

LEGISLATIVE REFERENCE LIBRARY
3 0307 00013 2186

FISCAL REVIEW

Minnesota State Senate

1996 Session



KFM
5407
.M625
1996

A

Fiscal Review

of the

1996 Legislative Session

Minnesota Senate
Office of Senate Counsel & Research

Edited by William Riemerman

October 1996

Dates of the 1996 Legislative Session

Regular Session: January 16 to April 3, 1996

This publication was developed by the staff of Senate Counsel & Research and was edited by William Riemerman. Special recognition is due Dan Mueller, who compiled the tables. Other Counsel & Research staff who contributed are: David Giel, Randal Hove, Greg Knopff, Pat McCormack, George McCormick, Jack Paulson, Givonna Reed, Chris Turner, Amy Vennewitz, and Maja Weidmann.

The cover was developed with the assistance of David Oakes. Virginia Stohr prepared the manuscript.

The Fiscal Review was printed by the Secretary of the Senate's Office, Senate Duplicating, Dan Olson, Supervisor.

Printed on Recycled Paper

Minimum 10% Post-Consumer Fiber



Table of Contents

INTRODUCTION	1
HIGHLIGHTS	2
REVENUES	4
State Taxes	4
LOCAL PROPERTY TAX AIDS AND CREDITS	5
All State Aids	6
APPROPRIATIONS	7
Elementary and Secondary Education	7
Higher Education	8
Human Services	9
MinnesotaCare	10
Health	11
Veterans Affairs	13
Economic Development	14
Transportation	15
Metropolitan Airport	16
Agriculture	17
Natural Resources	18
Environment	20
Wetlands	21
Protection of Workers	23
Retirement	24
Gambling	25
Public Safety and Judiciary	25
Vetoos	27
STATE DEBT AND CAPITAL EXPENDITURES	29
Capital Expenditures	29
STATISTICS	35
CHART - State Appropriations by Functional Area, 1995-1997 Biennium	36
TABLE A - Summary of Biennial Appropriations by Fund, 1995-96 Sessions	37
TABLE B - General Fund and Local Government Trust Fund, Resources and Appropriations, 1995-1997 Biennium	38
TABLE C - Detailed Appropriations by Function - All Funds 1995-1997 Biennium with 1996 Session Changes	40
TABLE D - Direct Appropriations by Fund, by Chapter	58
TABLE E - Open and Standing Appropriations, Fiscal Years 1996 and 1997	60
INDEX	61

Introduction

The Fiscal Review is a report of actions taken by the 1996 session of the Minnesota Legislature. These reports have been issued annually since 1975. The 1996 appropriations amend the biennial budget adopted in the 1995 session. Some changes involve updated estimates of open and standing appropriations, while other changes are the result of the passage of new laws.

This is not an accounting of all legislative actions. It covers those with significant fiscal impact and reports some 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 made through the Department of Finance at the time the budget was enacted.

Direct appropriations essentially are the limits of spending put in 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 on 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 1996 session of the Legislature appropriated about \$700 million in new money in total. Most of the increase was in the General Fund. The bulk of that, more than \$680 million, was appropriated to reduce the local education property tax recognition shift from 48 percent to seven percent. Another \$32 million involved supplementary appropriations for school aids, and more than \$88 million was appropriated from the Trunk Highway Fund.

The Department of Human Services bill resulted in appropriation decreases of about \$178 million. The decline was the result of a \$193 million-plus change in the Department forecast for health care and income support programs, offset by about \$15.5 million in new spending.

Capital Expenditures

The bill with the most significant financial implication was a \$615 million capital expenditure bill passed by the Legislature. The bill included more than \$570 million in bonding authority and more than \$44.5 million in direct appropriations. These figures represent the net enactment into law after the Governor vetoed almost \$37.6 million in capital projects.

Among the larger projects were: a \$30 million allocation for a new building for the St. Paul Science Museum; \$29.5 million for a new library at St. Cloud State University; about \$15 million for remodeling and an addition to Anoka-Ramsey Community College; \$10 million for the Lake Superior Center in Duluth; \$8 million to construct and renovate existing ice arenas; and \$7 million for skating and tennis facilities next to the Mariucci Arena on the University of Minnesota campus.

Taxes

The 1996 session made three tax changes worth noting. They are:

- A reduction of the property tax class rate for lake cabin property with the net reduction in the tax yield picked up by the state General Fund;
- Extension of the temporary sales tax exemption on sales of used farm machinery until June 30, 1997; and
- A tax refund of sales taxes paid for unsold pull-tab or tipboard tickets.

Higher Education

Higher education received a total of \$16 million in new appropriations from the 1996 Legislature. Of that amount, the University of Minnesota received \$9 million; the Board of Trustees of the State College and University System received \$5.3 million; and the Higher Education Service Office received \$1.7 million.

Crime Prevention

The 1996 session of the Legislature appropriated more than \$17 million in its supplementary crime prevention bill. More than \$7.7 million was appropriated to the Department of Public Safety and nearly \$7.1 million to the Department of Corrections.

About \$4.7 million of the Department of Public Safety appropriation was for grants to counties and cities to hire police officers and to pay overtime costs for existing police squads.

Transportation

The transportation funding committees spent much time during the session on the issue of an increased gasoline tax and the enactment of a dedicated tax for mass transit. But these issues were not in the final bill. The transportation bill appropriated \$51.5 million for highway construction, including design engineering, and added \$1 million to the transit assistance budget.

Metropolitan Airports

The 1996 Legislature ended the dual track metropolitan airport study mandated by the 1989 Legislature and provided that the airport will be expanded at its current location. The legislation contains some restrictions on the expansion of the existing airport and mandated the spending of \$185 million on noise mitigation by the year 2002.

Workers' Compensation

The 1996 Legislature, on the recommendation of the Workers' Compensation Advisory Council, adopted new definitions for the certification of independent contractors within the construction industry. Independent contractors are not required to have workers' compensation insurance coverage. The Legislature also changed some insurance regulation mandates

enacted in the 1995 law. The changes basically will give insurance companies more options in adjusting premium rates for competitive or client selection purposes.

Economic Development

The Legislature adopted a liveable wage criteria for participation in the state Minnesota Investment Fund program (formerly known as the Economic Recovery Fund). The liveable wage mandate calls for a minimum-wage benefit package of at least \$8.01 an hour (adjusted annually by the federal formula for poverty-level incomes). The liveable wage levels are within existing policy guidelines for that program issued by the Department of Trade and Economic Development.

Vetoes

The Governor vetoed about \$40.4 million in appropriations, about \$37.6 million of that amount from the bonding bill.

Among other vetoes by the Governor was a minimum wage increase to \$5.35 an hour and a liveable wage bill mandating that businesses getting various state aids must pay their employees at least \$7.28 an hour (adjusted by formula).

Revenues

State Taxes

Income Tax

The formula for apportioning income to Minnesota from leases of movable property such as motor vehicles, rolling stock, aircraft, and vessels was changed. Under prior law, the income from leases of movable property was assigned to Minnesota if the property was located within the state or if the principal base of operations from which the movable property was sent out was located within the state. The new provision allocates income from leases of movable property to Minnesota based on the extent that the property is used within the state. For rolling stock, the proportion of use within the state is based on the ratio of the number of miles traveled within the state to the total number of miles traveled by the rolling stock. For aircraft, the Minnesota use is based on the proportion of the number of landings within the state to total landings of the aircraft. For vessels, the Minnesota use is based on the ratio of days spent by the vessel within the state to the total

number of days in the taxable year. The state cost and business tax reduction of this provision is estimated to be \$3.6 million in the 1997-1999 biennium.

Sales and Excise Taxes

The temporary sales tax exemption for sales of used farm machinery was extended by one year to June 30, 1997. The cost of this one-year extension is estimated to be \$1.6 million in the 1995-1997 biennium.

A tax refund was enacted for the amount of pull-tab and tipboard tax collected on unsold pull-tab and tipboard tickets. The refund is equal to two percent of the face value of unsold pull-tab and tipboard tickets. The cost of this refund is estimated to be \$2.5 million in the 1995-1997 biennium and \$10.2 million in the 1997-1999 biennium.

Local Property Tax Aids and Credits

Homestead and Agricultural Credit Aid (HACA) for counties and cities was reduced for calendar year 1997 by transferring \$8.2 million from HACA to a new aid program called Local Performance Aid. Each county and city's HACA allocation was reduced by \$1 per capita. To receive an aid distribution under the Local Performance Aid program, a county or city must demonstrate that it has developed a system of performance measures for its services and that the performance measures are reviewed annually by the county board or city council. In addition to the \$8.2 million transferred from HACA, \$558,625 was appropriated for Local Performance Aid for counties, and \$441,735 was appropriated for cities for calendar year 1997. The transfer from HACA to Local Performance Aid was \$16.5 million and the appropriation for Local Performance Aid was \$2 million for the 1997-1999 biennium.

HACA for counties was further adjusted by transferring \$6.8 million from county HACA to County Criminal Justice Aid (CCJA). The HACA reduction was taken first from county regional rail authorities and any remainder was taken from the county government. This funding transfer is effective in 1997.

Under legislation enacted in 1995, the regular property tax refund and the special targeted refund were to be deducted on homeowners' property tax statements beginning with taxes payable in 1997. The 1996 Legislature delayed implementation of this provision by one year to begin with taxes payable in 1998. The savings from delaying this provision are estimated to be \$2.4 million in the 1997-1999 biennium.

Property Tax Classifications

The property tax class rate which applies to the first \$72,000 of market value of cabin property

was reduced from 1.9 percent to 1.75 percent for property taxes payable in 1997 and from 1.75 percent to 1.5 percent for taxes payable in 1998 and thereafter. Approximately 60 percent of the cost of the reduction in local tax base is paid by the state through the HACA formula and the remainder is paid through the education aid formula. The cost of this provision is estimated to be \$200,000 in the 1995-1997 biennium and \$21.3 million in the 1997-1999 biennium.

Budget Reserve and School Property Tax Recognition Percentage

The amount of the budget reserve was increased from \$220 million to \$270 million as of July 1, 1996.

The school property tax recognition percentage was reduced from 48 percent to 18.1 percent for FY 1996. An additional \$180 million was allocated to reduce the property tax recognition percentage in FY 1997.

If the Commissioner of Finance forecasts a General Fund deficit as of June 30, 1997, the Commissioner is required to reduce the deficit by first increasing the property tax recognition percentage, but the total percentage may not exceed 18.1 percent. Any additional deficit is made up by reducing the budget reserve. If the Commissioner of Finance forecasts a General Fund surplus as of June 30, 1997, the amount of the surplus is appropriated to an education aid reserve account. The amount appropriated to the account cannot exceed reducing the property tax recognition percentage to zero in FY 1997. The balance in the education aid reserve account does not cancel and may not be spent until it is appropriated for education aid for FY 1998 and FY 1999.

All State Aids

The 1996 Legislature appropriated an additional \$466 million in individual property tax relief and local governmental unit property tax aid to reach a biennial total of nearly \$13.8 billion for the 1995-1997 biennium.

The Legislature appropriated about \$622 million in new monies for education aids and reduced human service aids by about \$160 million. Adjustments in other local and individual property tax aids were relatively small.

