs associated with special education.

Reporting the Cost of Education. In order for future Legislatures to better understand the funding needs of school districts, the 1998 Legislature required school districts to provide additional fiscal information to the state. Beginning in 1999, school districts must report the expenditures required for different percentages of students to pass the basic skills test. Superintendents must also report how much the district is cross-subsidizing programs

with special education, compensatory, and general education revenue.

Other Education Appropriations. The Legislature also provided:

- \$1.5 million to the First Grade Preparedness/All-Day Kindergarten program;
- \$2 million for a Clearinghouse of Best Education Practices which will promote successful teaching methods and staff development;
- \$3.5 million for Graduation Rule Resource Grants which will go to public or private entities to help develop curriculum packages for the new graduation standards; and
- \$900,000 to increase funding for the Department of Children, Families, and Learning for costs associated with educational adequacy litigation.

Higher Education

The Legislature appropriated \$73 million to higher education: \$36 million to the University of Minnesota, \$36 million to the Minnesota State Colleges and Universities (MnSCU), and \$1 million for student financial aid.

The \$36 million to the University of Minnesota was for the following purposes:

- \$31.85 million for strategic academic initiatives in digital technology, molecular and cellular biology, and design; an equipment base adjustment; a faculty setup and equipment fund; a rapid agricultural response fund to conduct research to solve problems including, but not limited to, those affecting spring wheat, barley, canola, potatoes, and respiratory diseases affecting turkey; and faculty and staff compensation;
- \$3.65 million for agricultural research and outreach; and
- \$250,000 for the law clinics program in the law school, and \$250,000 for Project Outreach. The Governor vetoed the appropriations for these two initiatives.

The \$36 million to MnSCU was for the following purposes:

- \$10 million for activities to enhance partnerships between colleges and business and industry. \$450,000 of this appropriation is to review aviation maintenance program needs and for equipment to upgrade the aviation maintenance programs at Minneapolis Community and Technical College, Northland Community and Technical College, and Winona/Red Wing Technical College. The MnSCU board is directed to: (1) review avionics programs at other campuses to determine equipment and program needs; and (2) review current and prospective aviation maintenance programs to ensure that programs are coordinated across campuses, and that courses offered are not duplicative. This appropriation also contains money to increase the number of student internships;
- \$20 million to reduce the funding variance in state appropriation per full-time equivalent student. Factors to be considered in making allocations include type of institution, campus size, type and cost of programs, and instructional/program level. Allocations may be used for an equipment base adjustment and training in instructional technology for students, faculty, and staff; and

- \$3 million for the acquisition of library materials and equipment, and \$3 million for colleges of education to redesign their curricula to prepare teachers to work with the graduation rule, and to integrate the use of computers and technology into their teaching methods.

By reinvesting an estimated \$13.5 million in savings from changes in federal student financial aid and providing \$1 million in new money for the work-study program, the Legislature continued its commitment to help families pay for their children's college education.

Under Minnesota's student financial aid policy, students are currently responsible for 50 percent of the recognized price of attending college. The Legislature reduced the proportion of the cost the student must pay from 50 percent to 47 percent. This will decrease a student's share of

the recognized price of attending college by approximately \$212 at MnSCU two-year institutions, \$234 at MnSCU four-year institutions, \$286 at the University of Minnesota, \$327 at private two-year institutions, and \$388 at private four-year institutions. Typical dependent undergraduate students with parental adjusted gross incomes under \$20,000 will see significant increases in their combined state grant and federal Pell grant awards: \$610 at MnSCU two-year institutions, \$659 at MnSCU four-year institutions, \$755 at the University of Minnesota, \$945 at private four-year colleges, and \$958 at private two-year colleges.

The Legislature included \$1 million for the work-study program to further assist students in paying for their education. This money will provide jobs for about an additional 1,000 students.

Family and Early Childhood Education

The 1998 Family and Early Childhood Education Supplemental Budget Bill was vetoed by the Governor. The bill appropriated \$21.8 million in General Fund expenditures for basic sliding fee child care, Head Start, transitional housing, emergency services grants, and child care development. Tax credits for child care were expanded and made available to a larger group of qualifying parents. The veto message from the Governor cited historic expansions in these programs in earlier sessions as a reason for vetoing this bill.

The 1998 Special Session included appropriations for some of the programs in this vetoed bill. A one-time appropriation of \$3.25 million was approved for the basic sliding fee child care program. Emergency services grants (for homeless shelters) received \$300,000 for FY 1999. Transitional housing programs also received \$300,000 for FY 1999. Lead hazard reduction received \$100,000. Head Start programs for children ages 0 to 3 received \$250,000, for programs jointly operated with other early childhood programs.

Human Services

The Health and Family Security Supplemental Budget Bill (Chapter 407) reduced General Fund appropriations for the Department of Human Services (DHS) by almost \$321.8 million and reduced health care access fund appropriations

by almost \$17.6 million. The General Fund reduction was the net result of forecast reductions of almost \$374.2 million, offset by new spending of over \$37.7 million and transfers to the state Temporary Assistance for Needy

Families (TANF) reserve account of almost \$14.7 million. The health care access fund total reduction includes almost \$13.2 million in forecast reductions and over \$4.4 million in other net spending reductions.

General Fund Forecast Reductions

As a result largely of the booming economy, forecasted General Fund spending in the various health care and income maintenance programs administered by the department was reduced by almost \$374.2 million below the amount appropriated in 1997 for the 1997-1999 biennium. The forecast reductions were as follows:

1998 Forecast Reductions	
Program	Forecast Change
Medical Assistance (MA) for Families and Children	(\$ 90,923,000)
MA for the Elderly and Disabled	(71,526,000)
General Assistance Medical Care (GAMC)	(67,821,000)
MA Long-Term Care Waivers and Home Care	(13,346,000)
MA Long-Term Care Facilities	(39,069,000)
Group Residential Housing	(17,478,000)
Chemical Dependency Treatment Fund Entitlement	(7,893,000)
Assistance to Families Grants	(34,351,000)
General Assistance	(30,111,000)
Minnesota Supplemental Aid	<u>(1,636,000)</u>
Total	(\$ 374,154,000)

Health Care Access Fund -- Forecast Reductions and Other Changes

Appropriations out of the health care access fund were reduced by almost \$17.6 million overall. MinnesotaCare program funding was reduced by over \$20.9 million. A major component of that reduction was a forecast drop in program spending of about \$13.2 million. A savings of over \$8 million was estimated from delaying the shift, first approved in 1997, of

certain GAMC clients to MinnesotaCare until January 1, 2000, in order to allow more time to prepare for a smooth transition. The MinnesotaCare asset test for children was eliminated at a cost of \$222,000. However, this expenditure is more than offset by the elimination of the MA asset test for pregnant women and children, which made some current MinnesotaCare recipients eligible for MA, saving \$437,000 in the MinnesotaCare program. The elimination of the asset test for children in both programs was necessary in order to comply with federal requirements attached to the federal block grant for a children's health insurance program. The Legislature directed the department to seek a waiver in order to retain the asset test for children in both programs.

Effective January 1, 1999, families on MinnesotaCare whose incomes increase above 275 percent of federal poverty guidelines, and individuals whose incomes increase above 175 percent of poverty guidelines, are no longer eligible for the MinnesotaCare program. This provision does not apply if the annual premium for a policy with a \$500 deductible available through the Minnesota Comprehensive Health Association (MCHA) exceeds 10 percent of the income of the family or individual. In addition, families and individuals who are no longer eligible for MinnesotaCare due to this provision are provided with an 18-month notice period before disenrollment. This delays the fiscal impact of this provision until FY 2001.

Beginning July 1, 1999, the state cost of MinnesotaCare services provided to pregnant women and children under age two will be paid out of the General Fund. However, for the period July 1, 1999, to June 30, 2001, a transfer will be made from the health care access fund to the General Fund to reimburse these costs. (These costs have traditionally been paid from the General Fund, but in the budget forecast prepared for the 1998 legislative session, the administration recommended the transfer of the source of payment for these costs to the health care access fund.)

About \$3.3 million was appropriated out of the access fund for health care management costs, including over \$2.6 million for information systems costs in the MinnesotaCare program. A number of other small spending and reduction decisions contributed to the net \$17.6 million reduction.

Cost of Living Allowances (COLAs)

The Legislature appropriated about \$11.2 million out of the General Fund and \$367,000 out of the health care access fund in FY 1999 to provide a 3 percent COLA, effective July 1, 1998, for a variety of providers of community-based waived services, home care services, mental health services, and other services. The Supplemental Budget Bill states the Legislature's intention that this money be used to increase the compensation package of employees by 3 percent. Capitation rates in the prepaid programs managed by DHS will be increased on January 1, 1999, to reflect these increases. In addition, the Legislature provided over \$8.4 million in FY 1999 for a 3 percent COLA for nursing home employees and over \$1.4 million to provide the same COLA for workers in intermediate care facilities for persons with mental retardation (ICFs/MR).

Children's Grants

In addition to the \$10.3 million provided for children's services out of the federal TANF reserve (described below), the Legislature provided over \$1.6 million out of the General Fund for children's services, including \$800,000 in FY 1999 for adoption assistance costs to help families who adopt children with special needs. The Legislature also approved a new method to pay for children's mental health case management costs, but delayed the effective date of the changes until July 1, 1999, so there is no impact on the current biennial budget. Under the new method, base year state funding for MA and GAMC case management costs will

be converted into grants to counties, and the counties will assume the nonfederal share of future costs. The new method is designed to increase direct services to clients, simplify county administration, and increase federal payments. In order to ensure that counties do not suffer a financial penalty, the Legislature mandated that, beginning in 2001, each county's share of MA and GAMC base-year costs be adjusted according to county caseload growth.

Basic Health Care Grants

The Legislature reduced General Fund spending on basic health care grants by over \$223.4 million, due largely to reduced spending forecasts. Excluding the forecast changes, General Fund spending in this area was increased by over \$6.8 million. In order to ensure Minnesota's eligibility for some share of the federal Children's Health Insurance Plan block grant, the Legislature expanded eligibility for MA for children to 280 percent of poverty, from the previous level of 275 percent. The FY 1999 cost of this change is \$13,000. In order to qualify for federal matching funds, it was necessary to remove the asset test for pregnant women and children, which was reinstated in 1997. The FY 1999 cost of this change was \$978,000. However, the Commissioner of Human Services was directed to seek a federal waiver to retain the asset test for children.

In order to comply with the federal Balanced Budget Act, the Legislature established a new MA eligibility category for children who lost federal Supplemental Security Income (SSI) benefits in 1996 due to federal law changes that tightened childhood disability criteria. This change, retroactive to July 1, 1997, cost \$877,000. The Legislature amended the Health Maintenance Organization (HMO) surcharge by excluding certain Medicare revenue from the taxable base, as required by the federal Balanced Budget Act, retroactive to August 1, 1997. This will result in a revenue loss of about \$3.4 million for the biennium. The Legislature

also authorized a delay in the implementation of county-based purchasing of prepaid MA services in counties that are in the process of implementing this purchasing strategy. The delay results in a savings of over \$7.9 million in MA and almost \$3 million in GAMC in FY 1999, which was placed in a reserve account for future prepaid costs. The Legislature increased the income eligibility standard for elderly and disabled applicants for MA and GAMC to 133 $\frac{1}{3}$ percent of the income standard under the former Aid to Families with Dependent Children (AFDC) program. The cost of this revision was almost \$3.4 million in MA and \$898,000 in GAMC. Delaying the shift of certain GAMC recipients into the MinnesotaCare program until January 1, 2000, costs the GAMC program almost \$9.7 million.

Continuing Care and Community Support

The Legislature made a net General Fund reduction in this area of almost \$46.2 million. Excluding forecast reductions, General Fund spending was increased by almost \$31.6 million. This budget area includes state-operated facilities and services, mental health grants, long-term care, waived services, and home care programs.

The only sizable expenditure approved for the regional treatment centers was \$650,000 for additional staff to accommodate the growing population at the Minnesota Sexual Psychopathic Personality Treatment Center. The treatment center operates at facilities in Moose Lake and St. Peter.

The Legislature approved about \$1.9 million in additional mental health spending. Of this total, \$800,000 was to continue providing needed mental health services in the portions of northwestern Minnesota affected by major spring floods in 1997. Most of the additional spending was for provider COLAs (described above).

Spending on long-term care facilities was reduced by about \$41.2 million. This is the net result of forecast reductions, COLAs, and a variety of adjustments in rates for nursing homes and ICFs/MR. Total spending on a variety of items not related to COLAs or the forecast was under \$1.6 million, including about \$1.5 million for nursing homes and \$65,000 for ICFs/MR.

The Legislature provided almost \$22.7 million to pay the additional alternative care costs that result from delaying for one year, until July 1, 1999, the expansion of the elderly waiver program, which will result in shifting many alternative care clients into the waiver. This cost is partially offset by a corresponding savings in the elderly waiver program of about \$14.1 million.

In the chemical dependency treatment fund entitlement area, the Legislature canceled \$3 million out of the FY 1998 reserve.

Economic Support

The Legislature reduced General Fund support in this area by \$2.1 million in FY 1999. The base funding level for TANF work grants was reduced by \$1 million, and the base for child support enforcement was reduced by \$1.1 million, but the agency was allowed to carry forward \$1.1 million in unspent appropriations from 1998 to 1999 to offset the reduction.

TANF Reserve Accounts

The Legislature also appropriated money out of the federal and state TANF reserve accounts, which were created in 1997 in response to federal welfare reform legislation adopted by Congress in 1996 that established a federal TANF block grant. The federal reserve account consists of funds provided to Minnesota in a block grant by the federal government under a formula basis but not needed yet because of the reduction in welfare caseloads. The state

reserve account consists of savings in state funds that result from federal welfare-related actions. The 1997 Legislature established the state account. Any savings that result from federal action in the welfare area are to be "reserved" in this account. The February 1998 forecast estimated \$14.7 million in savings due to federal changes that occurred after the adjournment of the 1997 Legislature. These changes included the restoration of federal SSI benefits to a number of noncitizens who were barred from the program under the 1996 federal legislation.

The forecast for biennial spending out of the federal TANF reserve account was reduced by over \$54 million, from over \$542.5 million to about \$488.5 million. The Legislature appropriated \$38.8 million out of the federal reserve account for a variety of purposes. The Legislature transferred \$10.3 million from the federal account to the Title XX social services block grant to be used for family preservation services (\$10 million), Indian child welfare services (\$100,000), and home visiting (\$200,000). Chapter 406 further delineates how the \$10 million is to be used to enhance family preservation efforts. (See miscellaneous legislation below for further explanation.)

Almost \$20.5 million was appropriated from the federal account to delay for one year, until July 1, 1999, the policy enacted in 1997 to count the first \$100 of any housing subsidy received by recipients of TANF benefits as income, thus reducing TANF grants for public housing residents. Over \$7.4 million was appropriated for a variety of food-related benefits for TANF recipients. An appropriation of \$791,000 was approved to provide child care benefits for participants in the Minnesota Family Investment Program field trials during a transitional period after the field trials end.

The \$14.7 million "reserved" in the state TANF account was offset against the forecast reductions in General Fund spending. Out of the state TANF reserve, the Legislature

appropriated about \$5.4 million, including almost \$5 million to provide food benefits to legal immigrants who are not TANF recipients and do not qualify for the federal Food Stamp program because of their immigrant status.

Miscellaneous

Chapter 406 allocated the \$10 million transferred in Chapter 407 from the federal TANF reserve account to the family preservation program. Of that amount, \$9.3 million was allocated to counties under the existing distribution formula for concurrent permanency planning, and \$700,000 went to the Commissioner of Human Services for the following activities: mediation training for relative care conferencing (\$200,000); an independent evaluation of the concurrent permanency planning program (\$200,000); and administrative costs associated with developing the concurrent permanency planning program and providing training, and for conducting external reviews of county child protection practices (\$300,000).

Concurrent permanency planning, required under Chapter 406, is a process through which counties must develop an alternative permanency plan for children in out-of-home placement while also making reasonable efforts to reunify the child with the family.

Health

The Omnibus Health and Human Services Appropriations Bill (Chapter 407) appropriated about \$19.8 million out of the General Fund, \$259,000 out of the health care access fund, and \$108,000 out of the state government special revenue fund for the Minnesota Department of Health for FY 1999.

Health Systems and Special Populations

The Legislature provided \$15.2 million in General Fund revenue and \$259,000 from the access fund for this activity. Of the General Fund appropriation, \$5 million was for a comprehensive statewide initiative to prevent alcohol-related birth defects and develop strategies for serving persons afflicted with fetal alcohol syndrome (FAS) and fetal alcohol effect (FAE). The appropriation includes \$200,000 to be transferred to the Commissioner of Children, Families, and Learning for school-based pilot programs to identify and implement effective educational strategies for individuals with FAS/FAE; \$800,000 for a public awareness campaign; \$400,000 to develop a statewide network of regional diagnostic clinics; \$150,000 for professional training about FAS; \$350,000 for the fetal alcohol coordinating board; \$800,000 to be transferred to the Commissioner of Human Services to expand the maternal and child health social services programs; \$200,000 to study the extent of FAS; \$400,000 to be transferred to the Commissioner of Human Services for the intervention and advocacy program; \$850,000 for the FAS community grant program; and \$850,000 to be transferred to the Commissioner of Human Services to expand treatment services and halfway houses for pregnant women and women with children who abuse alcohol during pregnancy.