A table of the net new individual and governmental aid appropriations follows:

PROPERTY TAX AND LOCAL AIDS (000s)

GENERAL FUND AIDS		Cities and Municipalities	School Districts
INDIVIDUALS			
Homeowners Property Tax Refund	\$ 151,917		
Targeting	8,258		
Renter Credit	<u>175,608</u>		
Total Aids to Individuals	\$ 335,783		
	Cities and Municipalities	School Districts	
LOCAL GOVERNMENTAL UNITS			
Local Government Aid	\$ 688,527		
Disparity Aid	31,379	\$ 25,224	
Border City Disparity	7,602	4,360	
Attached Machinery Aid	4,764	1,672	
Homestead & Agriculture Credit Aid	876,293	261,225	
HACA Mobile Homes	6,475	6,444	
Supplemental HACA	986		
Taconite Aid Reimbursement	1,122		
Mortgage Certificate Aid	200		
RTB Levy Reduction	4,092		
Local Rental Equity	747	547	
Enterprise Credit	368	11	
Leech Lake Aid	<u>3,572</u>		
Total Aids to Local Governmental Units	\$ 1,626,127	\$ 299,483	
PENSIONS			
Police & Fire Aid	\$ 111,224		
Police & Fire Amortization Aid	11,985		
Mpls. Retirement Fund	22,010		
Mpls. - St. Paul TRA	6,391		
Miscellaneous Pension Aids	736		
Judges Retirement	<u>3,028</u>		
Total Pension Aids	\$ 155,374		
COURTS AND CORRECTIONS			
Local Corrections	\$ 142,557		
Courts	133,874		
Public Defense Costs	1,211		
Criminal Justice Aid	<u>29,658</u>		
Total Justice System Aids	\$ 307,300		
HUMAN SERVICES			
AFDC, etc.		\$ 317,395	
General Assistance and Work Readiness		101,035	
Minnesota Supplemental Aid		47,661	
Other Family Payments		91,436	
Medical Assistance		2,729,436	
General Assistance			
Medical Care		343,258	
Family Preservation Aid		3,038	
Social Services		<u>104,378</u>	
Total Human Services Aids		\$ 3,737,637	
OTHER			
Community Health Aids		\$ 33,626	
Transit Aids		114,690	
Department of Natural Resources in Lieu of Taxes		12,006	
K-12 Education Aids			\$ 6,352,487
SUBTOTALS		\$ 5,986,760	\$ 6,651,970
TOTAL GENERAL FUND AIDS		\$ 12,974,513	
NON-GENERAL FUND AIDS			
Permanent School Fund			\$ 65,000
Highway County Aids		\$ 578,710	
Municipal Highway Aids		<u>176,318</u>	
Total Aids		\$ 755,028	\$ 65,000
TOTAL NON-GENERAL FUND AIDS		\$ 820,028	
TOTAL GENERAL FUND AIDS		\$ 12,974,513	
TOTAL AIDS - ALL FUNDS		\$ 13,794,541	
TOTAL SCHOOL AIDS			\$ 6,716,970

Appropriations

Elementary and Secondary Education

The 1996 Legislature increased appropriations for K-12 education by about \$31.7 million, of which the Governor vetoed a total of \$629,000. The Legislature also reduced the property tax shift in school district levies by appropriating \$180 million for FY 1997, adjusted the appropriation caps for FY 1998 and FY 1999, and increased the state's budget reserve from \$220 million to \$270 million.

Early Intervention and Prevention

The Legislature approved several programs for at-risk students in certain areas of the state. An all-day kindergarten program was established for school districts with high numbers of kindergarten-age children from low-income families. A \$3.5 million appropriation was provided for the all-day kindergarten program. The appropriation is equally divided among urban Minneapolis and St. Paul, suburban Twin Cities, and rural Minnesota. A \$5 million appropriation was provided for an after-school enrichment pilot program. The after-school program will provide grants to community collaboratives for designated neighborhoods of Minneapolis, St. Paul, and selected neighborhoods in the rest of the state. The Legislature also increased Indian Tribal Contract aid by \$500,000 and appropriated \$150,000 for low-income concentration grants.

Technology

The Omnibus K-12 Education Bill included approximately \$11.9 million for a variety of technology initiatives. Telecommunication access grants, which allow school districts and regional libraries access to the state Internet

system, were increased by \$5 million. An appropriation of \$3.5 million was made available to all school districts, on a per-pupil basis, for staff development and computer purchases. A \$1 million appropriation was provided for after-school programs to enhance the use of technology. Districts which were to receive an aid reduction for fund balance penalties for FY 1996 will be able to use the revenue for technology purposes. This revenue is assumed to be approximately \$1.3 million. The Legislature also appropriated \$250,000 for a technology clearinghouse and \$860,000 for various electronic curriculum projects.

Agency Budget Adjustments

The Legislature made several appropriations for budget adjustments to the Department of Children, Families, and Learning, including approximately \$3 million more to implement statewide graduation standards, \$700,000 for litigation costs related to desegregation, \$275,000 for retraining Department employees, \$90,000 for vocational student groups, and \$40,000 for international speakers for Minnesota classrooms. Appropriations for salary supplements at the Minnesota Center for Arts Education (\$352,000) and Faribault Academies (\$692,000) were also provided.

Various Aids Corrections

The Legislature increased the state total secondary vocational-disabled revenue by just over \$1 million to adjust for higher FY 1995 base revenues than were anticipated during the 1995 session. Limited English Proficiency revenue was increased by about \$1.9 million to correct

an error in the 1995 Omnibus K-12 Education Bill. The Legislature also provided \$467,000 in additional general education aid for FY 1996 deficiencies.

Cost Management

Chapter 461 contained the language which increased the state's budget reserve from \$220 million to \$270 million and also lowered the property tax recognition shift. The property tax recognition shift is the amount of anticipated property tax revenues school districts are required to recognize in the current school year. By reducing the shift percentage, most school districts benefit from improved cash flow and

reduced short-term borrowing costs. The 1992 Legislature had increased the shift percentage to 50 percent as a cost-saving measure to help eliminate a budget shortfall. Chapter 461 lowered the shift percentage from 48 percent to 18.1 percent for FY 1996. The 1996 Legislature also appropriated \$180 million to reduce the shift percentage to about seven percent for FY 1997 and later years. Contingency language was included to adjust the percentage based on the November 1996 budget forecast. If the forecast shows a deficit, the tax shift percentage is increased, but not above 18.1 percent. If the November forecast shows a surplus, the amount of the surplus is appropriated to an education aid reserve account, not to exceed the forecast value of reducing the tax shift to zero in FY 1997.

Higher Education

The Legislature appropriated \$16 million to higher education for FY 1997. Appropriations were allocated as follows:

- Higher Education Services Office, \$1.7 million;
- Board of Trustees of the Minnesota State Colleges and Universities, \$5.3 million; and
- Board of Regents of the University of Minnesota, \$9 million.

Higher Education Services Office

The Legislature also appropriated \$1.5 million for student financial aid and \$50,000 for a loan repayment assistance program for law school graduates that were vetoed by the Governor.

A total of \$150,000 was appropriated to the services office for a statewide on-line information system for libraries.

State Colleges and Universities

The Legislature appropriated \$5.3 million to the Board of Trustees of the Minnesota State Colleges and Universities. The appropriation is to be used for the following initiatives:

- \$4.5 million for grants for the acquisition, improvement, and innovative application of technology. The grants must be awarded for proposals that are student centered and directly affect classroom instruction, advising, and other services that enhance the performance of students;
- \$175,000 for a work skills upgrade program. The program will provide individuals with the opportunity to improve their employability or keep current in skills necessary to succeed in the changing economy;
- \$150,000 to update the electronic capability for instructors in farm business management programs; and

- \$50,000 to establish a center at Bemidji State University that will work with Minnesota Technology, Inc. to obtain research contracts with Minnesota companies. Contracts sought will focus on funding for research in the areas of cold weather testing and manufacturing processes.

The Board of Trustees was given greater autonomy in the day-to-day operation of the system. Notable examples include:

- Negotiations for faculty contracts for the period beginning July 1, 1999, will be the responsibility of the Board rather than the Department of Employee Relations (DOER). DOER has the right to review and comment on the final contract proposals.
- Authority for the operation of campus bookstores and student parking will be overseen at the campuses rather than the system office.
- The Board must develop policies that will allow a campus to enter into contracts for construction projects up to \$250,000 and to make purchases up to \$50,000 without Board approval.

University of Minnesota

The Board of Regents of the University of Minnesota received an appropriation of \$9 million to be used as follows:

- \$6.6 million for the development and purchase of new information technology to improve the delivery of health care education programs and redesign the curriculum and underwrite the development of new or expanded programs in health care education.

Release of the money is contingent on: (1) certification that changes have been made in the personnel policies for clinical faculty with regular appointments in the academic health care center; and (2) evidence that the University is progressing in its development of the Duluth School of Medicine as a rural health center. The required changes in personnel policies will entail a review of the University's tenure policy.

- \$2 million for a data and video network and equipment to connect academic health center faculty and students on the St. Paul, Duluth, and Minneapolis campuses.
- An appropriation of \$400,000 to the Board of Regents of the University of Minnesota and \$400,000 to the Board of Trustees of the Minnesota State Colleges and Universities was made to be used for a jointly developed distance learning project. The money can be used for the acquisition, development, and distribution of distance learning resources and courseware; the development of technology-based courseware; and the marketing and distribution of college-level courses electronically.

Human Services

The Omnibus Health Care and Family Services Appropriations Bill (Chapter 451) reduced appropriations to the Department of Human Services (DHS) by more than \$177.8 million. This figure was the net result of forecast

spending reductions of over \$193.3 million in various DHS health care and income support programs, partially offset by about \$15.5 million in new spending.

Life Skills Self-Sufficiency

Appropriations in this area were reduced by almost \$3.4 million. This includes biennial forecast spending reductions of over \$4.8 million offset by over \$1.4 million in new spending in FY 1997. The most significant new spending items were in Aging and Adult Services, where the Legislature appropriated \$400,000 for senior nutrition programs, \$200,000 for nutrition support services, and \$150,000 each for the Retired Seniors Volunteer Program, Foster Grandparents, and the Senior Companion Program. The Legislature also provided \$250,000 to expand and upgrade adult day care services and facilities. The forecast adjustment occurred in the chemical dependency consolidated treatment fund, where anticipated spending was reduced by over \$4.8 million over the biennium.

Children's Programs

Appropriations in this area were increased by \$2.4 million for FY 1997. The Legislature provided \$850,000 for training and implementation costs related to the social services information system, a statewide system that will be used by county human services staffs.

An appropriation of \$50,000 was made available to develop an integrated child welfare computer system to connect tribal social services, counties, nonprofit organizations, and state agencies that are involved with child

welfare issues. The Legislature also provided \$1.5 million to provide assistance to families so that an additional 850 special needs children may be placed for adoption.

Economic Self-Sufficiency

Funding for these programs was reduced by more than \$28 million. This was the net result of reductions in biennial spending forecasts of over \$30.4 million coupled with new spending of over \$2.4 million. The biennial forecast adjustments in this area included an increase of \$64,000 for the Minnesota Family Investment Program, a reduction of almost \$29.2 million in AFDC, an increase of almost \$1.9 million in General Assistance (GA), a reduction of \$590,000 in Minnesota Supplemental Aid, and a reduction of almost \$2.6 million in the child care fund entitlement.

The Legislature provided \$542,000 for the costs associated with the adoption of a 30-day residency requirement in the AFDC, GA, Medical Assistance (MA), and General Assistance Medical Care (GAMC) programs, including \$213,000 for the costs of pursuing a federal waiver for the AFDC residency provision, \$225,000 to reimburse county administrative costs, and \$104,000 to defend the residency requirements in court. Savings of \$441,000 were assumed in FY 1997 from adoption of the GA residency requirement, but no savings were assumed this biennium from the AFDC residency provision.

MinnesotaCare

Eligibility for the MinnesotaCare program was ordered by the Governor to be expanded, under legislative authority granted in the 1994 legislative session. Eligibility for adults without children was expanded from 125 percent of poverty to 135 percent of poverty, beginning October 1, 1996. This expansion will allow an

additional 3,297 adults to receive benefits under MinnesotaCare, at a cost of \$6.5 million.

MinnesotaCare is funded with provider and hospital taxes that are deposited directly in the Health Care Access Fund. The expansion to 135 percent of poverty will leave an estimated fund balance of \$196 million in FY 1997.

Health

Funding in this area was reduced by over \$148.3 million, including biennial forecast spending reductions of almost \$158.1 million and new spending of almost \$9.8 million. Forecast adjustments included a reduction of almost \$8.6 million in group residential housing grants, a reduction of over \$27.3 million in long-term care facilities, a reduction of almost \$7.2 million in waived services (home and community-based services permitted by waivers of federal regulations), a reduction of over \$5 million in managed care and fee-for-service payments, and a reduction of almost \$110 million in GAMC.

Significant spending items in this administration included \$500,000 for DHS litigation costs related to: (1) a lawsuit by the nursing home industry challenging the 1995 changes to nursing home reimbursement; and (2) a 1995 state Supreme Court ruling against DHS in a lawsuit regarding MA coverage of abortion services, making DHS liable for the plaintiff's legal costs. Also, \$150,000 was provided for HIV drug treatment costs.

The Legislature also provided almost \$5 million to modify nursing home rate limits adopted in 1995 and \$477,000 to modify limits on reimbursements to intermediate care facilities for persons with mental retardation (ICFs/MR). The Legislature provided \$400,000 for the administrative costs associated with implementation of a system to maximize Medicare payments to providers of home care services to individuals who are eligible for both MA and Medicare.

Because Medicare is a 100 percent federally financed program, the shift of payments from MA to Medicare is expected to save almost \$1.5 million in FY 1997. The Legislature also appropriated over \$4.7 million to restore personal care assistant (PCA) services that were reduced in 1995. The most significant restoration is to continue allowing PCA services

for persons who are unable to direct their own care. Persons in this category constitute a large proportion of those needing PCA services.

In a related area, the Legislature provided \$200,000 to expand eligibility for MA under the so-called TEFRA option for children with mental health problems. The Legislature also provided \$187,000 to pay the costs of having county public health nurses rather than privately employed nurses conduct assessments to determine an applicant's need for PCA services. Savings of almost \$1.2 million were assumed in FY 1997 from the implementation of a 30-day residency requirement in the GAMC program, but no savings were assumed from a similar requirement for MA applicants.

Mental Health and State-Operated Services

Appropriations in this area showed a net reduction of \$523,000. Over \$1.3 million was saved by delaying or eliminating mental health grants for recipients of PCA services. It was anticipated that these services would no longer be needed because PCA and TEFRA services were restored or expanded to meet these needs. The Legislature appropriated \$800,000 from the lottery prize fund to pay for treatment and education costs associated with compulsive gambling.

Miscellaneous

The Welfare Reform Bill (Chapter 465) provided almost \$5.6 million for the Department of Human Services. The major appropriations within this total were \$5 million for the basic sliding fee child care program and \$450,000 to require at least one parent in an AFDC household with two parents to engage in job search activities. In addition, this legislation

provided \$102,000 in FY 1997 for the purposes of applying for federal waivers to implement the MNJOBS program and for the administrative costs of the program. At the request of a county or counties, DHS and the Department of Economic Security must develop and establish a MNJOBS program for AFDC recipients. The purpose of the program is to ensure that recipients are working as soon as possible to promote greater opportunity for economic self-support and minimize the risk of long-term welfare dependency. MNJOBS may be implemented in approved counties between April 1, 1997, and July 1, 1997.

The Criminal Justice Omnibus Appropriations Bill (Chapter 408) provided \$350,000 from the General Fund and \$54,000 from the state government Special Revenue Fund to the Department of Human Services. The Legislature approved \$250,000 in FY 1997 to provide crisis nursery services to offer temporary care to children who are abused or neglected, are at high risk of abuse or neglect, or are in families receiving child protective services.

The Legislature also provided \$100,000 for the costs associated with the establishment of a community-oriented chemical dependency pilot project in Hennepin County. Of this amount, \$35,000 is for a grant to the county to establish the project, and \$65,000 is appropriated to DHS for chemical dependency services for persons served by the pilot project. If DHS determines that all or part of the service costs can be paid out of the chemical dependency consolidated treatment fund, any remaining portion of the \$65,000 must be transferred to the county for the project.

The Legislature also provided \$54,000 out of the Special Revenue Fund to cover the costs of expanded criminal background checks. DHS must charge fees for these background checks to recover the \$54,000.

Health Department

The Health Care and Family Services Omnibus Appropriations Bill (Chapter 451) provided almost \$2.1 million from the General Fund and an additional \$200,000 from the state government Special Revenue Fund for the Minnesota Department of Health.

Health Systems

The Legislature provided \$200,000 from the General Fund and an additional \$200,000 from the Special Revenue Fund to pay for the costs of initial certification of health care providers. This certification is needed in order for these providers to bill the federal Medicare program for services delivered. Because of a shortage of federal funding, a backlog exists of providers seeking certification.

Community Health Services

The Legislature appropriated \$1.5 million for grants to counties participating in the Prepaid Medical Assistance Program to help pay for the costs of core public health functions in those counties. This appropriation resulted from concerns that the changing structure of the health care market has reduced the financing sources for many public health activities.

Disease Prevention and Control

The Legislature provided \$195,000 to establish a birth defects registry to collect, analyze, and disseminate birth defects information.

Miscellaneous

The Crime Prevention Omnibus Appropriations Bill (Chapter 408) provided \$310,000 to the Department of Health. The Legislature provided \$250,000 for the home visiting program for

projects designed to prevent child abuse and neglect and reduce juvenile delinquency. The Legislature also approved \$60,000 in grants to

the institute for child and adolescent sexual health for projects dealing with children who engage in or are affected by sexual aggression.

Veterans Affairs

Department of Military Affairs

The Department of Administration received a total of \$1.1 million in 1996 to spend on behalf of the Department of Military Affairs for the following items:

- \$500,000 for asset preservation of armories throughout the state. These monies will be used on projects involving capital improvement, such as repair and replacement of building components, repair of roofs, and bringing the armories up to code;
- \$400,000 to renovate kitchen facilities at national guard training and community centers in Thief River Falls, Wadena, Willmar, Redwood Falls, Pine City, Pipestone, Red Wing, Fergus Falls, Hastings, and Sauk Centre; and
- \$220,000 for purchasing options for land for a military affairs facility and parking ramp in the expanded Capitol Mall complex.

Department of Veterans Affairs

An appropriation of \$80,094 from the General Fund was for payment of claims against the state for adjusted compensation arising from World War I, World War II, the Korean conflict, and Vietnam service.

A federal grant of \$343,939 to establish a 37.2-acre state veterans cemetery near Camp

Ripley was also awarded this year. This cemetery was built by veterans service organizations and deeded to the state and will serve 117,400 veterans. The money will be used to develop burial areas and a maintenance building.

Veterans Homes Board

A total of \$740,000 was bonded for two projects:

- \$500,000 was appropriated for asset preservation at the Hastings veterans home. They will be removing hazardous waste and getting a new emergency power generator; and
- \$240,000 is slated for the Silver Bay veterans home. An addition to their dementia unit will be constructed and will house a day room, activity area, and wander area.

In addition, \$125,000 was appropriated from the General Fund for the construction and operation of the veterans nursing home in Fergus Falls.

Veterans Service Organizations

An appropriation of \$350,000 to the Department of Administration was for design and construction of a Korean War memorial on the Capitol Mall.

Economic Development

The 1996 session of the Legislature appropriated nearly \$5.9 million for economic development purposes. Most of that amount is appropriated through the Department of Trade and Economic Development (DTED). Appropriations are in addition to those made in the 1995 session of the Legislature. An amount of \$5.1 million was appropriated to DTED.

Minnesota Investment Fund

The largest appropriation was \$4 million for FY 1997 to fund the Minnesota Investment Fund program, formerly called the Economic Recovery Fund. The Legislature also altered the criteria for eligibility and limited the amount of total grants to individual recipients.

The major change is in the eligibility criteria that mandates a liveable wage-benefit package requirement for recipients of Minnesota Investment Fund grants or loans. The mandate calls for a minimum wage-benefit package of \$8.01 an hour, well within the existing administrative criteria for this program. The liveable wage-benefit package amount is tied to the federal poverty-level income for a family of four as published by the federal Department of Human Services.

The legislation also banned the use of the Minnesota Investment Fund for professional sports facilities and casinos. Total grant limits were tightened by changing the per-loan or grant limit to a per-project limit.

Miscellaneous

Other grants from DTED funded by the 1996 session are:

- \$100,000 for grants to the Minnesota Film Board;
- \$250,000 to the Job Skills Partnership; and
- \$750,000 to the Morrison County rural development authority to provide a capital improvement grant to a paper and wood products manufacturer to increase the capabilities of utilizing recycled newspaper. The grant must be matched with \$500,000 from other sources. The law also authorizes the county and the city of Fergus Falls to issue bonds for the local match share.

The Legislature also appropriated \$700,000 to Minnesota Technology, Inc., including \$575,000 for a grant to the Natural Resources Research Institute, and \$125,000 for a study of cold weather research needs and opportunities in connection with the cold weather resource center at International Falls.

The Legislature also appropriated \$78,000 for the World Trade Center debt payment at the end of this calendar year.

Another economic development-related action by the 1996 Legislature created a Voyageurs recreation area and board for Koochiching County and portions of St. Louis County. The board will consist of local officials and resort association representatives with the authority to solicit private and public money for economic development.

Transportation

Much of the debate on transportation funding during the 1996 session centered on a potential five cent gas tax increase and dedication of 30 percent of the state motor vehicle excise tax (MVET) for transit. However, the conference committee report for HF 1404, which contained both these funding provisions, was defeated on the House floor. The conference committee reconvened to pass SF 2702 (Chapter 455) which contains the supplemental appropriations for transportation, but did not provide an increased gas tax or a dedicated tax for transit. The supplemental appropriations for the Department of Transportation, Metropolitan Council Transit Operations, and Department of Public Safety are described below.

Department of Transportation

The Legislature added appropriations of about \$35.5 million to the Department of Transportation from the trunk highway fund for state road construction and \$6.3 million for design engineering during FY 1997. In addition, about \$9.7 million was appropriated for FY 1996 road construction.

The FY 1997 appropriation for Greater Minnesota transit assistance was increased by \$1 million. This appropriation is to MnDOT from the General Fund. The unspent balance of the 1996 appropriation was also authorized to be carried forward for expenditure during FY 1997.

Other appropriations to MnDOT included \$100,000 from the town road account for a grant to the town of Shingobee in Cass County to improve a local cutoff road, \$110,000 from the General Fund for the repair of the Stone Arch bridge in Minneapolis, and \$100,000 from the General Fund for a grant to the Minnesota Highway Safety Center at St. Cloud State University for driver education programs.

The Governor also line-item vetoed a \$200,000 appropriation from the General Fund to MnDOT for the purpose of convening a telecommuting community dialogue process. The appropriation was to be available only upon matching contributions from nonstate sources.

Capital Improvements

The Omnibus Transportation Funding Bill (Chapter 455) also contained the capital improvement appropriations for transportation facilities. (Transportation capital improvements are generally paid for using cash from the trunk highway fund, rather than state bond proceeds.) For FY 1997, more than \$21.6 million was appropriated from the trunk highway fund to MnDOT for various building improvements, truck stations, and storage buildings across the state. Of this amount, \$9 million was for construction of a new district headquarters building in Bemidji and nearly \$1.2 million was for license exam stations in the metropolitan area.

Speed Limit Provisions

A provision within Chapter 455 raised the speed limit to 65 miles per hour on freeways and expressways outside of any urbanized area of 50,000 population or more. The speed limit on all other highways outside urban districts and all highways inside urban districts would remain at 55 miles per hour. The provision also changed the meaning of a current provision in law which prohibits the recording of certain speeding violations on driving records. It will now apply only to speeds more than ten miles per hour over the 55 miles per hour speed limit.

However, the increased speed limits did not go into effect due to a related provision which gave the Commissioner new authority to set a maximum speed for all freeways and expressways without an engineering and traffic

investigation. On May 1, 1996, the effective date of the speed limit increase, the Commissioner established a speed limit of 55 miles per hour on all freeways and expressways in urban and nonurban areas, with the exception of rural interstates which would remain at 65 miles per hour. The Commissioner's order had the effect of leaving the speed limits unchanged from previous law (with the exception of an eight-mile stretch of trunk highway 52 between Rochester and I-90 for which the order also established a 65 mph limit).

Metropolitan Transit

The Legislature appropriated an additional \$6 million to the Metropolitan Council for transit

operations. Of this amount, the Council was authorized to spend \$1.6 million for Metro Mobility and up to \$625,000 to implement the high-speed bus demonstration project authorized in Chapter 265 of the 1995 Session Laws.

Department of Public Safety

The Legislature appropriated \$150,000 from the trunk highway fund to the State Patrol for four additional communication officers, \$336,000 for Driver and Vehicle Services for various activities, and \$884,000 for administration and support services for critical operations computer systems.

Metropolitan Airport Legislation

During the 1996 session, the Legislature chose to end the dual-track metropolitan airport study process approximately a year ahead of the schedule specified in the 1989 dual-track legislation. The 1989 legislation created a dual-track airport planning process which required the simultaneous evaluation of both the options of expanding the existing airport at its current location and building a major airport at a new location within the metropolitan area. The 1989 legislation established a seven-year planning process, requiring the Metropolitan Airports Commission (MAC) and Metropolitan Council to report back to the Legislature with a recommendation on major airport development by July 1, 1996. Under this schedule, any necessary legislation would have been proposed during the 1997 legislative session. However, the two agencies completed their studies ahead of schedule and submitted the recommendations to the Legislature in March 1996, allowing time for the 1996 Legislature to act.

The legislation includes the provisions relating to the future development of the metropolitan airport. It provides that the airport will be expanded at its existing location, rather than allowing a new airport to be built at another location. Specifically, MAC is prohibited from using any of its powers for the construction of a major new airport or for acquiring land for a new airport. In addition, the Metropolitan Council is prohibited from adopting any policy or zoning control aimed at preserving the availability of land for a major new airport.

The legislation also places a number of restrictions on the expansion of the existing airport, including prohibiting MAC from constructing a new passenger terminal without legislative approval; requiring MAC to enter into contracts with affected cities that provide that MAC will not construct a third parallel runway without the city's approval; requiring MAC to implement a plan to divert the maximum number of general aviation operations away from the Minneapolis-St. Paul airport; and requiring MAC

to spend at least \$185 million on noise mitigation near the airport by the year 2002.