The Legislature also provided \$10 million out of the General Fund for the Medical Education and Research Trust Fund which makes grants to educational and research programs. The trust fund is designed to replace money that has historically been raised through patient fees to support educational and research activities but is no longer readily available, largely because of the current competitive nature of health care and the unwillingness of purchasers to pay additional amounts for these purposes. Of the appropriation, \$5 million per year becomes part of base-level funding for future bienniums.

The Legislature provided \$50,000 to the Commissioner of Health to reimburse members of the Consumer Advisory Board for travel, food, and lodging expenses incurred in the course of conducting board duties. The board's purpose is to advise the Commissioners of Health and Commerce and the Legislature on the needs and concerns of health care consumers and on consumer protection issues in the self-insured market. The Legislature also provided \$100,000 for a new Office of Consumer Assistance, Advocacy, and Information within the Minnesota Department of Health. The office is charged with assisting patients and enrollees in understanding and asserting their contractual and legal rights, assisting enrollees in obtaining referrals, assisting patients and enrollees in accessing the services of other patient protection services that are already available, educating and training enrollees about their health care coverage, and other duties. The office has no regulatory power or authority and may not provide legal representation in court. The office must be separated from all regulatory functions within the department.

The \$259,000 health care access fund appropriation was for the rural physician loan forgiveness program which encourages physicians to locate in rural and urban underserved areas in return for forgiveness of medical school loans. The program is experiencing increasing obligations because of recent expansion, and the appropriation will provide a stable funding base for the program.

Health Protection

The Legislature provided about \$4.6 million from the General Fund and \$108,000 from the state government special revenue fund for this activity. Of this amount, \$2.5 million from the General Fund and the \$108,000 from the special revenue fund were for a food safety leadership initiative to support the development of a redesigned system for protecting food safety. The initiative will encourage the participation of

producers, distributors, food service workers, consumers, and health care providers to help control food-borne disease and will expedite the development of early warning systems to protect the food supply and to stop the ongoing transmission of these infectious diseases.

This appropriation also included about \$2 million for a variety of disease prevention and control activities, as follows: almost \$1.3 million for breast and cervical cancer control; \$200,000 for an institutional infection control program; \$250,000 to design an occupational respiratory disease information system; and \$300,000 for activities designed to reduce the incidence of sexually-transmitted diseases.

Housing

The 1998 Legislature appropriated approximately \$20 million for housing programs. Upon receiving a veto by the Governor, the Legislature finally passed a total of \$13.6 million in appropriations for housing programs. These appropriations were:

- \$10 million for preservation of federally assisted rental housing;
- \$3.3 million to be divided between: (1) the affordable rental assistance program which

provides funding for production of rental housing and for rental assistance; and (2) the community rehabilitation program which provides funding for projects designed to rejuvenate neighborhoods and communities. The division of this appropriation was left to the discretion of the Housing Finance Agency, with certain prescribed limits; and

- \$300,000 for the family homeless prevention program.

Economic Development

The 1998 Legislature appropriated over \$9 million for economic development projects, but that appropriation bill was vetoed by the Governor. The Legislature then, in special session, passed a much smaller package (just under \$1.5 million) for economic development. These appropriations included:

- \$80,000 to the Neighborhood Development Center for expanding and improving its neighborhood and ethnic-based entrepreneur training, lending, and support programs in the poorest communities of St. Paul and Minneapolis;
- \$500,000 to the Granite Falls economic development authority to be used to “manage the development, seek financing and equity

participation, reimburse costs of third-party due diligence exercises, and perform environmental review and permitting” of the alfalfa biomass generation facility;

- \$155,000 to retire certain debts of the Minnesota World Trade Center Corporation;
- \$646,000 to the Minnesota Historical Society, of which \$571,000 is for salary adjustments and \$75,000 is for start-up costs of a Hmong history and culture archival project; and
- \$100,000 for the community justice system collaboration team in the judicial branch of the Minnesota government.

Transportation

The 1998 Legislature appropriated approximately \$52 million in additional funds for FY 1999 and \$200,000 for FY 1998 for transportation purposes. Most of this amount, approximately \$51.1 million, was from the trunk highway fund to the Department of Transportation and the Department of Public Safety as described below. When added to the appropriations from the 1997 session, total transportation spending for the 1997-1999 biennium will be nearly \$3 billion.

Department of Transportation

The Legislature appropriated an additional \$46.9 million for FY 1999 to the Department of Transportation, including \$40 million for state road construction, \$6.8 million for design and construction engineering, and \$61,000 for aeronautics. Total state road construction spending for FY 1999 is now expected to be over \$485 million, the highest annual road construction program ever in the state.

In addition to the supplemental appropriations, the Transportation Supplemental Budget Bill (Chapter 372) also changed the 5 percent set-aside formula. Article 14 of the Minnesota Constitution allows 5 percent of the net highway user tax distribution fund revenues to be set aside and apportioned under a formula determined by the Legislature no more frequently than once every six years. The formula was last changed in 1989. Under the new formula, 30.5 percent of the revenues will be distributed to the town road account, 16 percent to the town bridge account, and 53.5 percent to a newly created flexible highway account. The flexible highway account revenues will be used to restore former trunk highways that have been turned back to either the county state aid highway system or the municipal state aid highway system. Money in the account not

needed for county and municipal turnbacks will be used for state road construction and engineering.

Department of Public Safety

The Legislature appropriated an additional \$200,000 for FY 1998 and \$4.5 million for FY 1999 to the Department of Public Safety. Most of the FY 1999 amount was appropriated to the state patrol for the following purposes:

- \$2.697 million from the trunk highway fund for 29 additional state troopers and seven support staff;
- \$50,000 from the highway user tax distribution fund for a vehicle registration and insurance study;
- \$294,000 from the General Fund for additional capitol complex security staff;
- \$200,000 from the trunk highway fund for additional state patrol helicopter flight time; and
- \$694,000 from the trunk highway fund for the replacement and maintenance of state patrol communications equipment.

Driver and vehicle services received the remaining amount of the Department of Public Safety's supplemental appropriations including \$200,000 in FY 1998 and \$235,000 in FY 1999 for the increased costs of producing Minnesota drivers' licenses and identification cards; \$295,000 in FY 1999 to establish youth-oriented driver improvement clinics and a graduated driver licensing system; and \$7,700 in FY 1999 to make a firearms safety designation available on drivers' licenses.

The Transportation Supplemental Budget Bill also required the state patrol to assign four troopers to a dealer licensing and motor vehicle registration enforcement task force. This task force will investigate activity by persons in violation of the dealer licensing and vehicle registration laws. The Commissioner of the Department of Public Safety was directed to undertake a study using this task force to determine the incidence of private passenger vehicles domiciled in this state but registered in another state and the potential revenue loss, and the number of uninsured motorists in this state.

Chapter 388 contained the appropriations for the driver improvement clinics and the graduated driver licensing system. Youth-oriented driver improvement clinics are designed to assist traffic violators age 18 and under in correcting improper driving practices. The graduated licensing system requires drivers age 16 and 17 to hold a provisional license for 12 months before obtaining a full driver's license. In order to obtain the full license, the provisional license holder must avoid crash-related and alcohol-related violations and must drive at least 10 hours under supervision of a licensed driver 21 years of age or older.

Agriculture

Department of Agriculture

The Environment, Natural Resources, and Agriculture Supplemental Budget Bill (Chapter 401) appropriated almost \$2.3 million from the General Fund to the Department of Agriculture.

The table below shows the specific supplemental budget appropriations from the General Fund to the Department of Agriculture.

**1998 DEPARTMENT OF AGRICULTURE
General Fund Appropriations --
Supplemental Budget**

Gypsy Moth Response	\$ 360,000
State Meat Inspection	350,000
Farmer's Market Nutrition Program	75,000
Livestock Depredation Payments	25,000
Beaver Damage Control Grants	50,000
Milk Market Order Litigation	100,000
Dairy Diagnostics Teams	500,000
MN Grown Food Programs	267,000
Co-op Grant Program	160,000
Passing on the Farm	25,000
Manure Digester	200,000
Cider Technology	50,000
Wolf Depredation Study	25,000
Commercial Manure Applicator Licensing	<u>107,000</u>
Total	\$ 2,294,000

Not included in the General Fund appropriations for the Department of Agriculture are \$125,000 for a grant to Market Champ, Inc., and \$60,000 for assisting local governments in adoption of feedlot ordinances that were vetoed by the Governor.

The 1998 Legislature also appropriated \$500,000 from the General Fund to the department in the Capital Budget Bill (Chapter 404) for a grant to a political subdivision that is chosen for a soybean oilseed processing and refining facility.

Crisis Agriculture Counties

Chapter 395 appropriated \$8.8 million from the General Fund to the Commissioner of Agriculture for reimbursement of 1997 federal crop insurance premiums and administrative fees paid on wheat and barley in crisis counties. If a farmer in a crisis county experienced a 50 percent or greater yield loss or collected an indemnity or disaster payment on wheat or barley in any year between 1993 and 1997, the state will reimburse the farmer for 1997 wheat and barley crop insurance costs up to \$4,000.

The crisis counties are Beltrami, Clay, Clearwater, Kittson, Lake of the Woods, Lincoln, Lyon, Mahnomen, Marshall, Norman, Pennington, Pipestone, Polk, Red Lake, Roseau, and Wilkin.

Ethanol Development

Chapter 401 provides that the Commissioner of Agriculture may approve ethanol producer payments for a new ethanol plant for up to 12 million gallons of production per year at 20 cents per gallon. The additional \$2.4 million per year is exempt from the overall \$34 million annual ethanol producer payment cap. The law also prohibits the Commissioner from approving any new ethanol production capacity after July 1, 1998.

Farm Tornado Disaster Relief

The Tornado Disaster Relief Bill (Chapter 383) appropriated \$4 million from the General Fund to the Rural Finance Authority for loan programs to farmers for farm building repair and working capital operating loans.

Board of Animal Health

Chapter 401 appropriated \$190,000 to the Board of Animal Health for control of paratuberculosis ("Johne's disease").

Feedlots

The 1998 Legislature enacted provisions relating to feedlots, including funding for an overall study of feedlot environmental issues, regulation of large feedlots, and financial assistance for the upgrade of existing feedlots. Provisions relating to feedlots were contained in the State Government Supplemental Budget Bill (Chapter 366), the Environment, Natural Resources and Agriculture Supplemental Budget Bill (Chapter 401), and the Capital Budget Bill (Chapter 404).

Generic Environmental Impact Statement (GEIS) on Feedlots

Chapter 366 appropriated \$1.2 million to the Office of Strategic and Long-Range Planning to provide funding for the Environmental Quality Board (EQB) to begin preparation of the GEIS on feedlots. The GEIS must be prepared, under the direction of the EQB, to examine the long-term effects of the livestock industry on the economy, environment, and way of life of

Minnesota and its citizens. To advise the EQB on the scope and content of the GEIS, the EQB must establish the livestock industry environmental steering committee consisting of representatives of the livestock industry, environmental interests, and other stakeholders.

County Feedlot Grants

Chapter 401 appropriated \$350,000 from the General Fund in FY 1999 for grants to counties that accept delegation of the state feedlot permit program. This is in addition to \$855,000 appropriated by the 1997 Legislature for the same purpose in FY 1999.

Cost-Share Contracts for Water Quality Management on Feedlots

In Chapters 401 and 404, the 1998 Legislature appropriated a total of \$2 million from the General Fund to the Board of Water and Soil

Resources for water quality cost-sharing contracts on feedlots. Priority must be given to feedlot operators who have received a notice of violation and for feedlots in counties that are conducting level two or level three feedlot inventories.

Agriculture Best Management Practices Loans

Chapter 404 appropriated \$9 million to the Public Facilities Authority for deposit in the State Revolving Fund for use in the agricultural best management practices loan program. The agricultural best management practices loan program provides low-interest loans to farmers for practices that prevent or mitigate nonpoint sources of pollution. One of the purposes for which the loans may be used is waste management system improvement on feedlots.

NPDES Permit Requirements

Chapter 401 established standards for when the Pollution Control Agency (PCA) must issue a federal National Pollutant Discharge Elimination System (NPDES) permit for feedlots over 1,000 animal units according to the following schedule:

- (1) For applications received beginning on April 22, 1998, the PCA must issue individual NPDES permits for newly constructed or expanded feedlot facilities with 2,000 or more animal units;
- (2) For applications received beginning on January 1, 1999, the PCA must issue individual NPDES permits for newly constructed or expanded feedlot facilities with between 1,000 and 2,000 animal units that are identified as a priority by the Commissioner of the PCA;

- (3) By October 1, 1999, the PCA must issue a general NPDES permit for newly constructed or expanded feedlot facilities with between 1,000 and 2,000 animal units that are not identified as a priority; and
- (4) By January 1, 2001, all existing feedlots with 1,000 animal units or more must be issued an individual or general NPDES permit.

Chapter 401 also appropriated \$300,000 from the General Fund in FY 1999 to the PCA for issuing NPDES permits.

Animal Waste Technicians

After March 1, 2000, a person who manages or applies animal waste for hire must have a commercial animal waste technician license. Persons managing waste on land owned by the person's employer or persons managing or applying animal waste under the supervision of a licensed animal waste technician are exempt from the licensing requirements.

By January 20, 1999, the Commissioner of Agriculture, in consultation with the Commissioner of the PCA and statewide farm organizations, must submit a report to the House and Senate policy committees with jurisdiction over agriculture and the environment with recommendations on noncommercial manure applicator training and certification.

Chapter 401 also appropriated \$107,000 from the General Fund for development of the commercial animal waste technician license program.

Bad Actor Provision

The PCA was granted authority to refuse to issue or authorize the transfer of an animal feedlot permit if the PCA determines that the permit applicant does not possess sufficient expertise and competence to operate the facility

in conformance with applicable laws. The PCA may take into account past experience of the applicant, the expertise of the applicant, the past record of the applicant, and the past record of criminal convictions of the applicant. Prior to refusing to issue or transfer a permit, the PCA must provide the applicant the opportunity to respond to the findings. If the PCA denies a permit, the applicant may request a hearing under the Administrative Procedures Act.

Liquid Manure Storage Structure Plans

Until new rules are adopted by the PCA that provide for plans for manure storage structures, all plans for liquid manure storage structures must be prepared or approved by a registered professional engineer or a USDA Natural Resource Conservation Service employee. This provision extends the current requirement in PCA rule for manure structures of 500,000 gallons or more to liquid manure storage structures that hold less than 500,000 gallons.

Feedlot Inventory Requirements

A state agency or local government unit conducting an animal feedlot inventory must publicize the inventory in a newspaper of general circulation and in other media as appropriate. Prior to beginning an inventory, a local government unit must hold at least one public meeting within its boundaries. A state agency must hold at least four public meetings prior to beginning a feedlot inventory. The notices and public meetings must provide information on the dates the inventory will be

conducted, the inventory procedure to be used, and how the information will be provided to the public.

Open-Air Swine Lagoon Prohibition

Until June 30, 2000, the PCA and counties are prohibited from issuing a feedlot permit for the construction of an open-air, earthen, or flexible membrane-lined swine waste lagoon. This prohibition does not apply to repair or modification related to environmental improvement of an existing lagoon.

Other Provisions

Chapter 401 also: (1) requires updates in the feedlot permit rules and environmental review rules relating to feedlots; (2) requires counties and towns that have adopted animal feedlot ordinances to supply copies of the ordinances to the Commissioner of Agriculture; (3) requires reports on hydrogen sulfide exposure standards in livestock confinement facilities and on animal waste liability; (4) allows for manure testing laboratory certification; (5) changes the standard for animal burial; (6) provides \$200,000 in General Fund loan financing for demonstration projects using farm manure digester technology; and (7) appropriates \$292,000 to the University of Minnesota for alternative and sustainable hog production facilities and programs.

Natural Resources

Department of Natural Resources (DNR)

The Environment, Natural Resources, and Agriculture Supplemental Budget Bill (Chapter 401) appropriated over \$10.1 million from the General Fund to the DNR. The following table shows the specific supplemental budget appropriations from the General Fund to the DNR.

**1998 DEPARTMENT OF NATURAL RESOURCES
General Fund Appropriations --
Supplemental Budget**

Flood Hazard Mitigation	\$ 1,504,000
Well Sealing on DNR-Managed Lands	476,000
State Park Building Operations	430,000
RIM Critical Habitat Match	250,000
White Pine Management	300,000
State Forest Recreation Areas	600,000
RIM Wildlife Development/Habitat Improvement	250,000
SNAs and Prairie Banks	720,000
Metropolitan Greenways	340,000
Trail Acquisition/Development/Betterment	300,000
North St. Paul Trail Grant	250,000
Stream Protection/Restoration	500,000
Minerals Co-op Research	53,000
Forest Land Repair	75,000
Accelerated Wildlife Habitat Mgmt. & Inventory	1,175,000
Swan Lake Wildlife Management Area	100,000
Whitewater Trail	100,000
Conservation Partners	200,000
Customer Service Data Access	465,000
Mississippi River Sediment	350,000
Forestry Information Management	203,000
Outdoor Skills	150,000
Ecosystem Based Workshop	50,000
Aquatic Plant Restoration	200,000
Local Initiative Grants Administration	125,000
Lake Ecosystem Monitoring	150,000
Lake Classification System	100,000
Lake Watershed Boundaries	200,000
Development Effects on Lakes	150,000
Swede Hollow Grant	100,000
Brownfields	100,000
Forest Resources Council	150,000
RIM License Plate Promotion	25,000
Total	\$ 10,141,000

Not included in the DNR supplemental budget appropriations is \$100,000 for a water drainage system for the town of Linwood in Anoka county that was vetoed by the Governor.