The legislation gives cities near the airport the power to create two types of specially defined housing areas. Urban Revitalization and Stabilization Zones allow persons buying and occupying property within an airport noise impacted zone to be eligible for a state income

tax credit for a period of up to five years. Housing Replacement Districts allow the city to establish a tax increment financing (TIF) district in airport noise impacted areas. The TIF revenues must be used to pay for acquiring vacant parcels or substandard buildings and preparing the sites for market rate housing or commercial purposes.

Agriculture

Department of Agriculture

The 1996 Legislature appropriated \$625,000 from the General Fund to the Department of Agriculture that was signed by the Governor. The table below shows the specific appropriations from the General Fund to the Department of Agriculture.

**1996 DEPARTMENT OF AGRICULTURE
General Fund Appropriations**

Passing on the Farm Center	\$ 50,000
Potato Blight Research	75,000
Dairy Technologies	150,000
Beaver Damage Control	75,000
Alfalfa Research	200,000
Urban Integrated Pest Management Promotion	<u>75,000</u>
Total General Fund	\$625,000

Not included in the General Fund appropriations for the Department of Agriculture are \$20,000 for the Dairy Producer's Board and

\$25,000 for a farm transfer pilot project that were vetoed by the Governor.

The 1996 Legislature also appropriated \$41.3 million from bond funds to the Department of Agriculture. Of this amount, \$41 million is for Rural Finance Authority loan programs for farmers and \$275,000 is for acquisition and construction of a greenhouse to produce biological control agents.

University of Minnesota

The 1996 Legislature appropriated \$200,000 to the University of Minnesota for agriculture-related programs, of which \$50,000 was signed by the Governor and \$150,000 was vetoed. The \$50,000 signed by the Governor was appropriated to continue turf grass research. The \$150,000 vetoed by the Governor was for the development of a pilot regional agricultural sustainable development center.

Natural Resources

Department of Natural Resources

The 1996 Legislature appropriated \$2.2 million from the General Fund to the Department of Natural Resources. The table below shows the specific appropriations from the General Fund to the DNR.

1996 DEPARTMENT OF NATURAL RESOURCES General Fund Appropriations

Posting State Forest Boundaries	\$ 20,000
Timber Damage Grants to Counties	250,000
Timber Damage Costs on State Land	240,000
Parks and Recreation Management	350,000
Grant to Morrison County for Sedimentation Analysis	75,000
Grant to Marshall County for Dam Construction	28,000
State Trail Maintenance	150,000
Operations and Support Program Restoration	262,000
State and Local Water Agency Reorganization Study	20,000
Minerals General Fund Increase	250,000
Blue Earth/Minnesota River Trail Acquisition Planning	230,000
Well Inventory	276,000
Claims	<u>5,536</u>
Total General Fund	\$2,156,536

The \$250,000 General Fund appropriation for minerals was offset by a \$250,000 decrease in funding for minerals from the Permanent University Fund.

The 1996 Legislature appropriated another \$2.1 million to plan, acquire, develop, and operate the Iron Range Off-Highway Vehicle Recreation Area. Of this amount, \$1.4 million is from the Natural Resources Fund and \$750,000 is from the taconite environmental protection account. The Natural Resources Fund appropriations for the Iron Range Off-Highway Vehicle Recreation Area will be split among the Off-Road Vehicle Account (\$675,000), the All-Terrain Vehicle Account (\$540,000), and the Off-Highway Motorcycle Account (\$135,000).

With the early and heavy snowfall during the 1995-96 winter, the 1996 Legislature appropriated \$750,000 from the Game and Fish Fund for emergency deer feeding and \$600,000 from the snowmobile account in the Natural Resources Fund for maintenance of grant-in-aid snowmobile trails.

Department of Natural Resources Bonding

The 1996 Legislature appropriated \$36.1 million from bond proceeds to the DNR for capital projects. The table in the bonding section shows the specific appropriation amounts.

Not included in DNR bond proceeds appropriations are \$2.3 million for consolidation of the Fergus Falls DNR office and \$750,000 for the Laurentian Environmental Learning Center that were vetoed by the Governor.

Turkey Stamp

The 1996 Legislature established a new \$5 wild turkey license stamp. At least 90 percent of the revenue from stamp sales will be dedicated to wild turkey habitat improvement, trans-plantation of wild turkeys, and wild turkey research.

Harmful Exotic Species

In Laws 1996, Chapter 385, the Legislature established a new classification system for exotic wild animal and aquatic plant species. The law also extends the current transportation and placement restrictions for Eurasian water milfoil to the transportation or placement of all aquatic macrophytes (nonwoody aquatic plants).

The new classification system for exotic wild animal and aquatic plant species creates four classes:

- (1) Prohibited Species – may not be possessed, imported, purchased, sold, propagated, transported, or introduced;
- (2) Regulated Species – may not be introduced;
- (3) Unlisted Species – are subject to the classification procedure; and
- (4) Unregulated Species – not subject to regulation as a harmful exotic species.

After the effective date of the Commissioner of Natural Resources' rules governing classification, a person may not introduce an unlisted exotic species unless the person notifies the Commissioner of Natural Resources and receives approval.

Recreational Trespass

In Laws 1996, Chapter 301, the Legislature made changes to the recreational trespass law to: (1) broaden the scope of the law to include all forms of recreation; (2) make the posting of land easier; and (3) provide for civil trespass fines. The civil fines start at \$50 for first time offenses and increase to \$200 for second and \$500 for third violations that occur over a three-year period.

Operation of Watercraft

The 1996 Legislature passed the Aaron Sahli Child Boating Safety Act, Laws 1996, Chapter 396, to limit underage children in operating high-powered boats. Effective May 1, 1996, Chapter 396 prohibits persons under the age of 12 from operating a motorboat propelled by a motor greater than 75 horsepower. Beginning January 1, 1997, Chapter 396 also requires a

person age 21 or older to be within reach of the controls of the motor whenever someone under the age of 12 or someone age 12 to 17, without a watercraft operator's permit, is operating a motorboat propelled by a motor greater than 25 horsepower. Current law requires that the parent or guardian, or a person age 18 or older, must be on board when the same operators are operating a motorboat propelled by a motor greater than 30 horsepower.

Board of Water and Soil Resources

The 1996 Legislature appropriated \$525,000 from the General Fund to the Board of Water and Soil Resources (BOWSR). Of this amount, \$400,000 was part of the changes to the Wetland Conservation Act of 1991 and \$125,000 was for a grant to the Minnesota River Basin Joint Powers Board.

The 1996 Legislature also appropriated \$14.8 million from the Bond Proceeds Fund to the Board. Of this amount:

- \$11.5 million is for acquisition of conservation easements under the Reinvest in Minnesota Conservation Reserve Program and the Permanent Wetlands Preserve Program;
- \$3 million is for wetland replacement for wetlands lost from local road repair and reconstruction projects; and
- \$250,000 is for storm water retention projects in Area II in the Minnesota River Basin.

Up to \$1.5 million of the appropriation for acquisition of conservation easements may be used for acquiring limited easements on land formerly enrolled in the federal Conservation Reserve Program (CRP). The limited easements allow for some haying, grazing, or cropping under a conservation plan.

Minnesota Resources

Based on estimates of increased funding available from the Minnesota Future Resources Fund and the Environment and Natural Resources Trust Fund, the 1996 Legislature appropriated \$4.9 million for Minnesota Resources projects. Of this amount:

- \$3.3 million is for parks and trails;
- \$50,000 is for urban natural resources;
- \$57,000 is for management approaches;
- \$375,000 is for natural resource data; and
- \$1.1 million is for wildlife.

Environment

Pollution Control Agency

The 1996 Legislature appropriated \$450,000 from the General Fund to the Pollution Control Agency (PCA), of which \$200,000 is for a water quality point source activity assessment, \$50,000 is for legal defense of the agency in the lawsuit over whether an environmental impact statement is necessary for the Potlatch mill expansion, and \$200,000 is for automated water quality monitoring systems. The Legislature also appropriated \$779,000 from the Solid Waste Fund for insurance claims settlement and recovery related to the closed landfill cleanup program. Of this amount, \$323,000 is appropriated to the PCA and \$456,000 is appropriated to the Attorney General.

The 1996 Legislature appropriated \$3.3 million from bond proceeds to correct Red Wing's combined sewer overflow problems.

Office of Environmental Assistance

The 1996 Legislature appropriated \$100,000 from the General Fund to the Office of Environmental Assistance (OEA) for transfer to the Attorney General's Office to assist local governments with legal issues arising from implementing state solid waste programs.

The 1996 Legislature also appropriated \$3 million to the OEA from bond proceeds for the solid waste capital assistance grants program.

Public Facilities Authority

The 1996 Legislature appropriated \$22.1 million from bond proceeds for wastewater treatment and water system funding. Of this amount:

- \$4 million is to match federal grants for the water pollution control revolving fund and the state drinking water revolving fund;
- \$17.5 million is for the wastewater infrastructure program; and
- \$600,000 is for the Red Rock Rural Water System.

Under the wastewater infrastructure program, municipalities are eligible for wastewater treatment system loans for 80 percent of the amount necessary to reduce the monthly sewer service charge to \$25 per month or the annual charge to 1.5 percent of median household income, whichever is less. The loan payments will be forgiven when the Pollution Control Agency approves the operational performance of the wastewater treatment facility.

Oxygenated Fuel Requirement

The 1996 Legislature amended the state's oxygenated fuel requirement to allow the use of nonoxygenated fuel in classic cars, boats, motorcycles, airplanes, snowmobiles, and off-road vehicles. The changes will allow the sale

of nonoxygenated gasoline in the state for these purposes, except in the Twin Cities metropolitan area during October, November, December, and January when all gasoline sold in the Twin Cities metropolitan area is required to be oxygenated by federal law.

Wetlands

In Chapter 462, the 1996 Legislature made a number of changes to the Wetland Conservation Act of 1991 (WCA). Major changes in the WCA are for public roads, agricultural land, drainage systems, the de minimis (small impacts) exemption, local wetland protection and management plans, process simplification, expanded replacement credits, state intervention in compensation claims against local government units (LGUs), and appropriations to the Board of Water and Soil Resources. The following are some of the specific changes to the WCA.

Public Roads

All repair and reconstruction of existing roads will be exempt from the WCA. The state (the Department of Transportation for state roads and BOWSR for local roads) will replace any wetlands drained or filled by state and local road repair and reconstruction projects. All wetlands drained or filled from new road projects in the seven-county metropolitan area must be replaced in the seven-county metropolitan area. For new road projects in areas with greater than 80 percent of their presettlement wetlands remaining, a public transportation authority may buy credits based on the land values in the area, but the price of the credits may not be less than \$400 per acre.

Agricultural Land

The definition of agricultural land is clarified for the purpose of the exemptions to include hayland, pasture, and specified lands associated with the agricultural land. An exemption is added for type 6 wetlands (shrub swamps) of two acres or less on agricultural land.

Drainage Systems

Draining or filling wetlands as the result of public drainage system repair is exempt from wetland replacement, except for draining types 3, 4, or 5 wetlands (shallow fresh marshes, deep fresh marshes, and open fresh water wetlands, respectively) that have been in existence for more than 25 years. Draining or filling wetlands as the result of repair for private drainage systems is exempt, except for draining any type of wetland that has been in existence for more than 25 years. Current law exempts wetlands drained or filled as a part of a public or private drainage system repair project, except for wetlands that have been in existence for more than 20 years. Drainage of type 1 wetlands, and up to five acres of types 2 or 6 wetlands in unincorporated areas that have been assessed benefits for an active public drainage system, is exempt from the replacement plan requirement, as long as the wetlands are not drained for residential units of more than one per 40 acres or for commercial or industrial development.

De Minimis Exemption

The de minimis (small impacts) exemption for areas outside of the shoreland wetland protection zone is increased from 400 square feet to:

- (1) 10,000 square feet of types 1, 2, 6, and 7 wetlands (seasonally flooded basins, fresh meadows, shrub swamps, and wooded swamps, respectively), other than white cedar or tamarack wetlands, in areas with greater than 80 percent of their presettlement wetlands remaining;
- (2) 5,000 square feet of types 1, 2, 6, and 7 wetlands, other than white cedar or tamarack wetlands, in areas with between 50 and 80 percent of their presettlement wetlands remaining; and
- (3) 2,000 square feet of types 1, 2, and 6 wetlands in areas with less than 50 percent of their presettlement wetlands remaining.

Local Wetland Protection and Management Plans

A new process is established for LGUs to develop a local wetland protection and management plan. Under the local plan, LGUs may:

- (1) classify wetlands based on a functional assessment methodology approved by BOWSR, and the resulting public values;
- (2) vary the application of the sequencing standards (avoidance minimization, etc.);
- (3) provide for replacement based solely on public value – except that in areas with 50 to 80 percent of their presettlement wetlands remaining, the LGU must maintain at least an acre-for-acre replacement ratio, and in areas with less than 50 percent of their wetlands remaining, the LGU must maintain

at least a two-acre-for-one-acre replacement ratio;

- (4) in areas with greater than 80 percent of their presettlement wetlands remaining, LGUs may allow replacement credit for any activity that increases the value of wetlands; and
- (5) in areas with greater than 80 percent of their presettlement wetlands remaining, LGUs may expand the exemptions on agricultural land to nonagricultural land as long as there is no net loss in public value.