Department of Natural Resources Capital Budget

The Capital Budget Bill (Chapter 404) appropriated almost \$130.3 million from the General Fund for capital items in the DNR. Major components of the capital appropriations are \$30 million for flood hazard mitigation projects, over \$17 million for state parks and recreation areas, over \$10.2 million for state trails, \$14.4 million for metropolitan parks, \$5 million for metropolitan trails, and \$4 million for the metropolitan greenways initiative. The table in the capital budget section shows the specific appropriation amounts for all DNR capital budget items.

Personal Watercraft

In Chapter 401 the Legislature enacted a \$50 surcharge on a personal watercraft license beginning January 1, 1999. The surcharge will be paid when personal watercraft licenses are issued or updated every three years. A portion of the revenue from the fee is for use by the Commissioner of Natural Resources for personal watercraft enforcement and safety education. The remaining revenue is for grants to counties proportional to the use of personal watercraft in each county. Based on revenue estimates from the surcharge, the Legislature appropriated \$450,000 from the watercraft account in the natural resources fund for enforcement of personal watercraft laws.

In Chapter 400, the 1998 Legislature also made changes to laws governing the use of personal watercraft. The changes provide for

additional youth safety education; increase the number of hours when personal watercraft are prohibited from operation; increase the distance requirements for operating personal watercraft at greater than slow no-wake speed; increase the age of adults required for supervision from 18 to 21 years old; prohibit riding a personal watercraft while facing backward; prohibit riding personal watercraft without a rules decal; exempt launching or landing a person on water skis from the distance restrictions; exempt emergency, safety, and enforcement watercraft from restrictions; and provide additional requirements regarding notification and records for dealers and rental operations.

Snowmobile Traction Devices

The 1998 Legislature provided a ban on the use of snowmobiles with metal traction devices on public lands, roads, trails or on public road or trail rights-of-way after July 1, 1999. Until July 1, 1999: (1) the existing ban on snowmobiles with metal traction devices applies to all paved public trails; (2) a peace officer may seize a snowmobile for a second or subsequent violation of the use ban on paved public trails; and (3) snowmobiles with a track equipped with metal traction devices may not be operated anywhere in Minnesota, unless a metal traction device sticker is affixed to the snowmobile. The cost of the sticker is \$50 and the proceeds from the fee are dedicated for repair of paved public trails.

Constitutional Amendments

Two constitutional amendments relating to natural resources were proposed by the 1998 Legislature. Both constitutional amendments will be on the November 3, 1998, general election ballot. They are: (1) to affirm that hunting and fishing are a valued part of our heritage and shall forever be preserved for the people of

Minnesota; and (2) to continue the constitutional dedication of 40 percent of the net lottery proceeds to the Environment and Natural Resources Trust Fund until 2025 and to maximize the long-term total return to the Fund.

Board of Water and Soil Resources

The Environment, Natural Resources, and Agriculture Supplemental Budget Bill (Chapter 401) appropriated \$1.4 million from the General Fund to the Board of Water and Soil Resources (BOWSR). The Capital Budget Bill (Chapter 404) appropriated \$19.8 million from the General Fund to BOWSR. The following table shows the combined General Fund amounts from both the Supplemental and Capital Budget Bills.

BOARD OF WATER AND SOIL RESOURCES			
General Fund Appropriations			
Supplemental and Capital Budgets			
	Capital Budget	Supplemental Budget	Total General Fund
RIM and PWP Conservation Easements	\$ 15,000,000		\$ 15,000,000
Local Government Wetlands Replacement	2,750,000		2,750,000
Quad Lakes Restoration	300,000	\$ 200,000	500,000
Lakeshore Easements	250,000		250,000
Area II Minnesota River Basin Grant-in-Aid	500,000		500,000
Feedlot Water Quality Grants	1,000,000	1,000,000	2,000,000
MN Extension Guidance		100,000	100,000
Living Snow Fences		100,000	100,000
Totals	\$ 19,800,000	\$ 1,400,000	\$ 21,200,000

Environment

Pollution Control Agency (PCA)

The Environment, Natural Resources, and Agriculture Supplemental Budget Bill (Chapter 401) appropriated almost \$1.4 million from the General Fund to the PCA. The table below shows the specific supplemental budget appropriations from the General Fund to the PCA.

1998 POLLUTION CONTROL AGENCY General Fund Appropriations -- Supplemental Budget

County Feedlot Grants	\$ 350,000
Fish Research Grant	50,000
Wastewater Infrastructure (WIF) Administration	180,000
Cost-Benefit Analysis of Rules	50,000
Frog Investigation	375,000
Federal Clean Water NPDES Permits	300,000
Benton County	<u>85,000</u>
Total	\$ 1,390,000

Office of Environmental Assistance (OEA)

The Capital Budget Bill (Chapter 404) appropriated \$3.5 million to the OEA from the General Fund for the Solid Waste Capital Assistance Grants program.

Public Facilities Authority (PFA)

Chapter 404 appropriated almost \$44.1 million for wastewater treatment and water system funding; \$10.1 million is from the General Fund, and just under \$34 million is from the Bond Proceeds Fund. Major components of the capital appropriations to the PFA are \$15 million to match federal grants for the water pollution control revolving fund and the state drinking water revolving fund, \$15.3 million for the wastewater infrastructure program, and \$9 million for the agriculture best management practices loan program. The table in the capital budget section shows the specific appropriation amounts for all PFA capital budget items.

Minnesota Zoological Garden

Chapter 401 appropriated \$1.5 million to the Minnesota Zoological Board as a one-time supplemental appropriation for zoo operations. The 1998 Legislature also appropriated almost \$1.8 million from the Bond Proceeds Fund to the Minnesota Zoological Board in Chapter 404 for design, repair, and reconstruction of roadways, pathways, parking lots, outdoor lighting, and public areas.

Economic Opportunity and Workforce Protection

Economic Opportunity

In Chapter 374, which the Governor vetoed, the 1998 Legislature appropriated over \$9 million for workforce training and economic opportunity programs. In the special session, the Legislature responded by passing just over

\$2.3 million for these programs. These appropriations included:

- \$1 million to the Department of Economic Security to fund its Vocational Rehabilitation Program;

- \$1 million for summer youth employment programs;
- \$126,000 to Advocating Change Together, Inc., for training and empowering individuals with developmental and other mental health disabilities; and
- \$200,000 for displaced homemaker empowerment programs.

Workers' Compensation

Chapter 339 made several technical changes for employers who self-insure or who have self-insured for workers' compensation. These changes included provisions that:

- Require employers that no longer are self-insured to withdraw from the self-insurers security fund by making a lump sum payment sufficient to cover 120 percent of the employers' estimated liabilities, as determined by an actuary, multiplied by the higher of two ways of estimating the future annual assessment rate;
- Permit commercial self-insurance groups to invest their assets in a broader range of investments than is presently permitted; and
- Allow commercial self-insurance groups in existence for five years the same funding

requirement permitted for the older type of self-insurance groups.

Reemployment Insurance

The 1998 Legislature enacted legislation providing that reemployment insurance benefit overpayments that are the result of administrative or employer mistakes are exempt from the requirement that most debts of the state be turned over to the Minnesota collections enterprise when they are 120 days past due.

In addition, the Legislature also passed legislation changing maximum benefit amounts, penalties, procedures, and other provisions of the reemployment insurance statutes. Among the changes, the legislation: (1) provides for two methods of computing the weekly benefit amount, depending on whether the employee's pay is evenly distributed over the year; (2) provides a maximum experience rating and eliminates the maximum tax rate; (3) changes the circumstances in which an experience rating is transferred when a business is sold; (4) makes those working more than 32 hours per week ineligible, rather than those working full-time; (5) changes the penalties available when a claimant fraudulently causes overpayment of benefits; and (6) provides an administrative penalty when an employer provides false information to avoid payment of benefits to a claimant or to avoid having the benefits charged to the employer's account.

Regulated Industries

Energy

Much of the energy legislation that passed in the 1998 legislative session involved an alfalfa biomass generation facility in Granite Falls. The facility is being constructed by the Minnesota Valley Alfalfa Producers (MNVAP) under an agreement with Northern States Power (NSP) in partial satisfaction of the biomass energy mandate which was included in the 1994 Prairie Island legislation.

This session's provisions relating to the facility were:

- A \$500,000 grant to the Granite Falls economic development authority to be used to "manage the development, seek financing and equity participation, reimburse costs of third-party due diligence exercises, and perform environmental review and permitting" of the alfalfa biomass generation facility;
- Authorization to use non-biomass fuel for more than 25 percent of the facility's fuel if biomass fuels are not reasonably available due to flood, fire, drought, disease, etc.;
- Authorization to the Minnesota Environmental Quality Board to waive fees associated with environmental review and permitting; and
- Clarification of 1997 legislation specifying that NSP may recover its investment in the biomass facility from ratepayers, provided the Minnesota Public Utilities Commission approves the MNVAP/NSP agreement and the investment in the biomass facility is not offset by revenues generated by the facility.

In addition, the 1998 Legislature passed legislation regarding the Gopher One-Call

system clarifying responsibilities for locating underground facilities and increasing fees for violations of the one-call duties.

Telecommunications

The 1998 Legislature passed a telecommunications consumer protection law which:

- Tightens the state's anti-slamming laws ("slamming" refers to an unauthorized change in a consumer's telephone service provider);
- Requires prior disclosure of terms and prices by long-distance telecommunications providers when soliciting business; and
- Requires telecommunications providers to offer international toll blocking of non-domestic area codes that are part of the North American numbering plan. This is an extension of a 1994 law regarding "information services" (i.e., 1-900 numbers, etc.).

This legislation also included a provision which changes the method by which regulatory expenses for a telecommunications proceeding are assessed. Prior to this legislation, the telephone company was assessed for all such expenses, but current law now provides that all parties to the proceedings (except nonprofit organizations, government agencies, and others) be assessed a portion of those expenses.

In addition, the Legislature passed, but the Governor vetoed, legislation extending the state's Telephone Assistance Plan to all eligible low-income customers. Current law restricts assistance only to low-income households with senior citizens or disabled residents.

Public Safety and Judiciary

The 1998 Crime Prevention Supplemental Budget Bill (Chapter 367) appropriated an additional \$7.9 million from the General Fund for these activities, while raising approximately \$3 million in new revenue. In addition, Chapter 383 appropriated \$8.8 million to the Commissioner of Public Safety for tornado disaster relief. Finally, First Special Session Chapter 1 appropriated \$100,000 to the criminal justice budget, for an increase in the 1997-1999 biennial budget of \$16.8 million.

1998 CRIME PREVENTION Supplemental Budget Bill Appropriations by Department

Supreme Court	\$ 1,270,000
Court of Appeals	207,000
District Courts	1,060,000
Board on Judicial Standards	30,000
Public Defense	1,000,000
Corrections	2,115,000
Ombudsman for Corrections	20,000
Public Safety	1,605,000
POST Board	148,000
Human Rights	100,000
Legislative Audit Commission	75,000
MnSCU	200,000
Administration	100,000
Total	\$ 7,930,000

Courts

The Legislature appropriated approximately \$1.4 million in supplemental funds to the Supreme Court. This appropriation includes \$400,000 to establish community court pilot projects in Hennepin and Ramsey counties, a \$375,000 subsidy increase for civil legal services, \$300,000 for a criminal justice system collaboration team, and \$120,000 for two additional court administrative positions. In addition, the Supreme Court received funding for a parental cooperation task force and a misdemeanor crime data collection study. The Legislature appropriated \$90,000 to the Court of

Appeals to establish a sixth appeals panel, and \$60,000 and \$57,000, respectively, for a workers' compensation deficiency and salary increases for appellate law clerks. The District Courts received \$360,000 for eight new law clerks and \$700,000 for salary increases for existing law clerks. Finally, the Board of Judicial Standards received \$30,000 for public hearing costs.

Public Defense

The Legislature appropriated \$1 million to the Board of Public Defense. Of this amount, \$30,000 is for increased retirement costs, and \$970,000 is for salary increases for public defenders in the 2nd and 4th judicial districts (Ramsey and Hennepin counties).

Public Safety

The Legislature appropriated \$10.4 million in supplemental funds to the Commissioner of Public Safety. An \$8.8 million tornado disaster relief appropriation comprises most of this amount. In addition, \$148,000 is for an Emergency Management Center and coordinator, and \$229,000 is to fund the consolidation of crime victim service providers under Executive Order 180. The Bureau of Criminal Apprehension received \$233,000 for two additional forensic scientists, the creation of a conditional release database, and additional funds for the crime victim and witness protection fund. The Fire Marshal received \$170,000 to create an arson investigative database. Finally, the Legislature funded four grant programs under the Department of Public Safety: \$200,000 for weed and seed projects, \$450,000 to local law enforcement agencies for automatic external defibrillators, and \$50,000 each for a crosswalk safety grant and a truancy center in Anoka county.

Corrections

The Legislature transferred \$1.2 million from the Department of Corrections institutions division to its community services division, and appropriated an additional \$2.1 million in supplemental funds to the Commissioner of Corrections. Major initiatives include \$1 million for probation caseload reduction, \$765,000 for the electronic alcohol monitoring program, and \$700,000 for a prison industry project constructing low-income housing with inmate labor. Other appropriations included the state assumption of adult misdemeanor and juvenile probation services in Winona and Benton counties, \$222,000 to the city of St. Paul in Break the Cycle of Violence grants, \$150,000 for the child guide program in Willmar, \$123,000 for juvenile mentoring programs, \$100,000 for restorative justice grants, and \$63,000 for a substance abuse intervention program in Minneapolis.

Other Appropriations

The Legislature appropriated \$200,000 to establish a law enforcement policy analysis capacity at Metro State University, \$148,000 to the Peace Officers Standards and Training Board for legal costs incurred in FY 1998, \$100,000 to the Department of Administration to conduct a pretrial release study, and \$75,000 to the Legislative Auditor to conduct a comprehensive cost of crime study.

Revenues

The 1998 Legislature restructured the criminal fine system (effective January 1, 1999), resulting in an estimated annual fine revenue increase of \$3 million. In addition, it raised DWI license plate reinstatement and surcharge fees by an estimated \$1.3 million annually. Finally, the state will receive \$525,000 from Benton and Winona counties for assuming their adult misdemeanor and juvenile probation services.

Pensions and Retirement

The 1998 Omnibus Pension Bill consisted largely of technical and administrative changes, along with provisions governing service credit for individuals and small groups of public employees. One change with wider implications, however, affected the method used to determine the actuarial value of prior service in a retirement plan.

Each year, many public employees seek special legislation enabling them to purchase credit in their retirement plans for prior service in public employment for which, for varying reasons, they are not credited for purposes of determining retirement benefits. At one time, those employees were sometimes permitted to buy credit simply by paying the employer and employee contributions for the period of prior

service, based on their salaries during the period, plus a small amount of interest. Since the addition of the prior service was usually early in the employees' careers, when their salaries were relatively low, the amounts they were required to pay were also relatively low.

The increase in their retirement benefits as a result of the additional service, however, was usually substantial. That meant that their retirement plans – and, ultimately, public employers and other public employees – had to cover the difference between the amount paid and the increased benefits.

To avoid that result, for the last several years the Legislature has required purchasers of prior service to pay the actuarial cost of their

projected increase in benefits. Recently, however, there has been some question as to the adequacy of the method used to determine actuarial cost. This year's Omnibus Bill will, for the next three years, require purchasers to pay the higher of: (1) an amount equal to the sum of all employer and employee contributions for the length of service to be purchased, based on current salary levels and contribution rates; or (2) the difference between the present value of the purchasers' retirement annuities with and without the purchase.

In addition, the retirement plans may charge prospective purchasers a processing fee for computing purchase amounts. This new system sunsets on July 1, 2001. It will be reviewed by the Legislative Commission on Pensions and Retirement, the commission actuary, and plan administrators before then to determine whether the new formula should be retained, amended, or abandoned.

Another 1998 change establishes an enhanced on-duty disability benefit, similar to that covering state correctional employees, for certain local correctional service employees. Those covered are essential employees working at county or regional jails or other correction facilities certified by their employers as having

direct contact with inmates at least 75 percent of their work time.

Finally, two provisions relate to short-term legislators and constitutional officers who opt to transfer from the Legislators Retirement Plan or the Elective State Officers Retirement Plan into the Minnesota State Retirement System unclassified retirement plan. Voluntary transfers for short-term officials were authorized by legislation last year, which also put new legislators and constitutional officers into the unclassified plan.

One of this year's provisions enables transferring officials to transfer, as well, their past member contributions, plus 8.5 percent interest, along with an equivalent amount representing what would have been employer contributions. The second provision appropriated \$700,000 to cover the cost of the employer contributions. The appropriation was necessary because no employer contributions were actually made to the plans covering legislators and constitutional officers. Instead, when an official retired, a one-time appropriation to cover benefit costs was made from the General Fund. A disadvantage of that method was that the retirement plans did not benefit from earnings on employer contributions.

RiverCentre Arena

In the 1998 Bonding Bill, the Legislature appropriated \$65 million from the General Fund for a loan to the city of St. Paul for the RiverCentre Arena. This loan must be used for the construction of a hockey arena for the expansion National Hockey League team, the Minnesota Wild, at RiverCentre.

The loan is to the city of St. Paul, but repayment is tied to the Minnesota Wild hockey team. \$48 million of this interest-free loan to the

city of St. Paul is to be paid back, in full, by the Minnesota Wild over a 20-year period. \$17 million of the loan will be forgiven if the team agrees to host amateur sports events in the new arena, charging the amateur sports teams only for expenses.

The team, which is repaying the \$48 million loan to the city, is also repaying a second loan for \$65 million which is being taken out by the city itself. These repayments are coming from

team revenues generated by the arena, including projected ticket surcharge revenues and parking revenues.

The arena will be a 19,000-seat hockey arena attached to the RiverCentre convention hall and will be available for convention events and

entertainment bookings. The RiverCentre project is described by the city of St. Paul as a combination of riverfront and community development, designed to bring conventions, sports, and tourism downtown and to link this development with river development.

Tornado Relief

In Chapter 383, the Legislature appropriated an additional \$27.6 million from the General Fund for tornado relief due to damage from the March 29, 1998, tornadoes.

The following table provides details on the appropriations for tornado relief.

TORNADO RELIEF LEGISLATION

<p>Department of Public Safety</p> <p>To fund 100% of the state and local match obligations for federal assistance \$ 8,000,000</p> <p>To provide the cost of increases in services 300,000</p> <p>Grants to counties for costs related to burial and removal of debris from rural residences and farms 500,000</p> <p>Housing Finance Agency</p> <p>Community Rehabilitation Fund Program 3,500,000</p> <p>Affordable Rental Investment fund 500,000</p> <p>Trade and Economic Development</p> <p>Minnesota Investment fund 4,800,000</p> <p>Public Infrastructure 1,000,000</p> <p>Technical Assistance 150,000</p>	<p>Department of Agriculture</p> <p>Loans to farmers for repairs to buildings and working capital loans 4,000,000</p> <p>Department of Revenue</p> <p>Local government assistance to counties suffering significant loss in property taxes due to the tornado 500,000</p> <p>Human Services</p> <p>Social services and farm advocacy outreach 400,000</p> <p>Children, Families, and Learning</p> <p>After school and expanded day care services 250,000</p> <p>Minnesota Historical Society</p> <p>Historic preservation loans and grants 1,000,000</p> <p>Department of Finance</p> <p>Contingency appropriation <u>2,700,000</u></p> <p>TOTAL \$ 27,600,000</p>
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Vetoos

The Governor vetoed 11 bills passed by the 1998 Legislature, including two supplemental appropriation bills, and exercised line-item veto authority in four supplemental appropriation bills. In total the Governor vetoed over \$60 million in General Fund appropriations. \$22 million of the amount vetoed was enacted and signed by the Governor in the tax bill and Chapter 1 from the April Special Session.

Family and Early Childhood Education -- Chapter 365. The Governor vetoed \$21.8 million in General Fund expenditures for family and early childhood education programs. In the 1998 First Special Session, the Legislature appropriated, and the Governor signed, \$4.2 million for family and early childhood education programs.

Omnibus Jobs, Housing, and Economic Development -- Chapter 374. The Governor vetoed over \$39.1 million in General Fund appropriations for jobs, housing, and economic development programs. In the tax bill and 1998 First Special Session, the Legislature appropriated, and the Governor signed, just over \$17.8 million in jobs, housing and economic development programs.

Line-Item Vetoos. The Governor vetoed just over \$2 million in General Fund appropriations through the exercise of the line-item veto. The line-item appropriation vetoos were:

- \$1.1 million to the Attorney General's Office to pay for assistance to counties (\$250,000), gaming enforcement (\$250,000), legal services to state agencies (\$500,000), and telemarketing fraud education (\$100,000);
- \$500,000 to the University of Minnesota to pay for law clinics (\$250,000) and Project Inform which provides outreach and information to K-12 students and their families (\$250,000);

- \$185,000 to the Department of Agriculture for Market Champ, Inc. to provide access to hog genetics for family farmers (\$125,000) and for assistance to local governments adopting feedlot ordinances (\$60,000);
- \$100,000 to the Department of Natural Resources for a grant to Linwood Township to control water pollution; and
- \$125,000 to the Department of Human Services for the Metropolitan Area Agency on Aging (\$100,000) and for a study of day training and habilitation capital needs (\$25,000).

Nonappropriation Bills. The following is a list of nonappropriation bills that were passed by the Legislature and vetoed by the Governor:

- Automobile insurance reduction for completion of an accident prevention course – Chapter 287;
- Modification of real estate document filing and recording fees – Chapter 311;
- Nonprofit health care trust agreement or transaction regulation – Chapter 330;
- Voter record address change updates – Chapter 346;
- Ramsey county open absentee ballot system pilot program extension – Chapter 347;
- Absentee voting eligibility expansion – Chapter 352;
- Minneapolis absentee voting pilot project – Chapter 370;
- Telephone assistance plan modifications – Chapter 378; and
- Industrial hemp use study – Chapter 394.

State Debt and Capital Expenditures

Capital Expenditures

The 1998 Legislature adopted a Capital Budget Bill totaling approximately \$1 billion and chose to pay cash for approximately \$500 million worth of projects. Notable projects include:

- \$87.1 million for the expansion of the Minneapolis Convention Center.
- \$65 million for a loan to the city of St. Paul to demolish the existing RiverCentre Arena, and to design, construct, furnish, and equip a new arena;
- \$206.8 million for the construction and repair of facilities at University of Minnesota campuses and agricultural experiment stations. (This total consists of \$138.3 million in projects bonded by the state and \$68.5 million in projects bonded by the University.);
- \$143.1 million for the construction and repair of facilities at state universities, community colleges, and technical colleges statewide;
- \$10.8 million for recreation and community center grants statewide;
- \$30 million for flood hazard mitigation grants;
- \$40.4 million for the improvement of parks, trails, and recreation areas statewide; and
- \$40 million for the construction of light rail transit from downtown Minneapolis through the Minneapolis-St. Paul International Airport and ending in southern Hennepin or northern Dakota county.

The following table delineates project amounts for bond authorization and direct appropriations.

CAPITAL EXPENDITURES AUTHORIZED BY THE 1998 LEGISLATURE

Item	Project	Total
BONDING AUTHORITY		
DEPARTMENT OF CORRECTIONS		\$9,485,000
Health care improvements, Oak Park Heights	\$ 3,000,000	
Inmate bed expansion - Shakopee	4,645,000	
Intake Center, St. Cloud	1,500,000	
Minnesota Administrative Segregation Unit - Lino Lakes	340,000	
DEPARTMENT OF HUMAN SERVICES		\$13,700,000
Building renovations, Moose Lake Sexual Psychopathic Personality Center	8,000,000	
Building renovations, Willmar Regional Treatment Center	3,000,000	
Crisis and respite residential capacity	1,200,000	
Minnesota Extended Treatment Option Program, Cambridge regional human services center campus-site improvement	1,500,000	
DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT		\$131,910,000

Brooklyn Center Earle Brown Heritage Center Restoration	2,500,000	
Duluth Entertainment and Convention Center	12,000,000	
Fergus Falls Convention Center	1,500,000	
Headwaters Science Center	200,000	
Humboldt Avenue Greenway Project	7,000,000	
Hutchinson Community Civic Center	1,000,000	
Mayo Civic Center in Rochester	2,800,000	
Minneapolis Convention Center	87,145,000	
Minnesota African-American Performing Arts Center	2,250,000	
Montevideo Downtown Revitalization	1,500,000	
Paramount Arts District Regional Arts Center	750,000	
Phalen Corridor	3,850,000	
Prairieland Expo	3,000,000	
St. Cloud Community Event Center	6,100,000	
Veterans Memorial Performing Arts Amphitheater	315,000	
DEPARTMENT OF TRANSPORTATION		\$85,000,000
Local bridge replacement and rehabilitation	34,000,000	
Port development assistance	4,500,000	
Transitways	46,500,000	
INDIAN AFFAIRS COUNCIL		\$1,700,000
For construction of the Battle Point Cultural and Education Center	1,700,000	
MINNESOTA HISTORICAL SOCIETY		\$6,500,000
Humphrey Museum and Learning Center, Waverly	1,000,000	
Northwest Company Fur Post Interpretative Center	1,500,000	
St. Anthony Falls Heritage Education Center	4,000,000	
MINNESOTA STATE COLLEGES AND UNIVERSITIES		\$92,680,000
Anoka Hennepin Technical College and Century Community College	800,000	
Bemidji State University and Northwest Technical College	1,000,000	
Century Community and Technical College	3,200,000	
Fond du Lac Community and Tribal College		
Authorizes the design of a classroom addition using money from nonstate sources		
Hibbing Community and Technical College	16,000,000	
Inver Hills Community College	11,000,000	
Mankato State University	11,000,000	
Mesabi Community and Technical College	500,000	
Metropolitan State University	1,000,000	
Minneapolis Community College	500,000	
Normandale Community College	240,000	
North Hennepin Community College	10,400,000	
Northland Community and Technical College	4,000,000	
Pine Technical College	1,700,000	
Red Wing/Winona Technical College	1,500,000	
Ridgewater Community and Technical College	7,600,000	
Riverland Community and Technical College	1,000,000	
Rochester Regional Recreation and Sports Center	5,000,000	
St. Cloud State University		
Authorizes the design and construction of a building to house a bookstore and student services		
St. Cloud Technical College	1,000,000	

St. Paul Technical College	10,000,000	
Southwest State University	40,000	
Winona State University	200,000	
Land acquisition	5,000,000	
MINNESOTA ZOOLOGICAL GARDENS		\$1,750,000
For design, repair, and reconstruction of roadways, pathways, parking lots, outdoor lighting, and public plaza areas	1,750,000	
PUBLIC FACILITIES AUTHORITY		\$33,950,000
Bayport sewer reconstruction	650,000	
Construction of a wastewater facility, St. Peter	3,000,000	
State matching money for federal grants to capitalize the water pollution control fund and the drinking water revolving fund	15,000,000	
Wastewater Infrastructure Program	15,300,000	
UNIVERSITY OF MINNESOTA		\$ 131,970,000
Crookston	3,980,000	
Duluth	22,500,000	
Morris	28,200,000	
Twin Cities	72,890,000	
Agricultural Experiment Stations	4,400,000	
BOND SALE EXPENSES		<u>\$ 500,000</u>
<u>TOTAL BONDING AUTHORITY</u>		\$509,145,000
<u>DIRECT APPROPRIATIONS</u>		
AMATEUR SPORTS COMMISSION		\$11,020,000
Giants Ridge Facility	690,000	
Ice centers	2,000,000	
Minneapolis Urban Sports Center	600,000	
Mt. Itasca Ski Area	130,000	
National Sports Center- \$1,700,000 to purchase and develop land for use as athletic fields; \$3,100,000 to develop the National Children's Golf Course	4,800,000	
Richfield athletic fields	2,000,000	
Tennis facility	800,000	
BOARD OF WATER AND SOIL RESOURCES		\$19,800,000
Area II Minnesota River Basin Grant-in-Aid Program	500,000	
Feedlot water quality	1,000,000	
Lakeshore easements	250,000	
Local government road replacement	2,750,000	
Quad-Lakes restoration	300,000	
RIM and PWP conservation easements	15,000,000	
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD		\$9,544,000
Capitol building accessibility	1,500,000	

Capitol building structural stabilization	6,600,000	
Capitol mall memorials	440,000	
Security lighting	734,000	
Statuary restoration	120,000	
Women's Suffrage Memorial Garden	150,000	
CENTER FOR ARTS EDUCATION		\$1,395,000
Administrative/classroom building renovation	780,000	
Asset preservation	465,000	
GAIA building renovation	150,000	
DEPARTMENT OF ADMINISTRATION		\$ 46,250,000
Agency relocation	2,490,000	
Bureau of Criminal Apprehension facility design and site acquisition	3,815,000	
Capital asset preservation and replacement	15,000,000	
Capitol Security and Plant Management facility predesign	45,000	
Capitol Square Building	3,100,000	
Dahl House relocation	100,000	
Department of Revenue relocation	5,350,000	
Electrical utility infrastructure	5,350,000	
Ely Revenue Building	2,200,000	
Labor Interpretive Center	6,000,000	
Real property acquisition	2,800,000	
DEPARTMENT OF AGRICULTURE		\$500,000
Grant to a political subdivision chosen as site for a soybean oilseed processing and refining facility	500,000	
DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING		\$62,405,000
Community Schools Partnership, St. Paul	14,030,000	
Early Childhood Learning Facilities	5,000,000	
Fridley Middle School boiler and windows	90,000	
Library accessibility grants	1,500,000	
Little Falls Carnegie Library ADA Grant	500,000	
McLeod West Interdistrict Cooperative	500,000	
Metropolitan Magnet Schools	22,200,000	
Minnesota Lake	385,000	
Mississippi Education Center	1,400,000	
Recreation and Community Center Grants	10,800,000	
Dawson-Boyd Educational and Community Center- 1,000,000		
Detroit Lakes Community Center- 1,500,000		
Granite Falls Area Multipurpose Community Recreation and Education Center- 1,000,000		
Hallett Community Center, city of Crosby- 300,000		
Hastings Municipal Water Park- 500,000		
Hermantown Community Indoor Sports and Physical Education Complex- 1,000,000		
Isle Community Center- 1,000,000		
Lake Crystal Area Recreation Center- 1,500,000		
Proctor Community Activity Center- 1,000,000		
Redwood Valley Multipurpose Education and Community Center- 1,000,000		
Windom Area Multipurpose Center- 1,000,000		
School building accessibility	1,000,000	
Youth enrichment	5,000,000	

DEPARTMENT OF CORRECTIONS		\$4,700,000
Asset preservation	3,500,000	
Security fence, Red Wing	1,200,000	
DEPARTMENT OF HUMAN SERVICES		\$6,275,000
Asset preservation	4,000,000	
Capital roof repairs and replacement	1,900,000	
People, Inc. North Side Community Support Program	375,000	
DEPARTMENT OF MILITARY AFFAIRS		\$1,230,000
Asset preservation	250,000	
Kitchen renovation	880,000	
Military Affairs/Emergency Management facility predesign	100,000	
DEPARTMENT OF NATURAL RESOURCES		\$130,251,000
Accelerated wildlife habitat management	500,000	
Bald Eagle Center	500,000	
Dam improvements	1,300,000	
Environmental Learning Centers	2,350,000	
Flood hazard mitigation grants	30,000,000	
Forest road and bridge projects	2,000,000	
Forestry land acquisition	800,000	
Forestry recreation facilities	750,000	
Hartley Nature Center	1,500,000	
International Wolf Center	350,000	
Lake Superior Safe Harbors	5,000,000	
Lake Superior Zoo	1,300,000	
Local initiative grants	8,000,000	
Metro greenways and natural areas	4,000,000	
Metro regional park acquisition and betterment	14,400,000	
Metro regional trails	5,000,000	
Office facility consolidation	7,391,000	
RIM fish hatchery rehabilitation	1,000,000	
RIM wildlife, habitat improvements	2,500,000	
RIM wildlife management areas, critical habitat, and North American Waterfowl Management Plan	7,000,000	
Sand Dunes State Forest Center	150,000	
Savage Water Supply System	800,000	
Scientific and natural area and prairie bank acquisition	3,000,000	
State park and recreation area acquisition	2,250,000	
State park and recreation area betterment and rehabilitation	2,750,000	
State park and recreation area building development	5,535,000	
Statewide asset preservation and state park and recreation area building renovation	6,500,000	
Stream protection and restoration	1,000,000	
Trail acquisition and development	10,250,000	
Water access acquisition and development	2,000,000	
White pine management	300,000	
Willernie erosion control	75,000	
DEPARTMENT OF PUBLIC SAFETY		\$2,230,000
Fire and public safety training	150,000	
Regional Emergency Response and Industrial Training Center	880,000	