Process Simplification

The process for notification of wetland replacement plan applications and approval is simplified and streamlined, including removing the requirement that all cities within a watershed must be notified of a wetland replacement plan application or approval. The appeals process contains provisions that will deter frivolous appeals. Also included is an allowance for increased use of on-site sequencing and a requirement that specifies the timeline for wetland replacement plan applications must conform with the general provision on timelines for agency actions that passed in 1995 (60 days, with some allowance for extensions).

Expanded Replacement Credits

Eligibility for replacement credits, with limitations on the amount of credit, is added for:

- (1) wetlands that are exempt because they were restored for conservation purposes under a contract that preserved the landowner's right to drain the wetland;
- (2) permanent vegetative cover on areas exempt because they were cropped six of ten years prior to January 1, 1991;

- (3) buffer areas; and
- (4) water quality treatment ponds.

State Intervention in Compensation Claims

LGUs may ask the state to intervene, through the Attorney General, when a person brings a compensation (takings) action against the LGU for application of the WCA. The state is liable for costs, damages, fees, and compensation related to the LGU's implementation of state law.

Appropriations

Chapter 462 appropriates \$400,000 to BOWSR, of which:

- \$130,000 is to provide assistance to LGUs on local plans;
- \$120,000 is for grants to LGUs for development of the plans;
- \$100,000 is for grants to LGUs for pilot drainage inventories; and
- \$50,000 is for a grant to the Association of Minnesota Counties for public drainage workshops.

Protection of Workers Workers' Compensation

The 1996 session made two major changes in the workers' compensation law in dealing with the merit rating system and mandatory coverage issues.

The two changes involved amendments to the 1995 law on the handling of merit rating adjustments to manual insurance rates and significant tightening of the provisions that allow workers to claim exemption from the mandate for workers' compensation insurance coverage by qualifying as an independent contractor.

Under the 1995 law, merit modifications of the manual rate may not exceed 25 percent. This meant that the historic function of experience rating as a major incentive to achieve safe workplaces and practices would be severely hindered.

The new law clarifies the experience rating issue and allows premium discounts, credits, and other competitive incentives higher than 25 percent. This change should increase

competition for the workers' compensation insurance business of large and safe employers. On the other hand, unlimited competitive adjustments in discounts, credits, etc., will result in increasing manual rates to the disadvantage of small employers who are not offered discounts or scheduled credits.

The new law clarifies the qualifications for certification as independent contractors in the building trades. Workers must be covered by workers' compensation insurance unless they meet all of the following conditions:

- That they maintain a separate office with equipment, materials, and other facilities;
- That they hold or have applied for a federal employer identification number;
- That their compensation is based on services performed, commission, or competitive bidding, and that the person controls the means of performing the service or work;

- That they are exposed to both profit and loss possibilities;
- That the contracts require specific services for specific amounts of money, with the contractor controlling the means of performing the service;
- That the success and failure of the business depend upon the relationship of receipts to expenditures;
- That the contractor has continuing or recurring liabilities or obligations;
- That the contractor has the clear responsibility for performance as well as the liability for failure to perform the work or service; and
- That the contractor is compensated for work or services performed on a competitive bid basis.

The new law also made a number of relatively minor changes in the workers' compensation insurance law.

Retirement

Volunteer firefighter relief associations and the Minneapolis and St. Paul teachers retirement fund associations will benefit, starting this year, from any surplus in the amounts used to fund police and paid firefighter retirement plans. A surplus occurs when investment earnings permit the Minneapolis police or fire funds to pay a thirteenth check, or when a local police or fire association or consolidation account reaches full funding.

Thirty percent of any surplus will be used to establish a minimum state aid amount for volunteer fire relief associations. Seventy percent will go to the two first-class city teacher retirement funds to reduce their unfunded liabilities. Of the amount allocated to the two funds, 70 percent will go to Minneapolis, the more underfunded of the two, and the remaining 30 percent will go to St. Paul.

For the Minneapolis fund to be eligible for this additional state aid in a given year, the city of Minneapolis and the Minneapolis school district must each contribute to the fund \$250,000 in FY 1998, \$400,000 in FY 1999, \$550,000 in FY 2000, \$700,000 in FY 2001, \$850,000 in FY 2002, and \$1 million in FY 2003 and subsequent years. For the St. Paul fund to be eligible, the

St. Paul school district must contribute \$200,000 in FY 1998, \$400,000 in FY 1999, \$600,000 in FY 2000, and \$800,000 in FY 2001 and subsequent years.

Money received under this provision may not be used by the funds to determine benefit increases. The aid to either fund ceases when its funding ration equals or exceeds that of the statewide Teachers Retirement Association.

Another retirement law passed in the 1996 session will preserve public retirement benefits for employees of the University of Minnesota Hospital and Clinics who will no longer be public employees upon completion of the potential merger between the University and Fairview Hospital and Healthcare Services. The employees, currently members of the Minnesota State Retirement Association, will be considered terminated as public employees when the merger takes effect and from then on will be employees of Fairview or its successor.

University employees who are terminated under these circumstances may either take a refund of MSRS contributions with interest, eliminating further rights under the plan, or they may select a deferred annuity, with higher than

usual augmentation rates. In addition, service time at Fairview may be used to qualify for the Rule of 90 (retirement at full benefits when an employee's age and service total 90 years), but Fairview earnings will not be used to compute the amount of the benefit.

The 1996 Legislature also directed the Legislative Commission on Pensions and Retirement to make several studies of pension

issues, including a study of the relative advantages and disadvantages of defined-contribution and defined-benefit plans and a review of the Commission's methods of determining the investment performance of retirement funds. The latter study is to consider especially the appropriateness of current procedures for measuring the investment performance of smaller funds.

Gambling

\$800,000 was transferred in FY 1996 from the State Lottery prize fund to the Department of Human Services compulsive gambling treatment program. Of this appropriation, \$500,000 was allocated for the treatment of compulsive gamblers; \$150,000 was allocated for the

establishment of a pilot program in southeast Minnesota to treat compulsive gamblers on an individual basis; and \$150,000 was appropriated for education and prevention efforts, \$50,000 of which will go to a compulsive gambling education program located in St. Louis County.

Public Safety and Judiciary

The 1996 Legislature passed the crime prevention supplemental budget bill to address three issues:

(1) the need for additional Department of Corrections operating expenses associated with inmate bed expansion;

(2) the need for additional law enforcement officers statewide; and

(3) continued early intervention and crime prevention initiatives. The Legislature appropriated a total of \$17.3 million as reflected in the following table.

1996 OMNIBUS CRIME PREVENTION BUDGET BILL
Laws 1996, Chapter 408
Appropriations by Department

DEPARTMENT	1997
Supreme Court	\$ 350,000
Board of Judicial Standards	100,000
Public Safety	7,704,000
Public Defense	50,000
Corrections	7,069,000
Human Services	350,000
Children, Families, and Learning	100,000
Health	310,000
Administration	350,000
Economic Security	580,000
Attorney General	340,000
Total	\$ 17,303,000

The Legislature appropriated a \$6 million supplement to the Department of Corrections for unanticipated FY 1997 operating expenses, and \$345,000 to the Department to extend correctional officers' pension benefits to teachers and nurses who work at correctional facilities.

In response to the need for additional law enforcement officers, the Legislature appropriated approximately \$4.7 million to the Department of Public Safety for grants to cities and counties to hire police officers and pay overtime costs of existing police squads. The Legislature also appropriated \$450,000 to the Bureau of Criminal Apprehension for four forensic scientists for its laboratory and four special field agents.

In its continued commitment to crime prevention, the Legislature appropriated approximately \$1.8 million to the Office of Drug Policy and Violence Prevention of the Department of Public Safety for community crime reduction grants. Other crime prevention appropriations through the Department of Public Safety include \$75,000 for a grant to the higher education center on violence and abuse, and \$200,000 for a grant to the Council on Black

Minnesotans to fund the Martin Luther King, Jr. nonviolent institutional child development pilot program. The Legislature funded four crime prevention programs through the Department of Corrections:

- \$250,000 for social service counselors at the Willmar Juvenile Treatment Center;
- \$225,000 for juvenile offender monitoring by college students;
- \$95,000 for a Dakota County family conferencing pilot project; and
- \$4,000 for translation costs for battered women's shelter outreach brochures.

The Department of Human Services received \$250,000 to fund crisis nurseries to offer temporary care to children who are abused or neglected, or at high risk of being abused or neglected, and \$100,000 for a chemical dependency pilot project in Hennepin County. The Legislature appropriated \$100,000 to the Department of Children, Families, and Learning for K-12 violence prevention education grants. The Department of Health received \$250,000 to supplement its home visiting program for projects designed to prevent child abuse and neglect, and a \$60,000 grant for the Institute for Child and Adolescent Sexual Health for projects dealing with children who engage in or are affected by sexual aggression. Finally, the Legislature appropriated a total of \$580,000 to the Department of Economic Security for two crime prevention grant programs:

- \$240,000 for youth intervention projects; and
- \$340,000 for Minnesota Cities and Counties grants.

The grants are for projects which combat juvenile delinquency by providing community activities for juveniles, truancy prevention, and pretrial diversion programs.

In an attempt to rein in the high cost of incarceration, the Legislature appropriated \$350,000 for studies of correctional reform. This appropriation includes \$132,000 to retain a consultant to study the Department of Corrections' prison industries program, and \$218,000 to study and recommend institutional efficiencies throughout the Department.

The 1996 Legislature passed legislation requiring the community notification of released sex offenders. In order to implement this public safety program, the Legislature appropriated

\$150,000 to the Department of Corrections, \$50,000 to the State Public Defender, and \$140,000 to the Attorney General. It also appropriated \$200,000 to the Attorney General for the purpose of prosecuting psychopathic personality cases.

Finally, the Legislature appropriated \$350,000 to the state Supreme Court for civil legal services for the poor, and \$494,000 to the Department of Public Service to respond to the need for disaster relief for wind damage resulting from the summer of 1995 wind storms.

Veto

The Governor vetoed 19 bills passed by the 1996 legislative session and signed seven funding bills that included line-item vetoes. One of the fully vetoed bills was an Omnibus Health and Human Services Bill. Most of the items in that bill were repassed in a later bill.

The line-item vetoes totaled more than \$2.8 million in General Fund appropriations and almost \$37.6 million in appropriations from the bond proceeds fund.

Bonding. The bonding authority and appropriations struck by line-item vetoes were: Hibbing Community and Technical College co-location project, \$4.5 million; Metropolitan State University land, power plant, and library, \$3 million; Department of Natural Resources office consolidation in Fergus Falls, \$2.3 million; improvements at the Laurentian Environmental Learning Center operated in St. Louis County by the Mounds View school district, \$750,000.

A 100-bed expansion of Ah-Gwah-Ching state nursing home to handle correctional inmates with special medical needs, \$700,000; improvements and redesign at Fergus Falls regional treatment center, \$85,000; local government land trust program through the Minnesota Housing Finance Agency, \$1 million;

Historical Society site network master plan, \$300,000.

Improvements at FarmAmerica at Waseca, \$400,000; design of the headwater Science Center at Bemidji, \$200,000; Duluth Zoo improvements, \$1.5 million; restoration of the Milwaukee Road depot at Montevideo, \$500,000; site acquisition for expansion of the Minneapolis convention center, \$12 million; Hennepin County multijurisdictional investment program for Humboldt Avenue, Shingle Creek Pond, and 29th Street corridor projects, \$10 million; construction of Voyageurs interpretive and convention center in Koochiching County, \$350,000.

General Fund Appropriations. General Fund appropriation vetoes included the veto of an Omnibus Health and Human Services Bill (Chapter 393) from which most of the items were passed in different bills and the following line-item appropriation vetoes:

State Departments Bill (Chapter 390) -- a \$50,000 appropriation to the Office of Strategic and Long-Range Planning to fund an assessment by the Environmental Quality Board of metal shredding in the Mississippi river area and coal burning within large residential areas.

Higher Education (Chapter 395) -- a \$1.5 million appropriation for state grants to students; and a \$50,000 appropriation for a loan payment assistance program for Minnesota law school graduates who meet certain income criteria and provide legal services to economically disadvantaged.

Environment and Natural Resources (Chapter 407) -- a \$20,000 appropriation to the dairy producers board; a \$25,000 appropriation for a pilot project to assist retiring farmers in transferring their farms to beginning farmers; a \$20,000 appropriation for a study on environmental justice issues by the Environmental Quality Board; and a \$150,000 pilot project for a center for regional agricultural sustainable development.