State Patrol Camp Ripley Training Facility	1,200,000	
DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT		\$93,770,000
Direct reduction iron processing facilities	10,000,000	
Itasca County School-to-Work Technology Center	2,000,000	
Little Falls Conference and Retreat Center	100,000	
Mankato Technology Center	4,500,000	
Minneapolis Convention Center Circulator	220,000	
Minnesota Agricultural Interpretive Center (FarmAmerica)	1,500,000	
Owatonna infrastructure	500,000	
Phillips Neighborhood Job Creation, Green Institute	1,500,000	
Redevelopment Grant Program	4,000,000	
Red Lake Educational and Training Facility	2,600,000	
Sewer and water to Cambridge Community College	500,000	
St. Paul RiverCentre Arena	65,000,000	
Taconite mining grants	500,000	
United States Hockey Hall of Fame	250,000	
Valley Technology Park	600,000	
DEPARTMENT OF TRANSPORTATION		\$8,300,000
Forest Highway 11 and CSAH No. 90	3,050,000	
Rural transit assistance	5,000,000	
Seaway Port Authority	250,000	
HOUSING FINANCE AGENCY		\$6,000,000
\$4,000,000 is for making loans or grants for temporary or transitional housing; \$2,000,000 is for loans for permanent housing		
MINNESOTA HISTORICAL SOCIETY		\$6,610,000
Bemidji Historic Railroad Depot	650,000	
County and local preservation projects	1,150,000	
Herman monument in New Ulm	400,000	
Historic Fort Snelling	600,000	
Historic site preservation and repair	1,500,000	
Montevideo Railroad	130,000	
Red River Valley Center	1,000,000	
Split Rock Lighthouse Visitor Center improvements	780,000	
Treaty Site History Center	400,000	
MINNESOTA STATE COLLEGES AND UNIVERSITIES		\$50,400,000
Higher Education Asset Preservation and Replacement	43,000,000	
Master facilities plan	1,400,000	
Rochester Center	6,000,000	
OFFICE OF ENVIRONMENTAL ASSISTANCE		\$3,500,000
For the solid waste capital assistance program. \$375,000 of this appropriation is for a grant to the Prairieland Compost Facility Board for an air emissions project at the Prairieland Compost Facility located in Martin county		
PUBLIC FACILITIES AUTHORITY		\$10,100,000
Planning grants under Wastewater Infrastructure Program	100,000	

State revolving fund supplemental	9,000,000	
Storm sewer matching fund	1,000,000	
RESIDENTIAL ACADEMIES AT FARIBAULT		\$9,225,000
Asset preservation	725,000	
Lysen expansion and renovation	4,500,000	
Tate Hall renovation	4,000,000	
UNIVERSITY OF MINNESOTA		\$6,330,000
Higher Education Asset Preservation and Replacement	4,000,000	
Art Building	730,000	
Glensheen Mansion	600,000	
Replace and upgrade information technology infrastructure serving Mall District buildings on Minneapolis campus	1,000,000	
VETERANS HOME		\$12,055,000
Hastings Veterans Home	5,715,000	
Minneapolis Veterans Home	6,340,000	
<u>DIRECT APPROPRIATIONS</u>		\$501,890,000
<u>BONDING AUTHORITY</u>		<u>509,145,000</u>
<u>TOTAL BONDING AUTHORITY AND DIRECT APPROPRIATIONS</u>		\$1,011,035,000
<u>CANCELLATIONS</u>		(11,993,000)
<u>NET BONDING AUTHORITY AND TOTAL DIRECT APPROPRIATIONS</u>		\$999,042,000

Statistics

CHART

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TABLE D

Direct Appropriations by Fund, by Chapter

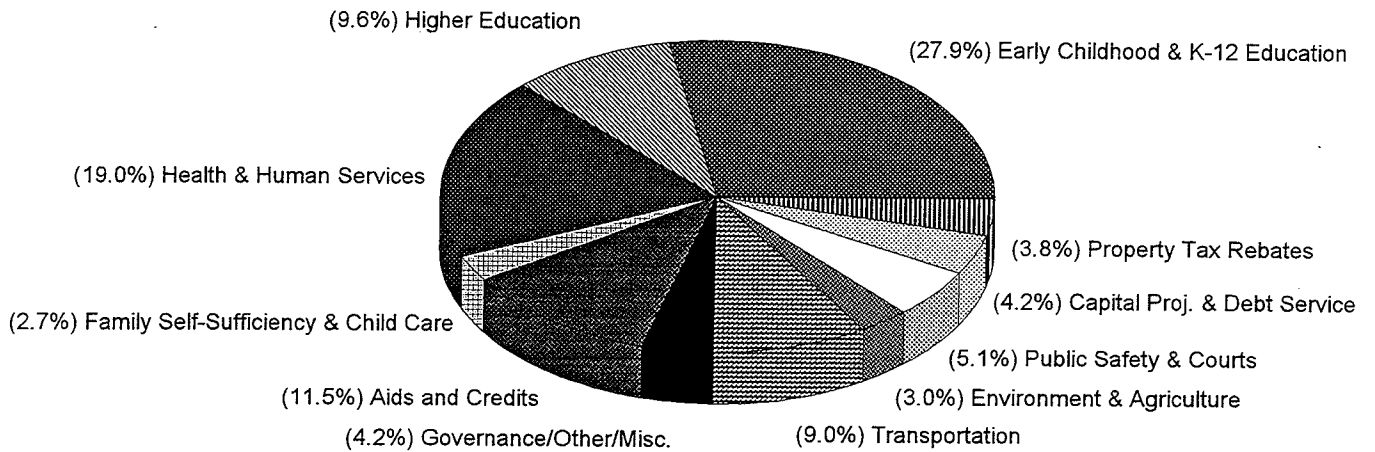
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TABLE E

Open and Standing Appropriations

Fiscal Years 1998 and 1999 63

State Appropriations by Functional Area 1997-1999 Biennium Total Appropriations (1): \$25,444,724,000



Note:

(1) Total does not include dedicated general fund appropriations and cancellations.

Table A

**Summary of Biennial Appropriations by Fund
1997 & 1998 Legislative Sessions**

Fund	1997-1999 Biennium	1998 Changes	New Total
County-State Aid Highway	\$ 645,801,000	\$ 0	\$ 645,801,000
Environmental	42,399,000	0	42,399,000
Environmental Trust Fund	22,270,000	0	22,270,000
Game and Fish	110,340,000	33,000	110,373,000
General	19,210,607,000	1,076,780,000	20,287,387,000
Dedicated General Fund	241,557,000	52,929,000	294,486,000
Health Care Access Fund	300,193,000	(17,333,000)	282,860,000
Highway User Tax Distribution	32,603,000	50,000	32,653,000
Local Government Trust Fund	1,908,091,000	(19,660,000)	1,888,431,000
Metro Landfill Contingency	663,000	0	663,000
Landfill Cleanup-Solid Waste	13,402,000	0	13,402,000
Minnesota Future Resources	14,668,000	0	14,668,000
Municipal-State Aid Street	195,844,000	0	195,844,000
Natural Resources	46,424,000	525,000	46,949,000
Endowment School	65,000,000	0	65,000,000
Petroleum Tank Release Cleanup	9,330,000	0	9,330,000
Special Revenue	41,900,000	15,000	41,915,000
State Airports	36,094,000	0	36,094,000
State Government Special Revenue	89,395,000	344,000	89,739,000
State Lottery Fund (1)	104,048,000	750,000	104,798,000
Trunk Highway	1,391,251,000	68,170,000	1,459,421,000
Workers' Compensation	54,727,000	0	54,727,000
Total State Appropriations (2):	\$ 24,576,607,000	\$ 1,162,603,000	\$ 25,739,210,000
Federal Funds:	\$ 7,515,039,000	\$ 0	\$ 7,515,039,000
TOTAL APPROPRIATIONS:	\$ 32,091,646,000	\$ 1,162,603,000	\$ 33,254,249,000

NOTES:

- (1) This item represents the statutory maximum of 15 percent of lottery gross revenues that may be annually credited to the lottery operations account.
- (2) The total state appropriations figure does not include cancellations.

Table B
General Fund and Local Government Trust Fund
Resources and Appropriations
1997-1999 Biennium

	1997-1999 Biennium
I. RESOURCES	
A. Balance Forward	\$ 1,994,720,000
B. Taxes & Receipts (before 1998 Law Changes)	
Individual Income Taxes	11,480,500,000
Corporate Franchise Tax	1,730,700,000
Sales Tax	6,877,279,000
Motor Vehicle Tax	817,300,000
Inheritance & Estate Tax	80,812,000
Liquor, Wine, Beer	112,933,000
Cigarette and Tobacco Products Tax	357,001,000
Iron Ore Occupation	100,000
Taconite Occupation & Production	5,000,000
Deed and Mortgage Tax	214,500,000
Insurance Gross Premiums	311,500,000
Telephone, Telegraph, & Other Gross	110,000
Lawful Gambling Tax	126,107,000
Health Care Provider Tax	239,355,000
Controlled Substance	400,000
Investment Income	278,000,000
Income Tax Reciprocity	68,840,000
Other Non-Dedicated Receipts	153,050,000
Total Taxes & Receipts (Before 1998 Law Changes):	\$ 22,853,487,000
C. Revenue Refunds	
Individual Income Tax	(1,265,600,000)
Corporate Franchise Tax	(179,600,000)
Sales Tax	(271,000,000)
Other Agencies' Refunds	(100,000)
Other Refunds	(48,344,000)
Total Refunds:	\$ (1,764,644,000)
D. Transfers from Other Funds	
Other Special Revenue Funds	13,832,000
Cambridge Bank Special Fund	387,501,000
All Other Transfers	103,876,000
New Legislation Transfers	4,608,000
Total Transfers:	\$ 509,817,000
E. Taxes & Receipts (1998 Law Changes)	
Individual Income Taxes	(24,050,000)
Corporate Income Taxes	2,089,000
Sales Tax	(6,519,000)
Inheritance & Estate Tax	(1,030,000)
Liquor, Wine, Beer	(17,000)
Lawful Gambling Tax	(2,690,000)
Health Care Provider Tax	(3,352,000)
Investment Income	2,569,000
Miscellaneous Non-Dedicated Revenues	1,125,000
Total Taxes & Receipts (1998 Law Changes):	\$ (31,875,000)

	1997-1999 Biennium	
F. <u>Prior Year Adjustments</u>	\$	20,200,000
TOTAL NON-DEDICATED REVENUES	\$	23,581,705,000
G. <u>Total Dedicated Revenues (Self-Canceling)</u>	\$	294,486,000
II. APPROPRIATIONS		
A. Major Spending Categories		
Elementary and Secondary Education		7,263,093,000
Higher Education		2,444,419,000
Human Services, Health, Criminal Justice		5,685,483,000
Transportation and Semi-States		133,631,000
State Departments & Property Tax Reform		1,155,008,000
Environment and Natural Resources		402,829,000
Community Development		375,438,000
Direct Appropriation/Capital Projects		500,690,000
Total Major Spending Categories:	\$	17,960,591,000
B. Open and Standing Appropriations		
Aids and Credits		2,620,755,000
Property Tax Rebate		967,463,000
Debt Service		571,594,000
Retirements		170,455,000
Total Open and Standing Appropriations:	\$	4,330,267,000
TOTAL APPROPRIATIONS	\$	22,290,858,000
TOTAL REVENUES AND RECEIPTS		
	\$	23,581,705,000
TOTAL APPROPRIATIONS -- GROSS		
	\$	22,290,858,000
Dept. of Human Services RTC Collections (1)		(64,130,000)
Indirect Cost Receipts		(50,912,000)
Less Cancellations		(20,643,000)
TOTAL APPROPRIATIONS -- NET	\$	22,155,173,000
Reserves		
Cash Flow Account		350,000,000
Budget Reserve		613,200,000
Property Tax Reserve		330,942,000
Appropriations Carried Forward		97,248,000
Total Reserves:	\$	1,391,390,000
UNRESTRICTED BUDGETARY BALANCE	\$	35,142,000

NOTES:

(1) Dept. of Human Services RTC receipts already counted in the appropriation for MA/ GAMC federal funds.

Table C
Detailed Appropriations by Function - All Funds
1997-1999 Biennium with 1998 Changes

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Aids and Credits				
Homestead & Agricultural Credit Aid (HACA)				
School Districts	\$ 160,712,000	\$ 6,153,000	\$ 0	\$ 166,865,000
Cities, Towns, Counties	889,373,000	278,000	0	889,651,000
Tax Incremental Financing	48,000	0	0	48,000
Subtotal HACA:	1,050,133,000	6,431,000	0	1,056,564,000
Property Tax Refund				
Renters	184,000,000	13,798,000	0	197,798,000
Homeowners	190,300,000	(19,831,000)	0	170,469,000
Targeting	7,200,000	900,000	0	8,100,000
Property Tax Rebate on Income Tax Form	500,000,000	0	467,463,000	967,463,000
Political Contribution Refunds	5,000,000	2,478,000	0	7,478,000
Supplemental Homestead				
Property Tax Relief	990,000	(42,000)	0	948,000
Education Homestead Credit	153,300,000	(10,656,000)	0	142,644,000
Aid to Local Governments	728,698,000	652,000	0	729,350,000
Attached Machinery Aid				
School Districts	1,672,000	0	0	1,672,000
Cities, Towns, Counties	4,764,000	0	0	4,764,000
Payments in Lieu of Taxes-DNR Lands	11,000,000	52,000	0	11,052,000
Enterprise Zone Credit				
School Districts	14,000	2,000	0	16,000
Cities, Towns, Counties	20,000	2,000	0	22,000
Regional Transit Board Levy Reduction	2,638,000	1,732,000	0	4,370,000
Region 3 Occupation Tax Distribution	2,422,000	0	0	2,422,000
Disparity Aid				
School Districts	25,116,000	(866,000)	0	24,250,000
Cities, Towns, Counties	31,330,000	(1,198,000)	0	30,132,000
Border City Disparity Credit				
School Districts	3,881,000	(435,000)	0	3,446,000
Cities, Towns, Counties	6,944,000	(461,000)	0	6,483,000
Disaster & Flood Relief Aid				
School Districts	0	481,000	0	481,000
Cities, Towns, Counties	0	784,000	0	784,000
Family Preservation Aid	3,236,000	0	0	3,236,000
Local Performance Aid	18,894,000	924,000	0	19,818,000
Total Aids and Credits:	\$ 2,931,552,000	\$ (5,253,000)	\$ 467,463,000	\$ 3,393,762,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Elementary and Secondary Education				
General Education Aid	\$ 5,283,693,000	\$ (27,475,000)	\$ 1,033,000	\$ 5,257,251,000
Property Tax Recognition	18,700,000	0	90,100,000	108,800,000
Debt Service Equalization Aid	73,639,000	(4,659,000)	34,000	69,014,000
Health and Safety	28,260,000	855,000	0	29,115,000
Transp. Aid for Post-Sec. Enrollment Options	204,000	0	0	204,000
School Bus Safety	2,888,000	(15,000)	0	2,873,000
Rural Computerized Routing	70,000	0	0	70,000
Wide Area Transp. Service	150,000	0	0	150,000
Inter-District Desegregation	1,770,000	0	0	1,770,000
Transportation Targeted Needs	100,498,000	(680,000)	0	99,818,000
Endowment Fund	65,000,000	0	0	65,000,000
Additional Alternative Facilities Aid	15,300,000	(583,000)	0	14,717,000
Compensatory Grants	0	0	14,700,000	14,700,000
Graduation Rule Implementation Aid	0	0	70,704,000	70,704,000
Pension Savings	0	(54,369,000)	0	(54,369,000)
Subtotal General Education:	5,590,172,000	(86,926,000)	176,571,000	5,679,817,000
Special Programs				
Special Education Aid	737,430,000	(31,241,000)	135,000	706,324,000
Special Programs Equalization Aid	16,975,000	(1,267,000)	0	15,708,000
Targeted Needs Aid	76,248,000	503,000	0	76,751,000
Indian Education Programs	6,826,000	0	525,000	7,351,000
Tribal Contract Schools	5,220,000	(278,000)	0	4,942,000
Secondary Vocational Handicapped	15,029,000	(2,000)	0	15,027,000
Magnet School Grants	7,500,000	0	0	7,500,000
American Sign Language Education	25,000	0	0	25,000
Mexican Origin Ed. Grants	75,000	0	0	75,000
Lay Advocates	10,000	0	0	10,000
Options Plus Pilot Grants	150,000	0	0	150,000
Integration Grants	2,000,000	0	0	2,000,000
Grants to School Districts	960,000	0	0	960,000
Low-Income Concentration Grants	1,000,000	0	0	1,000,000
First Grade Preparedness Program	10,000,000	(71,000)	1,500,000	11,429,000
Education Performance Imprvmnt. Grants	1,100,000	0	0	1,100,000
Grants to Nett Lake	264,000	0	34,000	298,000
Homeless Student Programs	780,000	0	700,000	1,480,000
Center for Torture Victims	120,000	0	0	120,000
Learn & Earn Program	2,000,000	0	0	2,000,000
Third Party Billing Assistance	0	0	250,000	250,000
Litigation Costs	0	0	500,000	500,000
Court Placement Revenue	0	0	350,000	350,000
Interagency Special Ed. Grants	0	0	250,000	250,000
In-School Behavior Intervention Grants	0	0	300,000	300,000
Subtotal Special Programs:	883,712,000	(32,356,000)	4,544,000	855,900,000
Lifework Development				
Secondary Vocational Education Aid	23,213,000	2,370,000	0	25,583,000
Youthworks Program	3,676,000	0	0	3,676,000
Education Employment Transition	9,600,000	0	100,000	9,700,000
MN School-to-Work Student Organizations	750,000	0	0	750,000
Southwest Star Concept School	193,000	0	0	193,000
Lifework Learning Sites	1,000,000	0	450,000	1,450,000
Subtotal Lifework Development:	38,432,000	2,370,000	550,000	41,352,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Reorganization & Cooperation, & Facilities				
Cooperation and Combination Aid	\$ 604,000	\$ (43,000)	\$ 0	\$ 561,000
Consolidation Transition Aid	2,405,000	(882,000)	0	1,523,000
District Cooperation Revenue	18,546,000	(1,593,000)	0	16,953,000
Special Consolidation Aid	3,000	0	0	3,000
Historic Building Aid	346,000	67,000	0	413,000
Local Legislation & Grants	350,000	0	1,636,000	1,986,000
Grants for Flood Loss	4,700,000	0	10,825,000	15,525,000
Tornado Relief	0	0	250,000	250,000
Subtotal Reorg. & Cooperation, & Facilities:	26,954,000	(2,451,000)	12,711,000	37,214,000
Education Excellence				
Advanced Placement/IB	3,750,000	0	0	3,750,000
Teacher Education Improvement	900,000	0	0	900,000
National Science Foundation Science & Math	2,704,000	0	0	2,704,000
Year Round/Extended Week Pilot Project	1,800,000	0	455,000	2,255,000
School Enrichment Partnership	500,000	0	0	500,000
Community-Based Charter School Grant	3,300,000	0	0	3,300,000
West St. Paul Grant	167,000	0	0	167,000
Statewide Testing	5,000,000	0	0	5,000,000
Laboratory Schools	2,500,000	0	0	2,500,000
Homework Helpline	200,000	0	0	200,000
Gifted & Talented Grants	3,000,000	0	0	3,000,000
Urban Educator Program	895,000	0	500,000	1,395,000
Charter School Building Lease Aid	2,655,000	491,000	0	3,146,000
Charter School Startup Grants	1,500,000	483,000	0	1,983,000
Graduation Rule Implementation	10,000,000	0	0	10,000,000
Professional Teaching Standards	400,000	0	0	400,000
Early Intervention Reading Grants	500,000	0	0	500,000
Clearinghouse of Best Practices	0	0	2,000,000	2,000,000
Graduation Rule Resource Grants	0	0	3,500,000	3,500,000
Residential Academies	0	0	12,000,000	12,000,000
Subtotal Education Excellence:	39,771,000	974,000	18,455,000	59,200,000
Nutrition & Other Education Programs				
Abatement Aid	27,273,000	427,000	0	27,700,000
Nonpublic Pupil Aid	19,118,000	0	0	19,118,000
School Lunch and Milk Aid	14,508,000	0	516,000	15,024,000
Summer Food Service	330,000	0	0	330,000
School Breakfast Aid	942,000	0	0	942,000
Targeted Breakfast Grants	1,037,000	0	0	1,037,000
Family Connections Aid	500,000	0	0	500,000
Enrollment Options Replacement Aid	12,000	0	0	12,000
Local Fund Transfers	63,000	0	0	63,000
HIV Training Sites	200,000	0	0	200,000
Partners for Quality School Improvement	500,000	0	0	500,000
Preventing Violence Through Plays	150,000	0	0	150,000
Minnesota International Center	160,000	0	0	160,000
Subtotal Nutrition & Other Programs:	64,793,000	427,000	516,000	65,736,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Libraries				
Library Grants	\$ 15,638,000	\$ 0	\$ 250,000	\$ 15,888,000
Librarians of Color	110,000	0	0	110,000
Children's Library Services Grant	300,000	0	0	300,000
Multicounty, Mutitype Library Grants	1,768,000	0	0	1,768,000
Library Outreach Programs	500,000	0	0	500,000
Library Pilot Program	25,000	0	0	25,000
On-Line Catalog for the Blind	0	0	60,000	60,000
Subtotal Libraries:	18,341,000	0	310,000	18,651,000
Technology				
Telecommunication Access Grants	23,000,000	0	0	23,000,000
Technology Site-Based Grants	14,000,000	0	0	14,000,000
Electronic Curriculum	4,000,000	0	0	4,000,000
Interactive Television Levy Aid	8,082,000	2,516,000	0	10,598,000
Instructional Transformation - Technology	1,000,000	0	0	1,000,000
Technology Clearinghouse	250,000	0	0	250,000
Library Site Technology Grants	3,500,000	0	0	3,500,000
Computer Refurbishing Program	5,750,000	0	0	5,750,000
Curriculum Through U of MN Bell Museum	1,000,000	0	0	1,000,000
Additional Technology Aid	25,000,000	0	0	25,000,000
Learning Academy	2,000,000	0	0	2,000,000
Technology Grant for Residential Academies	1,000,000	0	0	1,000,000
Regional Management Information Center	978,000	0	0	978,000
Subtotal Technology:	89,560,000	2,516,000	0	92,076,000
Department of Children, Families, & Learning				
Academic Excellence Foundation	1,249,000	0	0	1,249,000
State Board of Education	417,000	0	0	417,000
Board of Teaching	464,000	0	0	464,000
Litigation Costs	1,700,000	0	900,000	2,600,000
Discontinued & Appropriations Carried Forward	0	700,000	0	700,000
Family & Early Childhood Administration	1,058,000	3,194,000	0	4,252,000
Subtotal Dept. of Children, Families, & Learning:	49,396,000	3,780,000	900,000	54,076,000
Lola & Rudy Perpich Center for Arts Education	11,595,000	(41,000)	84,000	11,638,000
Faribault Academies	17,818,000	(85,000)	117,000	17,850,000
Appropriations Carried Forward	0	36,000	0	36,000
Subtotal Faribault Academies:	17,818,000	(49,000)	117,000	17,886,000
State Appropriations: \$ 6,830,544,000 \$ (111,756,000) \$ 214,758,000 \$ 6,933,546,000				
Federal Appropriations: \$ 679,026,000 \$ 0 \$ 0 \$ 679,026,000				
Total Elementary & Secondary Education: \$ 7,509,570,000 \$ (111,756,000) \$ 214,758,000 \$ 7,612,572,000				

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Early Childhood & Family Education				
Early Childhood Programs				
Learning Readiness	\$ 20,721,000	\$ (20,000)	\$ 0	\$ 20,701,000
Early Childhood Family Education (ECFE)	29,722,000	157,000	0	29,879,000
Health & Developmental Screening Aid	3,100,000	0	0	3,100,000
Way to Grow - Early Childhood Grants	950,000	0	0	950,000
Part H - Early Childhood Program	400,000	0	0	400,000
Head Start	37,500,000	(750,000)	0	36,750,000
ECFE Infant Development	2,000,000	(40,000)	250,000	2,210,000
Subtotal Early Childhood Programs:	94,393,000	(653,000)	250,000	93,990,000
Community and Prevention Programs				
Family Collaborative	14,500,000	(363,000)	0	14,137,000
Community Education Aid	3,447,000	(274,000)	0	3,173,000
Adult Handicapped Program Aid	1,560,000	0	0	1,560,000
Violence Prevention Education Grants	3,000,000	(100,000)	0	2,900,000
Male Responsibility Grants	500,000	0	0	500,000
Abused Children Programs	2,127,000	(268,000)	0	1,859,000
Drug Policy & Violence Prevention Programs	6,000,000	(610,000)	0	5,390,000
Children's Trust Fund	494,000	(44,000)	0	450,000
After School Enrichment Grants	9,814,000	(294,000)	0	9,520,000
Alcohol-Impaired Driver Education	400,000	0	0	400,000
Extended Day Aid	651,000	10,000	0	661,000
Adult Education Programs	30,297,000	87,000	0	30,384,000
Adolescent Parenting Grants	1,300,000	(20,000)	0	1,280,000
Lead Hazard Reduction	200,000	0	100,000	300,000
Citizenship Promotion Program	1,000,000	(25,000)	0	975,000
Child Guide Prevention Program	250,000	0	0	250,000
Meadowbrook Collaborative	50,000	0	0	50,000
Subtotal Community Prevention Programs:	75,590,000	(1,901,000)	100,000	73,789,000
Self-Sufficiency and Child Care				
MN Economic Opportunity Grants	18,000,000	(972,000)	0	17,028,000
Transitional Housing Programs	3,456,000	(172,000)	300,000	3,584,000
Food Bank Program	2,500,000	(46,000)	0	2,454,000
Emergency Food Assistance	194,000	0	0	194,000
Energy Assistance & Weatherization	1,000,000	0	0	1,000,000
Child Care - Basic Sliding Fee	92,502,000	0	3,250,000	95,752,000
TANF Child Care	99,169,000	0	0	99,169,000
Child Care Development	7,730,000	0	0	7,730,000
Emergency Services Grants	0	0	300,000	300,000
Subtotal Self-Sufficiency & Child Care:	224,551,000	(1,190,000)	3,850,000	227,211,000
State Appropriations:	\$ 394,534,000	\$ (3,744,000)	\$ 4,200,000	\$ 394,990,000
Federal Appropriations:	\$ 237,378,000	\$ 0	\$ 0	\$ 237,378,000
Total Early Childhood & Family Education:	\$ 631,912,000	\$ (3,744,000)	\$ 4,200,000	\$ 632,368,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Higher Education				
Higher Education Services Office				
Agency Administration	\$ 5,456,000	\$ (6,000)	\$ 0	\$ 5,450,000
State Scholarships and Grants	214,117,000	(200,000)	0	213,917,000
Interstate Tuition	8,000,000	0	0	8,000,000
State Work-Study	18,888,000	0	1,000,000	19,888,000
Minitex Library Program	5,216,000	0	0	5,216,000
Learning Network of MN	10,792,000	0	0	10,792,000
Library Information Network	12,000,000	0	0	12,000,000
Edvest	3,039,000	0	0	3,039,000
Appropriations Carried Forward	200,000	273,000	0	473,000
Subtotal Higher Education Services Office:	277,708,000	67,000	1,000,000	278,775,000
MN State Colleges & Universities				
Criminal Justice Study	0	0	200,000	200,000
Appropriations Carried Forward	3,616,000	91,000	0	3,707,000
Subtotal MN State Colleges and Universities:	1,019,252,000	2,619,000	36,200,000	1,058,071,000
University of Minnesota				
Operations and Maintenance	939,360,000	(148,000)	31,850,000	971,062,000
Health Sciences	17,132,000	0	0	17,132,000
Institute of Technology	3,104,000	0	0	3,104,000
System Specials	14,358,000	0	0	14,358,000
Agriculture and Extension Service	102,094,000	0	3,650,000	105,744,000
Workers' Comp. Safety Pilot Project	0	0	292,000	292,000
Subtotal University of Minnesota:	1,076,048,000	(148,000)	35,792,000	1,111,692,000
Mayo Medical Foundation	2,431,000	0	0	2,431,000
State Appropriations:	\$ 2,375,439,000	\$ 2,538,000	\$ 72,992,000	\$ 2,450,969,000
Federal Appropriations:	\$ 63,200,000	\$ 0	\$ 0	\$ 63,200,000
Total Higher Education:	\$ 2,438,639,000	\$ 2,538,000	\$ 72,992,000	\$ 2,514,169,000

Human Services

Department of Human Services

Financial & Management Administration	50,432,000	(680,000)	0	49,752,000
Social Services	83,917,000	0	1,618,000	85,535,000
Community Social Services Aid	111,282,000	0	976,000	112,258,000
Compulsive Gambling Treatment	2,450,000	0	750,000	3,200,000
Family Self-Sufficiency Programs & Admin.				
Assistance to Families Grants / MFIP	231,382,000	(34,351,000)	3,242,000	200,273,000
General Assistance Grants	105,054,000	(30,111,000)	16,857,000	91,800,000
Work Grants	27,858,000	0	(1,000,000)	26,858,000
Minnesota Supplemental Aid	53,231,000	(1,636,000)	(5,424,000)	46,171,000
Child Support Enforcement	10,218,000	0	(1,100,000)	9,118,000
Administration	76,051,000	0	0	76,051,000
Refugee Service	3,210,000	0	0	3,210,000
Health Care Programs				
MA Grants	3,158,713,000	(214,864,000)	3,373,000	2,947,222,000
GAMC Grants	343,839,000	(67,821,000)	8,288,000	284,306,000
Health Care Administration	86,607,000	0	25,000	86,632,000
Group Residential Housing Grants	135,536,000	(17,478,000)	288,000	118,346,000
Alternative Care & Other Community Support	102,923,000	0	23,209,000	126,132,000
Chemical Dependency Treatment	85,375,000	(7,893,000)	400,000	77,882,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Special Education Reform	\$ 0	\$ 0	\$ 483,000	\$ 483,000
Mental Health	98,692,000	0	1,903,000	100,595,000
State Operated Facilities & Services	410,603,000	0	(254,000)	410,349,000
Claims Against the State	0	0	3,000	3,000
Tornado Relief	0	0	400,000	400,000
Federal Reimbursement	(40,362,000)	(4,474,000)	0	(44,836,000)
Appropriations Carried Forward (1)	0	738,000	0	738,000
Subtotal Department of Human Services:	5,137,011,000	(378,570,000)	54,037,000	4,812,478,000
Ombudsman for Mental Health & Retardation	2,697,000	(4,000)	0	2,693,000
Appropriations Carried Forward (1)	0	18,000	0	18,000
	2,697,000	14,000	0	2,711,000
Ombudsman for Families	318,000	0	0	318,000
MinnesotaCare/Health Care Access Fund				
Department of Commerce	30,100,000	0	0	30,100,000
Department of Health	22,959,000	0	259,000	23,218,000
Department of Human Services	236,297,000	(13,159,000)	(4,433,000)	218,705,000
Department of Revenue	4,789,000	0	0	4,789,000
University of Minnesota	5,074,000	0	0	5,074,000
Legislative Coordinating Commission	300,000	0	0	300,000
Special Education Reform	0	0	93,000	93,000
Transfer from Health Care Access Fund	8,216,000	0	0	8,216,000
Subtotal MinnesotaCare:	307,735,000	(13,159,000)	(4,081,000)	290,495,000
State Appropriations:	\$ 5,447,761,000	\$ (391,715,000)	\$ 49,956,000	\$ 5,106,002,000
Federal Appropriations:	\$ 4,850,898,000	\$ 0	\$ 0	\$ 4,850,898,000
Total Human Services:	\$ 10,298,659,000	\$ (391,715,000)	\$ 49,956,000	\$ 9,956,900,000
Health				
Department of Health				
Health Protection	41,463,000	0	4,688,000	46,151,000
Health Systems	97,250,000	(29,000)	15,200,000	112,421,000
Health Management & Support Services	6,425,000	0	0	6,425,000
Appropriations Carried Forward (1)	0	106,000	0	106,000
Subtotal Department of Health:	145,138,000	77,000	19,888,000	165,103,000
Health-Related Boards	24,818,000	0	314,000	25,132,000
Council on People with Disabilities	1,247,000	(2,000)	0	1,245,000
State Appropriations:	\$ 171,203,000	\$ 75,000	\$ 20,202,000	\$ 191,480,000
Federal Appropriations:	\$ 216,692,000	\$ 0	\$ 0	\$ 216,692,000
Total Health:	\$ 387,895,000	\$ 75,000	\$ 20,202,000	\$ 408,172,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Veterans				
Veterans Affairs	\$ 8,828,000	\$ (4,000)	\$ 0	\$ 8,824,000
Gulf War Bonus Payments	17,090,000	0	0	17,090,000
Appropriations Carried Forward (1)	0	803,000	0	803,000
Veterans Nursing Homes Board	43,761,000	0	0	43,761,000
Veterans Homes Improvement	1,270,000	0	0	1,270,000
	70,949,000	799,000	0	71,748,000
Veterans of Foreign Wars	82,000	0	0	82,000
Disabled American Veterans	26,000	0	0	26,000
<u>Military Order of the Purple Heart</u>	40,000	0	0	40,000
Total Veterans:	\$ 71,097,000	\$ 799,000	\$ 0	\$ 71,896,000
Transportation				
State Roads				
Construction	441,660,000	0	40,000,000	481,660,000
Highway Debt Service	28,700,000	0	0	28,700,000
Operations	407,934,000	0	0	407,934,000
Central Engineering Services	113,977,000	0	0	113,977,000
Research & Investment Management	23,397,000	0	0	23,397,000
Design & Engineering	140,324,000	0	6,800,000	147,124,000
Electronic Communications	19,034,000	0	0	19,034,000
Subtotal Highway Develop. & Operations:	1,175,026,000	0	46,800,000	1,221,826,000
Local Roads				
County State Aids	645,801,000	0	0	645,801,000
Municipal State Aids	195,844,000	0	0	195,844,000
Subtotal Transp. Aids to Local Gov.:	841,645,000	0	0	841,645,000
Public Transit: Metro & Greater MN				
Greater Minnesota Transit Assistance	29,585,000	0	0	29,585,000
Met Council Transit	100,702,000	0	1,500,000	102,202,000
Subtotal Public Transit: Metro & Greater MN:	130,287,000	0	1,500,000	131,787,000
General Support & Management				
General Management	51,523,000	(2,000)	0	51,521,000
General Services	26,455,000	0	0	26,455,000
Motor Carrier Regulation	4,924,000	0	0	4,924,000
Railroads and Waterways	3,936,000	0	0	3,936,000
Buildings & Equipment	12,271,000	0	0	12,271,000
Subtotal General Support & Management:	99,109,000	(2,000)	0	99,107,000
Aeronautics				
Aviation Support	9,691,000	0	0	9,691,000
Airport Development and Assistance	25,896,000	0	0	25,896,000
Air Transportation Services	537,000	0	61,000	598,000
Civil Air Patrol	130,000	0	0	130,000
Subtotal Aeronautics:	36,254,000	0	61,000	36,315,000
Federal Funds Included in Highway Operations, Technical Services & Program Management				
	(40,426,000)	0	0	(40,426,000)
State Appropriations:	\$ 2,241,895,000	\$ (2,000)	\$ 48,361,000	\$ 2,290,254,000
Federal Appropriations:	\$ 776,664,000	\$ 0	\$ 0	\$ 776,664,000
Total Transportation:	\$ 3,018,559,000	\$ (2,000)	\$ 48,361,000	\$ 3,066,918,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Agriculture				
Department of Agriculture				
Protection Service	\$ 35,759,000	\$ 0	\$ 1,367,000	\$ 37,126,000
Agricultural Marketing and Development	6,685,000	0	360,000	7,045,000
Administration and Financial Assistance	12,429,000	(30,000)	567,000	12,966,000
Individual Sewage Treatment Systems	4,000,000	0	0	4,000,000
Crop Insurance	0	0	8,800,000	8,800,000
Tornado Relief	0	0	4,000,000	4,000,000
Subtotal Department of Agriculture:	58,873,000	(30,000)	15,094,000	73,937,000
Agricultural Utilization Research Institute	8,750,000	0	0	8,750,000
Board of Water & Soil Resources	30,927,000	(8,000)	1,400,000	32,319,000
Appropriations Carried Forward (1)	0	505,000	0	505,000
	30,927,000	497,000	1,400,000	32,824,000
Board of Animal Health	4,731,000	(6,000)	190,000	4,915,000
Ethanol Producer Payments	49,651,000	0	0	49,651,000
Minnesota Horticultural Society	164,000	0	0	164,000
State Appropriations:	\$ 153,096,000	\$ 461,000	\$ 16,684,000	\$ 170,241,000
Federal Appropriations:	\$ 4,507,000	\$ 0	\$ 0	\$ 4,507,000
Total Agriculture:	\$ 157,603,000	\$ 461,000	\$ 16,684,000	\$ 174,748,000