Elementary and Secondary Education (Chapter 412) -- a \$79,000 appropriation to reduce the property tax levy for the Pequot Lakes school district; a \$150,000 appropriation for a pilot project on the use of metro buses to transport K-12 students; a \$100,000 additional appropriation for aids to help pay for career teachers' work in the Family Connection program; and a \$300,000 appropriation for grants to implement constructive school disciplinary policies in school districts.

Jobs, Energy and Community Development -- a \$5,000 appropriation for the Pollution Control Agency and the Department of Natural Resources to evaluate the compatibility of metal shredding projects and other industrial uses with tourism and other nonindustrial uses of river property.

Language Vetoes. Nonappropriation vetoes included: a two-step minimum wage increase to \$5.35 an hour (Chapter 436); a liveable wage provision that mandated that businesses getting various state aids must pay their employees a

minimum of \$7.28 an hour, based on a formula derived from the federal poverty-level wage for a family of four (Chapter 447); a bill permitting the buying of retirement credits for Minneapolis teachers for out-of-state teaching jobs (Chapter 327); and a relatively technical bill on the powers of the Legislative Audit Commission (Chapter 350).

Extension of the statute of limitations on suits involving blood products containing HIV virus (Chapter 458); a St. Cloud area regional government study (Chapter 379); a process for municipal participation in highway reconstruction projects (Chapter 381); reallocation of waste water charges in the Metropolitan Council area (Chapter 383); authorization for the establishment of an intergovernmental relations advisory council (Chapter 400); and the licensing of professional health counselors (Chapter 423).

Mail voting for towns with populations of less than 1,000 (Chapter 432); a bill reforming election procedures requested by the Secretary of State (Chapter 441); expansion of eligibility for MinnesotaCare (Chapter 434); provisions for liaison in communities to help serve non-English speaking Minnesotans (Chapter 325); and a pilot program for combining workers' compensation with other health insurance for public employees (Chapter 342).

An exemption from a certificate of need requirement for small electricity generating facilities powered by wind and a mandate for wind generating facilities located within the state (Chapter 466); disallowing of mandatory leaves of absence for public employees who are running for elective office (Chapter 368); and a bill banning the use of refunded campaign contributions for lobbying purposes (Chapter 375).

State Debt and Capital Expenditures

Capital Expenditures

The 1996 Legislature adopted a capital budget bill totaling approximately \$615 million. Notable projects include:

- \$89 million for an 800-bed close-custody correctional facility. The Commissioner of Administration is directed to develop a design alternative in which one of the six residential pods will accommodate two inmates per cell;
- \$30 million for a new building for the St. Paul Science Museum. A \$59 million nonstate match is required;
- \$29.5 million for a new library at St. Cloud State University;
- \$14.9 million for an addition to and remodeling of Anoka-Ramsey Community College;
- \$10 million for the Lake Superior Center in Duluth. The Center will conduct studies of Lake Superior and house educational exhibits;
- \$10 million to replace or rehabilitate bridges;
- \$8 million to construct new ice arenas and renovate existing ones statewide;
- \$7 million to construct a facility adjacent to Mariucci arena on the University of Minnesota-Minneapolis campus. The facility will include a sheet of ice and tennis courts; and
- \$6.9 million for a new instructional resource facility at the Center for Arts Education.

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

CAPITAL EXPENDITURES AUTHORIZED BY THE 1996 LEGISLATURE

Item	Project	Total
BONDING AUTHORITY		
DEPARTMENT OF ADMINISTRATION		\$ 34,100,000
Capital Asset Preservation and Replacement (CAPRA)	12,000,000	
Korean War Memorial	250,000	
Renovate Capitol Area Elevators	1,500,000	
Renovate Capitol Building	7,400,000	
Revenue Facilities Design	1,950,000	
Statewide Building Access	9,000,000	
Support Services Facility	2,000,000	
DEPARTMENT OF AGRICULTURE		\$ 41,275,000
Biological Control Agents Greenhouse	275,000	
Rural Finance Authority	41,000,000	

AMATEUR SPORTS COMMISSION		\$ 21,600,000
Ice Center Grants	8,000,000	
Land Acquisition at National Sports Center	400,000	
Mariucci Ice and Tennis Facility	7,000,000	
National Inner City Center	3,400,000	
National Volleyball Center	2,300,000	
Ski Jump	500,000	
BOARD OF WATER AND SOIL RESOURCES		\$ 14,750,000
Area II Minnesota River Basin	250,000	
RIM and PWP Conservation Easements	11,500,000	
Road Construction Wetland Replacement Credit	3,000,000	
CENTER FOR ARTS EDUCATION		\$ 6,879,000
Design, construct, furnish, and equip a new instructional resource facility	6,879,000	
DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING		\$ 19,100,000
Independent School District No. 38, Red Lake	100,000	
Library Accessibility	1,000,000	
School Building Accessibility Grants	2,000,000	
Youth Initiative Grants (\$5 million to Minneapolis, \$5 million to St. Paul, \$6 million to cities outside the cities of St. Paul and Minneapolis)	16,000,000	
DEPARTMENT OF CORRECTIONS		\$ 93,430,000
Asset Preservation	1,750,000	
Inmate Bed Expansion - Brainerd	1,500,000	
Minnesota Correctional Facility - Lino Lakes	500,000	
New Facility	89,000,000	
Third Judicial District Regional Juvenile Treatment Center - Rochester	680,000	
DEPARTMENT OF ECONOMIC SECURITY		\$ 3,500,000
Grants to state agencies and political subdivisions to construct or rehabilitate facilities for Head Start or other early childhood learning programs; for crisis nurseries or child visitation centers; and for drop-in centers, recreational space, and other facilities to serve homeless youth.	3,500,000	
GRANTS TO POLITICAL SUBDIVISIONS		\$ 44,460,000
Ausfin School District No. 492	975,000	
Family Practice Residency Program Grant	1,400,000	
Lake Superior Center	10,000,000	
Lyn/Lake/Jungle Theatre Performing Arts Center	335,000	
Prairieland Expo	1,500,000	
Science Museum of Minnesota	30,000,000	
Stearns County Quarry Park and Nature Preserve	250,000	
HOUSING FINANCE AGENCY		\$ 2,500,000
Grants for Transitional Housing Loans for Families, Homeless Youth, and Battered Women	2,500,000	
DEPARTMENT OF HUMAN SERVICES		\$ 8,722,000
Asset Preservation	1,000,000	
Anoka Metro Regional Treatment Center	322,000	
Brainerd Regional Human Services Center	1,500,000	
Cambridge Regional Human Services Center	3,400,000	
Willmar Regional Treatment Center	2,500,000	
Residential and Program Space Remodeling		

DEPARTMENT OF MILITARY AFFAIRS		\$ 900,000
Asset Preservation	500,000	
Renovation of Kitchen Facilities	400,000	
MINNESOTA HISTORICAL SOCIETY		\$ 5,650,000
Battle Point	500,000	
County and Local Preservation Projects	750,000	
Historic Site Preservation and Repair	3,000,000	
Pickwick Mill	150,000	
St. Anthony Falls Heritage Zone Implementation	1,000,000	
1879 Sibley County Courthouse Restoration	250,000	
MINNESOTA STATE COLLEGES AND UNIVERSITIES		\$ 86,431,000
Higher Education Asset Preservation and Replacement	16,000,000	
Anoka-Ramsey Community College	14,940,000	
Fond du Lac Community College	3,600,000	
Hutchinson Technical College	2,000,000	
Mankato State University	1,320,000	
Mesabi Community College	1,230,000	
Minneapolis Community College	4,330,000	
Moorhead State University	3,200,000	
North Hennepin Community College	3,846,000	
Staples Technical College	225,000	
St. Cloud State University Library	29,500,000	
Vermilion Community College	1,890,000	
Willmar Technical College	2,150,000	
Winona State University	2,200,000	
DEPARTMENT OF NATURAL RESOURCES		\$ 36,120,000
Asset Preservation	500,000	
Dam Improvements	1,560,000	
Flood Hazard Mitigation Grants	1,490,000	
Forest Road and Bridge Projects	250,000	
McQuade Public Access	500,000	
Mesabi Trail System	500,000	
Metro Regional Park Rehabilitation, Acquisition, and Development	9,400,000	
Mississippi River Grant	700,000	
Office Facility Completions	1,800,000	
RIM Fisheries Improvement Projects	250,000	
RIM Fisheries Acquisition	300,000	
RIM Wildlife and Natural Area Land Acquisition	3,500,000	
RIM Wildlife, SNA, and Prairie Bank Improvements	900,000	
State Park and Recreation Area Acquisition	1,750,000	
State Park and Recreation Area Betterment and Rehabilitation	1,450,000	
State Park and Recreation Area Building Development	1,750,000	
State Park and Recreation Area Building Rehabilitation	2,400,000	
St. Louis River Land Acquisition	2,200,000	
Trail Acquisition and Development	4,000,000	
Trail Rehabilitation	500,000	
Well Inventory and Sealing	420,000	
OFFICE OF ENVIRONMENTAL ASSISTANCE		\$ 3,000,000
POLLUTION CONTROL AGENCY		\$ 3,350,000
Red Wing Combined Sewer Overflow	3,350,000	
PUBLIC FACILITIES AUTHORITY		\$ 22,100,000
Matching Money for Federal Grants	4,000,000	
Red Rock Rural Water System	600,000	
Wastewater Infrastructure Program	17,500,000	

DEPARTMENT OF PUBLIC SERVICE		\$ 4,000,000
Energy Conservation Investment Loan Program	4,000,000	
RESIDENTIAL ACADEMIES AT FARIBAULT		\$ 2,306,000
Asset Preservation	750,000	
Demolition of Dow Hall	1,000,000	
Exterior Lighting	556,000	
DEPARTMENT OF TRANSPORTATION		\$ 20,500,000
Local Bridge Replacement and Rehabilitation	10,000,000	
Metro Public Safety Radio System	7,500,000	
Port Development Assistance Program	3,000,000	
UNIVERSITY OF MINNESOTA		\$ 93,804,000
Higher Education Asset Preservation and Replacement	12,000,000	
Facility Renewal	6,200,000	
Crookston	3,050,000	
Duluth	1,430,000	
Morris	5,020,000	
Twin Cities	66,000,000	
Willmar Poultry Testing Laboratory	104,000	
VETERANS HOMES BOARD		\$ 740,000
Asset Preservation	500,000	
Silver Bay Dementia Unit	240,000	
BOND SALE EXPENSES		<u>\$ 608,000</u>
<u>TOTAL BONDING AUTHORITY</u>		\$ 569,825,000

Item	Project	Total
<u>DIRECT APPROPRIATIONS</u>		
DEPARTMENT OF ADMINISTRATION		\$ 14,385,000
Agency Relocation	3,735,000	
Evaluate Capitol Area Office Building Construction Plans	125,000	
Robotics and Technical Training Facility	5,000,000	
Transportation Building Phase IV	5,525,000	
DEPARTMENT OF CORRECTIONS		\$ 24,000
Braham Site Costs Grant	24,000	
DEPARTMENT OF MILITARY AFFAIRS		\$ 220,000
Armory Facility and Ramp	220,000	
DEPARTMENT OF NATURAL RESOURCES		\$ 506,000
Blue Earth/Minnesota River Trail Acquisition	230,000	
Well Inventory and Sealing	276,000	
POLLUTION CONTROL AGENCY		\$ 200,000
Automated Water Quality Monitoring Systems	200,000	
RESIDENTIAL ACADEMIES AT FARIBAULT		\$ 67,000
Sidewalk Replacement	67,000	
DEPARTMENT OF TRANSPORTATION		\$ 29,139,000
Construct, furnish, and equip class II safety rest areas in Fillmore County, Cook County, and Kanabec County	120,000	
Construct, furnish, and equip a new equipment storage building on a new site in Deer Lake to combine and replace existing operations at Togo and Effie	644,000	
Construct, furnish, and equip a new equipment storage building on a new site in Gaylord to replace the existing facility	680,000	
Construct, furnish, and equip a new equipment storage building on a new site in Hibbing to replace the existing facility	1,237,000	
Construct, furnish, and equip a new equipment storage building on a new site in Pipestone to replace the existing facility	520,000	
Construct, furnish, and equip a new equipment storage building on a new site in Rushford to replace the existing facility	663,000	
Construct pole-type storage buildings at Department of Transportation locations throughout the state	350,000	
Construction documents, construction, furnishing, and equipping of Bemidji headquarters building to replace the existing facility	9,000,000	
Construction documents, construction, furnishing, and equipping of an addition to the central services building at Fort Snelling for heated storage	855,000	
Construction documents, construction, furnishing, and equipping of an addition to the Hastings truck station	1,362,000	
Design, construction, equipping, and furnishing of an addition to the Dilworth truck station and related improvements	514,000	
Design, construction, equipping, and furnishing of an addition to the Erskine truck station and related improvements	300,000	
Design, construction, equipping, and furnishing of an addition to the Forest Lake truck station and related improvements	451,000	
Design, construction, equipping, and furnishing of an addition to the Garrison truck station and related improvements	206,000	

Design, construction, equipping, and furnishing of an addition to the Long Prairie truck station and related improvements	215,000	
Drivers' Examination Stations	1,185,000	
Land acquisition at Ft. Snelling next to the central services complex when it is made available as surplus property by the federal government	200,000	
Metro Public Safety Radio System	7,500,000	
Remove asbestos from various Department of Transportation buildings statewide	200,000	
Repair, replace, construct, or develop additions to chemical and salt storage buildings at 29 Department of Transportation locations statewide	1,000,000	
Schematic design, design development, and construction documents for projects at Duluth, St. Cloud, Jordan, Ft. Snelling, Golden Valley, and a new record building	677,000	
Schematic design, design development, construction documents, construction, furnishing, and equipping of an addition to the Rochester district office and state patrol center	1,260,000	
		<hr/>
<u>TOTAL DIRECT APPROPRIATIONS</u>		\$ 44,541,000
<u>TOTAL BONDING AUTHORITY</u>		\$ 569,825,000
		<hr/>
<u>TOTAL BONDING AND APPROPRIATIONS</u>		<u>\$ 614,366,000</u>

The Governor vetoed \$37,585,000 in projects, including:

Bed Expansion for Geriatric Inmates - Ah-Gwah-Ching	\$ 700,000
FarmAmerica	400,000
Fergus Falls Office Consolidation	2,300,000
Fergus Falls Regional Treatment Center Renovation Predesign	85,000
Headwaters Science Grant	200,000
Hibbing Community and Technical Colleges	4,500,000
Historic Site Network Master Planning	300,000
Lake Superior Zoological Gardens	1,500,000
Laurentian Environmental Learning Center	750,000
Metropolitan State University	
St. Paul Regional Campus Land Acquisition	1,600,000
Power Plant Annex	1,200,000
Library	200,000
Milwaukee Road Depot in Montevideo	500,000
Minneapolis Convention Center	12,000,000
Multijurisdictional Reinvestment Programs	10,000,000
Neighborhood Land Trust Program	1,000,000
Voyageur Center	350,000

Statistics

CHART

State Appropriations by Functional Area

1995-1997 Biennium 36

TABLE A

Summary of Biennial Appropriations by Fund

1995-96 Sessions 37

TABLE B

General Fund and Local Government Trust Fund Resources and Appropriations

1995-1997 Biennium 38

TABLE C

Detailed Appropriations by Function - All Funds

1995-1997 Biennium with 1996 Session Changes 40

TABLE D

Direct Appropriations by Fund, by Chapter

..... 58

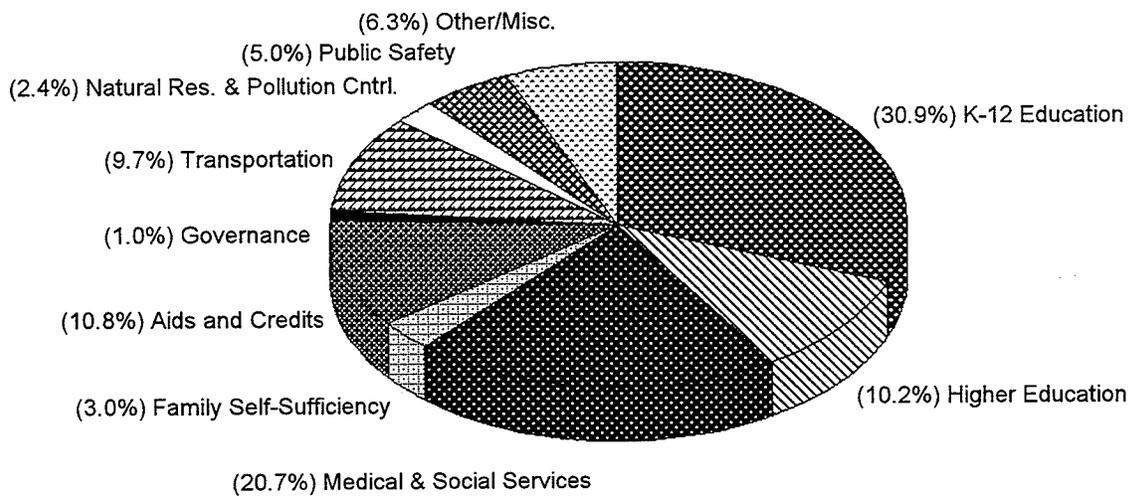
TABLE E

Open and Standing Appropriations

Fiscal Years 1996 and 1997 60

State Appropriations by Functional Area 1995-1997 Biennium

Total Appropriations (1): \$21,380,508,500



Note:

(1) Total does not include Dedicated General Fund Appropriations.

Table A
Summary of Biennial Appropriations by Fund
1995-96 Sessions

Fund	1995-1997 Biennium	1996 Changes	New Totals
County-State Aid Highway	\$ 587,569,000	\$ 100,000	\$ 587,669,000
Environmental	42,665,000	0	42,665,000
Environmental Trust Fund	15,604,000	1,630,000	17,234,000
Game and Fish	102,816,000	750,000	103,566,000
General	15,992,305,000	607,415,000	16,599,720,000
Dedicated General Fund	168,000,000	0	168,000,000
Health Care Access Fund	243,554,000	0	243,554,000
Highway User Tax Distribution	26,443,000	709,000	27,152,000
Local Government Trust Fund	1,858,005,000	(7,473,000)	1,850,532,000
Metro Landfill Contingency	804,000	0	804,000
Landfill Cleanup-Solid Waste	11,562,000	1,516,500	13,078,500
Minnesota Future Resources	15,083,000	3,258,000	18,341,000
Municipal-State Aid Street	179,017,000	0	179,017,000
Natural Resources	37,963,000	1,950,000	39,913,000
Endowment School	65,000,000	0	65,000,000
Petroleum Tank Release Cleanup	6,725,000	140,000	6,865,000
Special Revenue	113,093,000	2,084,000	115,177,000
State Airports	32,400,000	0	32,400,000
State Lottery Fund (1)	85,744,000	0	85,744,000
Trunk Highway	1,211,196,000	88,594,000	1,299,790,000
Workers' Compensation	49,487,000	2,800,000	52,287,000
▶ Total State Appropriations (2):	\$ 20,845,035,000	\$ 703,473,500	\$ 21,548,508,500
Federal Funds:	\$ 6,968,020,000	\$ 0	\$ 6,968,020,000
TOTAL APPROPRIATIONS:	\$ 27,813,055,000	\$ 703,473,500	\$ 28,516,528,500

NOTES:

- (1) This item represents the statutory maximum of 14.5 percent of lottery gross revenues that may be annually credited to the lottery operations account.
- (2) The total state appropriations figure for the 1995-1997 biennium does not include cancellations.

Table B
General Fund and Local Government Trust Fund
Resources and Appropriations
1995-1997 Biennium

		1995-1997 Biennium
<u>I. RESOURCES</u>		
A. Balance Forward	\$	1,020,499,000
B. Taxes & Receipts (before 1996 law changes)		
Individual Income Taxes		9,193,900,000
Corporate Franchise Tax		1,484,600,000
Sales Tax		6,036,692,000
Motor Vehicle Tax		717,600,000
Estate Tax		58,006,000
Liquor, Wine, Beer		109,829,000
Cigarette and Tobacco Products Tax		332,499,000
Iron Ore Occupation		100,000
Taconite Occupation		6,000,000
Taconite Production		150,000
Deed and Mortgage Tax		171,100,000
Insurance Gross Premiums		312,800,000
Telephone, Telegraph, & Other Gross		108,000
Lawful Gambling Tax		136,018,000
Health Care Provider Tax		258,775,000
Controlled Substance		400,000
Investment Income		86,000,000
Income Tax Reciprocity		57,382,000
Other Non-Dedicated Receipts		133,566,000
Total Taxes & Receipts:		
(Before 1996 Law Changes)		\$ 19,095,525,000
C. Revenue Refunds		
Individual Income Tax		(1,111,500,000)
Corporate Franchise Tax		(159,500,000)
Sales Tax		(177,500,000)
Other Agencies' Refunds		(9,000,000)
Other Refunds		(43,456,000)
Total Refunds:		\$ (1,500,956,000)
D. Transfers from Other Funds		
Other Special Revenue Funds		12,346,000
Cambridge Bank Special Fund		463,599,000
All Other Transfers		71,926,000
New Legislation Transfers		900,000
Total Transfers:		\$ 548,771,000

	1995-1997 Biennium	
E. Taxes & Receipts (1996 Law Changes)		
Individual Income Taxes	\$	2,050,000
Sales Tax		(4,400,000)
Pari-Mutuel Exemption		(720,000)
PERA Interest		44,000
Miscellaneous Non-Dedicated Revenues		68,797,000
Total Taxes & Receipts (1996 Law Changes):	\$	65,771,000
F. Prior Year Adjustments		40,900,000
TOTAL NON-DEDICATED REVENUES	\$	19,270,510,000
G. Total Dedicated Revenues/Appropriations (Self-Canceling)	\$	203,080,000
II. APPROPRIATIONS		
A. Major Spending Categories		
Elementary and Secondary Education		6,539,429,000
Higher Education		2,184,853,000
Human Services, Health, Criminal Justice		5,414,285,000
Transportation and Semi-States		115,625,000
State Departments		854,286,000
Environment and Natural Resources		319,408,000
Community Development		287,953,000
Total Major Spending Categories:	\$	15,715,839,000
B. Open and Standing Appropriations		
Aids and Credits		2,379,182,000
Debt Service		446,894,000
Retirements		159,690,000
Total Open and Standing Appropriations:	\$	2,985,766,000
TOTAL APPROPRIATIONS	\$	18,701,605,000
<hr/>		
TOTAL REVENUES AND RECEIPTS	\$	19,270,510,000
TOTAL APPROPRIATIONS -- GROSS	\$	18,701,605,000
Voluntary Unpaid Leave		(800,000)
Indirect Cost Receipts		(28,611,000)
Less Cancellations		(22,587,000)
TOTAL APPROPRIATIONS -- NET	\$	18,649,607,000
<u>Budget and Cash Flow Reserve</u>		<u>620,000,000</u>
UNRESTRICTED BUDGETARY BALANCE	\$	903,000

Table C
Detailed Appropriations by Function - All Funds
1995-1997 Biennium with 1996 Session Changes