Economic Development

Department of Trade & Economic Development				
Tourism	16,830,000	0	0	16,830,000
Administration	5,999,000	(25,000)	0	5,974,000
Business & Community Development	57,568,000	0	580,000	58,148,000
Minnesota Trade Office	4,788,000	0	0	4,788,000
Information & Analysis	2,845,000	0	0	2,845,000
Contaminated Site Cleanup	8,600,000	0	0	8,600,000
Emergency Flood Relief	8,200,000	0	0	8,200,000
Tornado Relief	0	0	5,950,000	5,950,000
Appropriations Carried Forward (1)	0	3,646,000	0	3,646,000
Subtotal Dept. of Trade & Economic Dev.:	104,830,000	3,621,000	6,530,000	114,981,000
World Trade Center Corporation	78,000	0	155,000	233,000
Minnesota Technology Incorporated	19,574,000	0	0	19,574,000
Amateur Sports Commission	2,144,000	0	100,000	2,244,000
Ice Arenas	5,000,000	0	0	5,000,000
Sports Facility Financing	1,500,000	0	0	1,500,000
Subtotal Amateur Sports Commission:	8,644,000	0	100,000	8,744,000
Labor Interpretive Center	421,000	0	0	421,000
State Appropriations:	\$ 133,547,000	\$ 3,621,000	\$ 6,785,000	\$ 143,953,000
Federal Appropriations:	\$ 168,682,000	\$ 0	\$ 0	\$ 168,682,000
Total Economic Development:	\$ 302,229,000	\$ 3,621,000	\$ 6,785,000	\$ 312,635,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Housing				
Housing Finance Agency	\$ 58,356,000	\$ 0	\$ 3,850,000	\$ 62,206,000
Implement Property Tax Reform	450,000	0	0	450,000
Affordable Rental Investment Fund	0	0	10,000,000	10,000,000
Tornado Relief	0	0	4,000,000	4,000,000
Emergency Flood Relief	6,500,000	0	0	6,500,000
Total Housing:	\$ 65,306,000	\$ 0	\$ 17,850,000	\$ 83,156,000
Natural Resources				
Department of Natural Resources				
Operations Support	60,258,000	(199,000)	890,000	60,949,000
Water Resources Management	20,562,000	0	2,330,000	22,892,000
Mineral Resources Management	10,182,000	0	53,000	10,235,000
Forest Management	68,536,000	0	1,328,000	69,864,000
Fish and Wildlife Management	82,257,000	0	4,360,000	86,617,000
Parks and Recreation Management	53,903,000	0	430,000	54,333,000
Enforcement	39,056,000	0	450,000	39,506,000
Trails and Waterways	33,889,000	0	750,000	34,639,000
Leech Lake and White Earth Reservation	3,624,000	213,000	0	3,837,000
1854 Indian Treaty Settlement	8,087,000	(386,000)	0	7,701,000
Wildlife Management Lands in Lieu of Taxes	2,600,000	250,000	0	2,850,000
DNR Firefighting	1,072,000	7,021,000	0	8,093,000
Emergency Flood Relief	900,000	0	0	900,000
Appropriations Carried Forward (1)	0	43,000	0	43,000
Subtotal Dept. of Natural Resources:	384,926,000	6,942,000	10,591,000	402,459,000
Zoological Board	10,903,000	(10,000)	1,500,000	12,393,000
Appropriations Carried Forward (1)	0	1,000	0	1,000
Subtotal Zoological Board:	10,903,000	(9,000)	1,500,000	12,394,000
Minn.-Wisc. Boundary Area Commission	349,000	0	0	349,000
Voyageurs National Park Citizens Committee	127,000	0	0	127,000
Minnesota Resources				
LCMR Administration	776,000	0	0	776,000
Recreation	10,000,000	0	0	10,000,000
Historic Sites	1,388,000	0	0	1,388,000
Water Resources	2,170,000	0	0	2,170,000
Agricultural Practices	1,685,000	0	0	1,685,000
Pollution Prevention	265,000	0	0	265,000
Impacts on Natural Resources	1,985,000	0	0	1,985,000
Decision-Making Tools	1,410,000	0	0	1,410,000
Public Access to Natural Resources Data	850,000	0	0	850,000
Sustainable Development Activities	1,698,000	0	0	1,698,000
Environmental Education	2,478,000	0	0	2,478,000
Benchmarks and Indicators	1,715,000	0	0	1,715,000
Native Fisheries	336,000	0	0	336,000
Land Acquisition in High Growth Areas	850,000	0	0	850,000
Critical Lands or Habitats	7,432,000	0	0	7,432,000
Wildlife or Trail Corridors	1,000,000	0	0	1,000,000
Native Species Planting	670,000	0	0	670,000
Exotic Species	500,000	0	0	500,000
Subtotal Minnesota Resources:	37,208,000	0	0	37,208,000
State Appropriations:	\$ 433,513,000	\$ 6,933,000	\$ 12,091,000	\$ 452,537,000
Federal Appropriations:	\$ 16,146,000	\$ 0	\$ 0	\$ 16,146,000
Total Natural Resources:	\$ 449,659,000	\$ 6,933,000	\$ 12,091,000	\$ 468,683,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Pollution Control				
Pollution Control Agency				
Protection of the Water	\$ 25,427,000	\$ 0	\$ 1,255,000	\$ 26,682,000
Protection of the Air	15,984,000	0	0	15,984,000
Protection of the Land	31,456,000	0	85,000	31,541,000
General Support	13,831,000	(20,000)	50,000	13,861,000
Sewage Treatment Grants	1,000,000	0	0	1,000,000
Subtotal Pollution Control Agency:	87,698,000	(20,000)	1,390,000	89,068,000
Office of Environmental Assistance	13,076,000	(8,000)	0	13,068,000
SCORE County Block Grants	28,016,000	0	0	28,016,000
State Appropriations:	\$ 128,790,000	\$ (28,000)	\$ 1,390,000	\$ 130,152,000
Federal Appropriations:	\$ 33,507,000	\$ 0	\$ 0	\$ 33,507,000
Total Pollution Control:	\$ 162,297,000	\$ (28,000)	\$ 1,390,000	\$ 163,659,000

Protection of Workers

Department of Labor & Industry				
Workers' Comp. Regulation & Enforcement	24,312,000	(8,000)	0	24,304,000
Workplace Services	13,106,000	0	0	13,106,000
General Support	12,860,000	0	0	12,860,000
Claims Against the State	0	0	24,000	24,000
Subtotal Department of Labor & Industry:	50,278,000	(8,000)	24,000	50,294,000
Workers' Compensation Court of Appeals	2,962,000	0	0	2,962,000
Bureau of Mediation Services	4,135,000	(4,000)	0	4,131,000
Department of Economic Security				
Employment Training & Youth Employment	25,873,000	(12,000)	1,326,000	27,187,000
Youthbuild	1,400,000	0	0	1,400,000
Rehabilitation Services	39,625,000	0	1,000,000	40,625,000
Services for the Blind	7,551,000	0	0	7,551,000
Workforce Exchange	3,000,000	0	0	3,000,000
Curfew Program	1,300,000	0	0	1,300,000
Appropriations Carried Forward (1)	0	49,000	0	49,000
Subtotal Department of Economic Security:	78,749,000	37,000	2,326,000	81,112,000
State Appropriations:	\$ 136,124,000	\$ 25,000	\$ 2,350,000	\$ 138,499,000
Federal Appropriations:	\$ 318,526,000	\$ 0	\$ 0	\$ 318,526,000
Total Protection of Workers:	\$ 454,650,000	\$ 25,000	\$ 2,350,000	\$ 457,025,000

Public Employees

Department of Employee Relations				
Administration	14,175,000	454,000	750,000	15,379,000
Employee Insurance	1,558,000	0	0	1,558,000
Subtotal Dept. of Employee Relations:	15,733,000	454,000	750,000	16,937,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Retirement				
Minneapolis Employees' Retirement Fund	\$ 19,455,000	\$ 0	\$ 0	\$ 19,455,000
Pre-1973 Retirement Adjustment	1,100,000	0	0	1,100,000
Local Police and Fire Amortization Aid	9,850,000	(393,000)	0	9,457,000
Police & Fire Supplemental Amortization Aid	2,000,000	(480,000)	0	1,520,000
Aid to Police and Fire Departments	130,746,000	(6,184,000)	0	124,562,000
Legislators' Retirement	4,290,000	1,000,000	0	5,290,000
Judges' Retirement	2,970,000	0	0	2,970,000
Teachers' Retirement	6,676,000	(1,676,000)	0	5,000,000
Firefighters' Relief Surcharge	753,000	(7,000)	0	746,000
Constitutional Officers' Retirement	355,000	0	0	355,000
Pension Uniformity	(7,321,000)	46,855,000	0	39,534,000
PERA/MSRS Changes	0	22,425,000	710,000	23,135,000
Subtotal Retirement:	170,874,000	61,540,000	710,000	233,124,000
Total Public Employees:	\$ 186,607,000	\$ 61,994,000	\$ 1,460,000	\$ 250,061,000

Industry Regulation

Department of Commerce

Financial Examinations	7,685,000	0	0	7,685,000
Registration and Analysis	9,069,000	0	0	9,069,000
Administrative Services	5,715,000	(38,000)	0	5,677,000
Enforcement and Licensing	7,976,000	0	0	7,976,000
Petroleum Tank Release Cleanup Board	1,926,000	0	0	1,926,000
Workers' Comp. Regulation	0	0	0	0
Subtotal Department of Commerce:	32,371,000	(38,000)	0	32,333,000

Non-Health-Related Boards	2,980,000	0	0	2,980,000
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Public Utilities Commission	6,726,000	(8,000)	393,000	7,111,000
Appropriations Carried Forward (1)	0	328,000	0	328,000
Subtotal Public Utilities Commission:	6,726,000	320,000	393,000	7,439,000

Department of Public Service	18,124,000	(19,000)	0	18,105,000
Hydro/Wind Power Regulation	1,813,000	0	0	1,813,000
Subtotal Department of Public Service:	19,937,000	(19,000)	0	19,918,000

State Lottery Board	101,598,000	0	0	101,598,000
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Lawful Gambling Control Board	4,454,000	(6,000)	0	4,448,000
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Racing Commission	750,000	0	0	750,000
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State Appropriations:	\$ 168,816,000	\$ 257,000	\$ 393,000	\$ 169,466,000
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Federal Appropriations:	\$ 1,629,000	\$ 0	\$ 0	\$ 1,629,000
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Total Industry Regulation:	\$ 170,445,000	\$ 257,000	\$ 393,000	\$ 171,095,000
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Public Safety

Department of Public Safety

Administration and Related Services	19,261,000	(40,000)	0	19,221,000
Emergency Management	6,853,000	0	148,000	7,001,000
Criminal Apprehension	52,139,000	0	233,000	52,372,000
Fire Marshal	5,948,000	0	170,000	6,118,000
State Patrol	102,932,000	0	3,935,000	106,867,000
Driver and Vehicle Services	69,857,000	0	435,000	70,292,000
Alcohol & Gambling Enforcement	3,398,000	0	0	3,398,000
Law Enforcement & Community Grants	6,005,000	0	750,000	6,755,000
Pipeline Safety	1,839,000	0	0	1,839,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Department of Public Safety - Continued				
Crime Victims Services	\$ 4,302,000	\$ 0	\$ 0	\$ 4,302,000
Crime Victims Ombudsman	749,000	0	304,000	1,053,000
Priv. Detective & Protective Agen. Lic. Board	262,000	0	0	262,000
Transfer to Trunk Highway Fund	3,681,000	0	0	3,681,000
Traffic Safety	708,000	0	0	708,000
Special DWI Enforcement	103,000	0	0	103,000
Tornado Relief	0	0	8,800,000	8,800,000
Youth Drivers License	0	0	303,000	303,000
Appropriations Carried Forward (1)	0	1,388,000	0	1,388,000
Subtotal Department of Public Safety:	278,037,000	1,348,000	15,078,000	294,463,000
Department of Corrections				
Management Services	39,248,000	1,604,000	0	40,852,000
Community Services	165,211,000	0	2,115,000	167,326,000
Correctional Institutions	369,788,000	0	0	369,788,000
Corrections Aid	56,163,000	188,000	0	56,351,000
Juvenile Services	34,860,000	0	0	34,860,000
Appropriations Carried Forward (1)	0	2,333,000	0	2,333,000
Claims Against the State	0	0	61,000	61,000
Subtotal Department of Corrections:	665,270,000	4,125,000	2,176,000	671,571,000
Sentencing Guidelines Commission	880,000	0	0	880,000
Corrections Ombudsman	1,145,000	(2,000)	20,000	1,163,000
Board of Peace Officers Standards and Training	7,382,000	0	148,000	7,530,000
Automobile Theft Prevention Board	3,734,000	0	0	3,734,000
Minnesota Safety Council	134,000	0	0	134,000
Military Affairs				
Maintenance of Training Facilities	12,185,000	0	0	12,185,000
General Support	4,153,000	(12,000)	0	4,141,000
Appropriations Carried Forward (1)	0	809,000	0	809,000
Enlistment Incentives	4,705,000	0	0	4,705,000
Subtotal Department of Military Affairs:	21,043,000	797,000	0	21,840,000
State Appropriations:	\$ 977,625,000	\$ 6,268,000	\$ 17,422,000	\$ 1,001,315,000
Federal Appropriations:	\$ 133,617,000	\$ 0	\$ 0	\$ 133,617,000
Total Public Safety:	\$ 1,111,242,000	\$ 6,268,000	\$ 17,422,000	\$ 1,134,932,000

Governance

LEGISLATURE

Senate	36,717,000	0	0	36,717,000
House	49,917,000	0	0	49,917,000
Legislative Coordinating Commission	25,015,000	(14,000)	200,000	25,201,000
Appropriations Carried Forward (1)	0	6,178,000	0	6,178,000
TOTAL LEGISLATURE:	\$ 111,649,000	\$ 6,164,000	\$ 200,000	\$ 118,013,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
COURTS				
Supreme Court				
Operations	\$ 8,193,000	\$ (20,000)	\$ 495,000	\$ 8,668,000
State Court Administrator	18,184,000	0	775,000	18,959,000
State Law Library	3,467,000	0	0	3,467,000
Low Income & Family Farm Leg. Assistance	11,214,000	0	0	11,214,000
Family Law Legal Assistance	1,754,000	0	0	1,754,000
Community Dispute Resolution	220,000	0	100,000	320,000
Victim Offender Mediation Grants	340,000	0	0	340,000
Subtotal Supreme Court:	43,372,000	(20,000)	1,370,000	44,722,000
Court of Appeals	12,268,000	(8,000)	207,000	12,467,000
District Courts	143,222,000	(36,000)	1,060,000	144,246,000
Board on Judicial Standards	531,000	0	30,000	561,000
Board of Public Defense	1,815,000	(43,000)	1,000,000	2,772,000
State Public Defender	6,565,000	0	0	6,565,000
District Public Defense	75,250,000	0	0	75,250,000
Appropriations Carried Forward (1)	0	77,000	0	77,000
Tax Court	1,619,000	0	0	1,619,000
Subtotal District Courts:	229,002,000	(2,000)	2,090,000	231,090,000
TOTAL COURTS:	\$ 284,642,000	\$ (30,000)	\$ 3,667,000	\$ 288,279,000
CONSTITUTIONAL OFFICERS				
Governor and Lieutenant Governor	7,700,000	0	0	7,700,000
Secretary of State	11,851,000	(8,000)	100,000	11,943,000
State Auditor	15,634,000	(18,000)	0	15,616,000
Appropriations Carried Forward (1)	0	25,000	0	25,000
Subtotal State Auditor:	15,634,000	7,000	0	15,641,000
State Treasurer	4,204,000	(2,000)	0	4,202,000
Appropriations Carried Forward (1)	0	502,000	0	502,000
Subtotal State Treasurer:	4,204,000	500,000	0	4,704,000
Attorney General	30,188,000	(14,000)	23,000,000	53,174,000
Special DWI Enforcement	57,000	0	0	57,000
DARE Advisory Council	250,000	0	0	250,000
Subtotal Attorney General:	30,495,000	(14,000)	23,000,000	53,481,000
Investment Board	4,410,000	0	0	4,410,000
Board of Public Disclosure	1,076,000	0	0	1,076,000
TOTAL CONSTITUTIONAL OFFICERS:	\$ 75,370,000	\$ 485,000	\$ 23,100,000	\$ 98,955,000
State Appropriations:	\$ 471,661,000	\$ 6,619,000	\$ 26,967,000	\$ 505,247,000
Federal Appropriations:	\$ 2,451,000	\$ 0	\$ 0	\$ 2,451,000
Total Governance:	\$ 474,112,000	\$ 6,619,000	\$ 26,967,000	\$ 507,698,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Other Departments, Boards, and Commissions				
Office of Administrative Hearings	\$ 8,302,000	\$ 0	\$ 0	8,302,000
Department of Administration				
Operations Management	7,420,000	(30,000)	170,000	7,560,000
Technology Management	48,429,000	0	4,715,000	53,144,000
Facilities Management	12,500,000	0	0	12,500,000
Administrative Management	5,292,000	0	0	5,292,000
Management Analysis	1,242,000	0	0	1,242,000
Public Broadcasting	9,046,000	0	315,000	9,361,000
Children's Museum	320,000	0	0	320,000
Voyager Center	250,000	0	0	250,000
Hockey Hall of Fame	200,000	0	0	200,000
American Bald Eagle Center	450,000	0	0	450,000
Legislative Rent	10,436,000	0	0	10,436,000
Water Recreation/Gas Tax Study	0	0	50,000	50,000
Corrections Study	0	0	100,000	100,000
Complete Transportation Building Renovation	0	0	15,775,000	15,775,000
Appropriations Carried Forward (1)	0	457,000	0	457,000
Subtotal Department of Administration:	95,585,000	427,000	21,125,000	117,137,000
Capitol Area Architectural and Planning Board	595,000	0	0	595,000
Appropriations Carried Forward (1)	0	280,000	0	280,000
Subtotal CAA & PB:	595,000	280,000	0	875,000
Department of Finance				
Accounts Receivable Project	42,282,000	(31,000)	0	42,251,000
Tornado Relief Coningency	2,989,000	0	0	2,989,000
Appropriations Carried Forward (1)	0	0	2,700,000	2,700,000
Appropriations Carried Forward (1)	0	9,000	0	9,000
Subtotal Department of Finance:	45,271,000	(22,000)	2,700,000	47,949,000
Department of Revenue				
Income Tax	28,846,000	0	0	28,846,000
Business Excise and Consumption	27,629,000	0	0	27,629,000
Property Tax & State Aids	5,895,000	0	0	5,895,000
Tax Operations	55,921,000	0	0	55,921,000
Legal and Research	7,662,000	0	0	7,662,000
Administrative Support	32,714,000	(178,000)	0	32,536,000
Accounts Receivable Operations	4,284,000	0	731,000	5,015,000
Outstanding Collections/Property	2,800,000	0	0	2,800,000
Administration & New Tax Law Changes	4,565,000	0	3,458,000	8,023,000
Emergency Flood Relief	600,000	0	10,000,000	10,600,000
Disaster Abatement Aid	0	0	500,000	500,000
Dept. of Revenue - State Claims	0	0	20,000	20,000
Subtotal Department of Revenue:	170,916,000	(178,000)	14,709,000	185,447,000
Office of Technology				
Secure Links	7,938,000	0	0	7,938,000
Subtotal Office of Technology:	500,000	0	0	500,000
Office of Strategic & Long-Range Planning	8,438,000	0	0	8,438,000
Office of Strategic & Long-Range Planning	10,390,000	(10,000)	1,300,000	11,680,000
Brd. of Government Innovation and Cooperation	2,321,000	0	0	2,321,000
Human Rights	7,553,000	(8,000)	100,000	7,645,000
Indian Affairs Council	1,058,000	0	0	1,058,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Council on Chicano-Latino Affairs	\$ 605,000	\$ 0	\$ 0	\$ 605,000
Council on Black Minnesotans	642,000	0	0	642,000
Council on Asian-Pacific Minnesotans	541,000	0	0	541,000
Minnesota Municipal Board	622,000	0	0	622,000
Uniform Laws Commission	71,000	0	0	71,000
Minnesota Historical Society	46,791,000	0	646,000	47,437,000
Tornado Relief	0	0	1,000,000	1,000,000
	46,791,000	0	1,646,000	48,437,000
Board of the Arts	26,054,000	(2,000)	0	26,052,000
Minnesota Humanities Commission	1,772,000	0	0	1,772,000
Minnesota Academy of Science	82,000	0	0	82,000
Science Museum of Minnesota	2,300,000	0	0	2,300,000
State Appropriations:	\$ 429,909,000	\$ 487,000	\$ 41,580,000	\$ 471,976,000
Federal Appropriations:	\$ 12,116,000	\$ 0	\$ 0	\$ 12,116,000
Total Depts., Boards, & Commissions:	\$ 442,025,000	\$ 487,000	\$ 41,580,000	\$ 484,092,000

Debt Service & Borrowing

Debt Service	565,759,000	(7,644,000)	(3,121,000)	554,994,000
Cambridge Bank Payment-Debt Service	16,600,000	0	0	16,600,000
Total Debt Service & Borrowing:	\$ 582,359,000	\$ (7,644,000)	\$ (3,121,000)	\$ 571,594,000

Miscellaneous

General Contingent Accounts

General Fund	200,000	0	0	200,000
Trunk Highway Fund	400,000	0	0	400,000
Highway User Tax Distribution Fund	250,000	0	0	250,000
State Govt. Special Revenue	800,000	0	0	800,000
Airport Fund	100,000	0	0	100,000
Workers' Compensation	200,000	0	0	200,000
Subtotal General Contingent Accounts:	1,950,000	0	0	1,950,000

Capital Projects - Direct Appropriations

Children, Families & Learning	0	0	62,405,000	62,405,000
Perpich Center for Arts Education	0	0	1,395,000	1,395,000
Faribault Academies	0	0	9,225,000	9,225,000
MN State Colleges & Universities	0	0	50,400,000	50,400,000
University of Minnesota	0	0	6,330,000	6,330,000
Human Services	0	0	6,275,000	6,275,000
Veterans Home Board	0	0	12,055,000	12,055,000
Transportation	0	0	8,300,000	8,300,000
Agriculture	0	0	500,000	500,000
Board of Water & Soil Resources	0	0	19,800,000	19,800,000
Trade & Economic Development	0	0	93,770,000	93,770,000
Amateur Sports Commission	0	0	11,020,000	11,020,000
Housing Finance Agency	0	0	6,000,000	6,000,000
Natural Resources	0	0	130,251,000	130,251,000

	1997-1999 Biennium	Forecast & Estimate Changes(1)	1998 Law Changes	Biennium Total
Capital Projects - Direct Appropriations (Continued)				
Office of Environmental Assistance	\$ 0	\$ 0	\$ 3,500,000	\$ 3,500,000
Public Safety	0	0	2,230,000	2,230,000
Corrections	0	0	4,700,000	4,700,000
Military Affairs	0	0	1,230,000	1,230,000
Administration	0	0	46,250,000	46,250,000
Capitol Area Arch. & Planning	0	0	9,544,000	9,544,000
Public Facilities Authority	0	0	10,100,000	10,100,000
Minnesota Historical Society	0	0	6,610,000	6,610,000
Subtotal Capital Projects - Direct Appropriations:	0	0	501,890,000	501,890,000
Dedicated General Fund Appropriations	241,557,000	52,521,000	408,000	294,486,000
Tort Claims	1,750,000	0	0	1,750,000
Campaign Fund Check-Off	4,513,000	0	0	4,513,000
Loans to Revolving Fund	23,700,000	(4,700,000)	0	19,000,000
Tax Refund Interest	6,931,000	19,209,000	0	26,140,000
Property Tax Reform/Aid Payments	92,500,000	(10,000,000)	0	82,500,000
Appropriations Carried Forward (1)	0	492,000	0	492,000
Insurance Premium Supplement	0	0	435,000	435,000
Total Miscellaneous:	\$ 372,901,000	\$ 57,522,000	\$ 502,733,000	\$ 933,156,000
TOTALS				
State Appropriations - Gross	\$ 24,704,279,000	\$ (372,543,000)	\$ 1,522,516,000	\$ 25,854,252,000
Dept. of Human Services RTC Collections (2)	(83,808,000)	19,743,000	(65,000)	(64,130,000)
Indirect Cost Receipts	(43,864,000)	(7,048,000)	0	(50,912,000)
Cancellations	(20,000,000)	0	(643,000)	(20,643,000)
State Appropriations - Net:	\$ 24,556,607,000	\$ (359,848,000)	\$ 1,521,808,000	\$ 25,718,567,000
Federal Funds Appropriations:	\$ 7,515,039,000	\$ 0	\$ 0	\$ 7,515,039,000
Total Appropriations:	\$ 32,071,646,000	\$ (359,848,000)	\$ 1,521,808,000	\$ 33,233,606,000
Cash Flow Account	\$ 350,000,000	\$ 0	\$ 0	\$ 350,000,000
Budget Reserves	522,000,000	0	91,200,000	613,200,000
Property Tax Reserve	46,000,000	826,000,000	(541,058,000)	330,942,000
Dedicated Reserves	72,000,000	25,248,000	0	97,248,000
	\$ 990,000,000	\$ 851,248,000	\$ (449,858,000)	\$ 1,391,390,000

NOTES:

- (1) Forecast & Estimate Changes includes departmental adjustments due to the 1997 Pension Uniformity Bill.
- (2) Appropriations carried forward are unused funds appropriated in a previous biennium that did not cancel but were carried forward into the next biennium.
- (3) Dept. of Human Services RTC receipts already counted in the appropriation for MA and GAMC federal funds.

Table D
1998 Direct Appropriations
by Fund, by Chapter

		FY 1998	FY 1999	1997-1999 Biennium
Game and Fish Fund				
Chpt. 366	State Government and Departments	\$ 0	\$ 33,000	\$ 33,000
Total Game and Fish Fund:		\$ 0	\$ 33,000	\$ 33,000
General Fund				
Chpt. 362	Claims Against the State	\$ 108,000	\$ 0	\$ 108,000
Chpt. 366	State Government and Departments	1,965,000	29,958,000	31,923,000
Chpt. 367	Crime and Crime Prevention	822,000	7,108,000	7,930,000
Chpt. 372	Transportation	0	344,000	344,000
Chpt. 383	Tornado Relief	27,600,000	0	27,600,000
Chpt. 384	Higher Education	0	72,500,000	72,500,000
Chpt. 389	Omnibus Tax Bill & Property Tax Reform	0	25,308,000	25,308,000
Chpt. 395	Federal Crop Insurance Assistance	8,800,000	0	8,800,000
Chpt. 398	K-12 Education	1,514,000	213,570,000	215,084,000
Chpt. 401	Natural Resources, Environment, & Agriculture	5,194,000	12,313,000	17,507,000
Chpt. 404	Capital Improvements/Bonding	0	500,690,000	500,690,000
Chpt. 407	Health and Human Services	(139,959,000)	(166,410,000)	(306,369,000)
Chpt. SS1-1	Early Childhood Ed. / Economic Development	359,000	11,641,000	12,000,000
Total General Fund:		\$ (93,597,000)	\$ 707,022,000	\$ 613,425,000
Health Care Access Fund				
Chpt. 407	Health and Human Services	\$ (3,130,000)	\$ (14,203,000)	\$ (17,333,000)
Total Health Care Access Fund:		\$ (3,130,000)	\$ (14,203,000)	\$ (17,333,000)
Highway User Tax Distribution Fund				
Chpt. 372	Transportation	\$ 0	\$ 50,000	\$ 50,000
Total Hwy. User Tax Distribution Fund:		\$ 0	\$ 50,000	\$ 50,000

		FY 1998	FY 1999	1997-1999 Biennium
Natural Resources Fund				
Chpt. 366	State Government and Departments	\$ 0	\$ 25,000	\$ 25,000
Chpt. 401	Natural Resources, Environment, & Agriculture	0	500,000	500,000
Total Natural Resources Fund:		\$ 0	\$ 525,000	\$ 525,000
Special Revenue Fund				
Chpt. 366	State Government and Departments	\$ 0	\$ 15,000	\$ 15,000
Total Special Revenue Fund:		\$ 0	\$ 15,000	\$ 15,000
State Government Special Revenue Fund				
Chpt. 407	Health and Human Services	113,000	\$ 231,000	\$ 344,000
Total State Government Special Revenue Fund:		\$ 113,000	\$ 231,000	\$ 344,000
State Lottery Fund				
Chpt. 366	State Government and Departments	\$ 0	\$ 750,000	\$ 750,000
Total State Lottery Fund:		\$ 0	\$ 750,000	\$ 750,000
Trunk Highway Fund				
Chpt. 366	State Government and Departments	\$ 0	\$ 55,000	\$ 55,000
Chpt. 372	Transportation	200,000	50,637,000	50,837,000
Chpt. 388	Youth-Oriented Driver's License	0	303,000	303,000
Chpt. 404	Capital Improvements/Bonding	0	1,200,000	1,200,000
Chpt. 405	Complete Transportation Building Renovation	15,775,000	0	15,775,000
Total Trunk Highway Fund:		\$ 15,975,000	\$ 52,195,000	\$ 68,170,000
Grand Total Direct Appropriations:		\$ (80,639,000)	\$ 746,618,000	\$ 665,979,000

Table E
Open and Standing Appropriations
Fiscal Years 1998 and 1999

	FY 1998	FY 1999	1998 Biennium
Aids and Credits			
Property Tax Refund			
- Homeowners	\$ 84,350,000	\$ 86,119,000	\$ 170,469,000
- Renters	85,562,000	112,236,000	197,798,000
- Targeting	3,800,000	4,300,000	8,100,000
Property Tax Rebate on Income Tax Form	475,000,000	492,463,000	967,463,000
Homestead Credit and Agricultural Credit			
- Schools	96,712,000	70,153,000	166,865,000
- Cities & Counties	440,171,000	449,480,000	889,651,000
- Tax Increment Financing	24,000	24,000	48,000
Political Contribution Refunds	3,269,000	4,209,000	7,478,000
Disparity Aid	28,194,000	26,188,000	54,382,000
Border City Disparity Credit	5,422,000	4,507,000	9,929,000
Disaster & Flood Relief Aid	18,000	1,247,000	1,265,000
Local Government Aid	360,201,000	369,149,000	729,350,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Suppl. Homestead Prop. Tax Relief	474,000	474,000	948,000
Education Homestead Credit	0	142,644,000	142,644,000
In Lieu of Taxes Payments on DNR Lands	5,502,000	5,550,000	11,052,000
Enterprise Zone Credit	19,000	19,000	38,000
Regional Transit Board Levy Reduction	2,170,000	2,200,000	4,370,000
Region 3 - Occupation Tax	1,211,000	1,211,000	2,422,000
Local Performance Aid	9,293,000	10,525,000	19,818,000
Family Preservation Aid	1,598,000	1,638,000	3,236,000
Total Aids and Credits:	\$ 1,606,208,000	\$ 1,787,554,000	\$ 3,393,762,000
Other Open and Standing Appropriations			
State Lottery Board	\$ 50,799,000	\$ 50,799,000	\$ 101,598,000
Corrections Aid	27,902,000	28,449,000	56,351,000
Minneapolis Employees' Retirement Fund	10,455,000	9,000,000	19,455,000
Pre-1973 Retirement Adjustment	550,000	550,000	1,100,000
Local Police & Fire Amortization Aid	4,532,000	4,925,000	9,457,000
Local Police & Fire Suppl. Amortization Aid	520,000	1,000,000	1,520,000
Aid to Police & Fire Departments	59,964,000	64,598,000	124,562,000
Judges' Retirement	1,485,000	1,485,000	2,970,000
Legislators & Constitutional Officers' Retirement	3,266,000	2,379,000	5,645,000
Teachers' Retirement	2,500,000	2,500,000	5,000,000
Firefighters' Relief Surcharge	372,000	374,000	746,000
Ethanol Producer Payments	23,829,000	25,822,000	49,651,000
1854 Indian Treaty Settlement	3,792,000	3,909,000	7,701,000
DNR Firefighting	3,926,000	4,167,000	8,093,000
Debt Service and Borrowing	255,077,000	316,517,000	571,594,000
Other Open and Standing	33,996,000	38,664,000	72,660,000
Total Other Open & Standing Approps.:	\$ 482,965,000	\$ 555,138,000	\$ 1,038,103,000
Total Open and Standing Appropriations:	\$ 2,089,173,000	\$ 2,342,692,000	\$ 4,431,865,000

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