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Aids and Credits				
Homestead & Agricultural Credit Aid (HACA)				
School Districts	\$ 269,547,000	\$ (1,889,000)	\$ 0	\$ 267,658,000
Cities, Towns, Counties	882,692,000	69,000	0	882,761,000
Tax Incremental Financing	48,000	0	0	48,000
Subtotal HACA:	1,152,287,000	(1,820,000)	0	1,150,467,000
Property Tax Refund				
Renters	169,200,000	6,408,000	0	175,608,000
Homeowners	154,600,000	(2,683,000)	0	151,917,000
Targeting	15,400,000	(7,142,000)	0	8,258,000
Political Contribution Refunds	5,900,000	1,300,000	0	7,200,000
Supplemental Homestead				
Property Tax Relief	868,000	118,000	0	986,000
Aid to Local Governments	687,552,000	975,000	0	688,527,000
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	12,006,000	(1,824,000)	0	10,182,000
Enterprise Zone Credit				
School Districts	16,000	(5,000)	0	11,000
Cities, Towns, Counties	1,832,000	(1,814,000)	0	18,000
Economic Security Enterprise Zone Credit	50,000	0	0	50,000
Duluth Enterprise Zone	0	0	300,000	300,000
Regional Transit Board Levy Reduction	4,316,000	(224,000)	0	4,092,000
Region 3 Occupation Tax Distribution	1,882,000	32,000	200,000	2,114,000
Mortgage Certificate Aid	200,000	0	0	200,000
Disparity Aid				
School Districts	25,260,000	(36,000)	0	25,224,000
Cities, Towns, Counties	31,630,000	(251,000)	0	31,379,000
Border City Disparity Credit				
School Districts	3,725,000	635,000	0	4,360,000
Cities, Towns, Counties	6,642,000	960,000	0	7,602,000
Disaster Credit				
Family Preservation Aid	3,040,000	(2,000)	0	3,038,000
Total Aids and Credits:	\$ 2,282,842,000	\$ (5,373,000)	\$ 500,000	\$ 2,277,969,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Elementary and Secondary Education				
Department of Children, Families, & Learning	\$ 45,028,000	\$ 0	\$ 3,365,000	\$ 48,393,000
Minnesota Center for Arts Education	10,434,000	0	352,000	10,786,000
Faribault Academies	16,150,000	0	759,000	16,909,000
Appropriations Carried Forward (1)	0	62,000	0	62,000
Desegregation Litigation Costs	0	0	700,000	700,000
Transfer In From Other Departments (2)	0	46,024,000	0	46,024,000
Welfare Reform-Child Care Entitlement	0	0	450,000	450,000
Welfare Reform- Sliding Fee Child Care	0	0	5,000,000	5,000,000
General Education Aid	4,549,697,000	(53,537,000)	200,000	4,496,360,000
Property Tax Recognition	(187,400,000)	799,117,000	(116,885,000)	494,832,000
Endowment Fund	65,000,000	0	0	65,000,000
Local Legislation & Other Adjustments	0	0	495,000	495,000
Excess Needed for Deficiencies	0	26,969,000	0	26,969,000
Appropriations Carried Forward (1)	0	542,000	0	542,000
Subtotal Dept. of Children, Families, & Learning and General Education Aid:	4,498,909,000	819,177,000	(105,564,000)	5,212,522,000
Transportation Aid	167,716,000	0	0	167,716,000
Aid for Post-Sec. Enrollment Options	194,000	0	0	194,000
School Bus Safety	2,735,000	0	0	2,735,000
Rural Computerized Routing	25,000	0	0	25,000
Wide Area Transp. Service	250,000	0	0	250,000
Inter-District Desegregation	930,000	0	0	930,000
Transp. Targeted Needs	60,760,000	0	0	60,760,000
Subtotal Transportation Aid:	232,610,000	0	0	232,610,000
Special Programs				
Special Education Aid	458,404,000	0	0	458,404,000
Special Programs Equalization Aid	43,555,000	0	0	43,555,000
Targeted Needs Aid (3)	79,279,000	0	1,873,000	81,152,000
Indian Education Programs	7,561,000	0	500,000	8,061,000
Part H - Early Childhood Program	400,000	0	0	400,000
Secondary Vocational Handicapped	9,913,000	0	1,043,000	10,956,000
Secondary Vocational Education Aid	23,470,000	0	175,000	23,645,000
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
Vocational School Planning	100,000	0	0	100,000
School Interpreters	250,000	0	0	250,000
Comprehensive Early Intervention	390,000	0	0	390,000
Head Start	23,012,000	0	0	23,012,000
Low-Income Concentration Grants	2,300,000	0	150,000	2,450,000
First Grade Preparedness Program	0	0	3,500,000	3,500,000
Subtotal Special Programs:	648,894,000	0	7,241,000	656,135,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Community and Family Education				
Community Education Aid	\$ 5,400,000	\$ 0	\$ 0	5,400,000
Extended Day Aid	755,000	0	0	755,000
Adult Education Programs	21,238,000	0	0	21,238,000
Adult Handicapped Program Aid	1,530,000	0	0	1,530,000
Early Childhood Family Education Aid	28,056,000	0	0	28,056,000
Education Employment Transition	5,000,000	0	0	5,000,000
Early Childhood Screening	3,100,000	0	0	3,100,000
Way to Grow - Early Childhood Grants	950,000	0	0	950,000
Miscellaneous Educational Improvement	750,000	0	0	750,000
Learning Readiness	19,011,000	0	0	19,011,000
Violence Prevention Education and Grants	3,000,000	0	100,000	3,100,000
Ombudspersons	66,000	0	0	66,000
Youthworks Program	3,726,000	0	0	3,726,000
Family Collaborative	12,000,000	0	0	12,000,000
Youth Enrichment Grants	0	0	5,000,000	5,000,000
Community-Based Charter School Grant	0	0	300,000	300,000
Contracted Alternative Program Aid	0	0	330,000	330,000
Subtotal Community and Family Education:	104,582,000	0	5,730,000	110,312,000
Capital Expenditures				
Facilities and Equipment	138,854,000	0	0	138,854,000
Health and Safety	26,485,000	0	0	26,485,000
Debt Service Equalization Aid	57,424,000	0	0	57,424,000
Joint Powers Planning Grant	40,000	0	0	40,000
New School Dist.: Preston-Fountain; Harmony	70,000	0	70,000	140,000
Joint Facility Planning Grant	200,000	0	0	200,000
Local Legislation & Other Adjustments	0	0	822,000	822,000
Subtotal Capital Expenditures:	223,073,000	0	892,000	223,965,000
District Reorganization & Cooperation				
Cooperation and Combination Aid	5,437,000	0	0	5,437,000
District Cooperation Revenue	25,628,000	0	0	25,628,000
Special Consolidation Aid	115,000	0	0	115,000
Cooperation & Combination Facility Grants	408,000	0	0	408,000
Consolidation Transition Aid	2,144,000	0	0	2,144,000
Milan Reorganization Operating Debt	72,000	0	0	72,000
Crow River, Meeker, Wright Cooperative	0	0	100,000	100,000
Subtotal Reorganization & Cooperation:	33,804,000	0	100,000	33,904,000
Libraries				
Library Grants	16,772,000	0	0	16,772,000
Librarians of Color	110,000	0	0	110,000
Children's Library Services Grant	100,000	0	0	100,000
Regional Library Data Access Grants	800,000	0	0	800,000
Subtotal Libraries:	17,782,000	0	0	17,782,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Technology				
Internet	\$ 800,000	\$ 0	\$ 0	800,000
National Science Foundation Science & Math	2,644,000	0	0	2,644,000
Interactive Television Levy Aid	6,387,000	0	0	6,387,000
Telecommunication Access Grants	10,500,000	0	5,000,000	15,500,000
Instructional Technology Grants	5,400,000	0	0	5,400,000
Interactive TV Grants to School Districts	250,000	0	0	250,000
Technology Fund Balance Adjustments	0	0	1,300,000	1,300,000
Technology Clearinghouse	0	0	250,000	250,000
Technology for After-School Programs	0	0	1,000,000	1,000,000
Electronic Curriculum	0	0	860,000	860,000
Technology Integration Grants	0	0	3,500,000	3,500,000
Subtotal Technology:	25,981,000	0	11,910,000	30,981,000
Other Education Programs				
Advanced Placement/IB	1,750,000	0	0	1,750,000
School Restructuring Grants	600,000	0	0	600,000
Year-Round/Extended Week Pilot Project	1,800,000	0	150,000	1,950,000
Education Performance Imprvmnt. Grants	800,000	0	0	800,000
School Lunch and Milk Aid	14,458,000	0	0	14,458,000
Integration Grants	2,000,000	0	0	2,000,000
Nonpublic Pupil Aid	19,372,000	0	0	19,372,000
Abatement Aid	32,146,000	0	(351,000)	31,795,000
School Breakfast Aid	875,000	0	0	875,000
School Breakfast Study Grants	192,000	0	0	192,000
Summer Food Service	30,000	0	0	30,000
Career Teacher's Aid	250,000	0	0	250,000
Teaching Residency	900,000	0	0	900,000
Male Responsibility Grants	750,000	0	0	750,000
Grants to School Districts	259,000	0	0	259,000
Enrollment Options Replacement Aid	226,000	0	0	226,000
New Moon Girls Program	20,000	0	0	20,000
Metro Desegregation Grants	3,000,000	0	0	3,000,000
Alcohol-Impaired Driver Ed.	1,028,000	0	0	1,028,000
West St. Paul Grant	0	0	20,000	20,000
St. Paul Accountability Plan	0	0	100,000	100,000
Local Fund Transfers	0	0	128,000	128,000
Montevideo Grant	0	0	100,000	100,000
Multicultural Continuing Ed. Grant - Red Lake	0	0	69,000	69,000
Nett Lake Community Center	0	0	74,000	74,000
Contract Deadline Penalty Change	0	0	8,000	8,000
Subtotal Other Education Programs:	80,456,000	0	298,000	80,754,000
State Appropriations:	\$ 5,866,091,000	\$ 819,177,000	\$ (79,393,000)	\$ 6,602,420,000
Federal Appropriations:	\$ 678,211,000	\$ 0	\$ 0	\$ 678,211,000
Total Elementary & Secondary Education:	\$ 6,544,302,000	\$ 819,177,000	\$ (79,393,000)	\$ 7,280,631,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Higher Education				
Higher Education Services Office				
Agency Administration	\$ 4,742,000	\$ 0	\$ 0	\$ 4,742,000
State Scholarships and Grants	195,690,000	0	0	195,690,000
Interstate Tuition	9,000,000	0	0	9,000,000
State Work Study	16,438,000	0	0	16,438,000
Minitex Library Program	4,216,000	0	0	4,216,000
Telecommunications	6,100,000	0	0	6,100,000
Statewide On-Line Library Information	0	0	150,000	150,000
Appropriations Carried Forward (1)	0	456,000	0	456,000
Subtotal Higher Education Services Office:	236,186,000	456,000	150,000	236,792,000
MN State Colleges & Universities	937,147,000	0	5,300,000	942,447,000
Appropriations Carried Forward (1)	0	25,510,000	0	25,510,000
Subtotal MN State Colleges and Universities:	937,147,000	25,510,000	5,300,000	967,957,000
Board for Community Colleges	300,000	0	0	300,000
University of Minnesota				
Operations and Maintenance	791,853,000	0	400,000	792,253,000
Health Sciences	35,516,000	0	8,600,000	44,116,000
Institute of Technology	6,134,000	0	0	6,134,000
System Specials	40,137,000	0	0	40,137,000
Agriculture and Extension Service	95,344,000	0	50,000	95,394,000
Workers' Comp. Safety Pilot Project	200,000	0	0	200,000
Subtotal University of Minnesota:	969,184,000	0	9,050,000	978,234,000
Mayo Medical Foundation	1,770,000	0	0	1,770,000
State Appropriations:	\$ 2,144,587,000	\$ 25,966,000	\$ 14,500,000	\$ 2,185,053,000
Federal Appropriations:	\$ 84,320,000	\$ 0	\$ 0	\$ 84,320,000
Total Higher Education:	\$ 2,228,907,000	\$ 25,966,000	\$ 14,500,000	\$ 2,269,373,000

Human Services

Department of Human Services

Financial & Management Administration	41,522,000	0	0	41,522,000
Child Care Licensure	110,000	0	0	110,000
Social Services	172,608,000	(4,808,000)	2,400,000	170,200,000
Community Social Services Aid	105,038,000	0	0	105,038,000
Transfer to Dept. C, F & L	0	(3,674,000)	0	(3,674,000)
Family Self-Sufficiency Programs & Admin.				
STRIDE Grants	17,150,000	0	0	17,150,000
AFDC Grants	292,027,000	(29,196,000)	0	262,831,000
General Assistance Grants	95,997,000	1,749,000	1,600,000	99,346,000
Work Readiness Grants	1,573,000	(8,000)	0	1,565,000
Minnesota Supplemental Aid	48,250,000	(589,000)	0	47,661,000
MN Family Investment Plan	44,647,000	919,000	0	45,566,000
Child Care Fund	92,355,000	0	0	92,355,000
Administration	70,049,000	(3,541,000)	2,248,000	68,756,000
Transfer to Dept. C, F & L	0	(39,162,000)	0	(39,162,000)
Welfare Reform - MNJOBS	0	0	102,000	102,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Health Care Programs				
MA Grants	\$ 2,759,215,000	\$ (53,919,000)	\$ 9,695,000	\$ 2,714,991,000
GAMC Grants	454,407,000	(109,973,000)	(1,175,000)	343,259,000
Preadmission Screening & Alt. Care	78,304,000	0	0	78,304,000
Health Care Administration	67,664,000	14,395,000	1,110,000	83,169,000
Group Residential Housing Grants	103,060,000	(8,590,000)	154,000	94,624,000
Mental Health	79,140,000	0	(523,000)	78,617,000
Children's Mental Health	19,633,000	0	0	19,633,000
State Residential Facilities				
Treatment Centers/Nursing Homes/SOCS	413,484,000	0	0	413,484,000
Administration	2,726,000	0	0	2,726,000
Federal Reimbursement	(79,069,000)	22,659,000	(1,793,000)	(58,203,000)
Crime Bill	243,000	0	0	243,000
Vulnerable Adults Act	890,000	0	0	890,000
Family Law & Child Support Bill	2,733,000	0	0	2,733,000
Demolish Moose Lake Regional Treatment Center	148,000	0	0	148,000
Crisis Nurseries	0	0	250,000	250,000
Hennepin County Chemical Depend. Pilot Project	0	0	100,000	100,000
Expand Criminal Background Checks	0	0	54,000	54,000
Human Services - State Claims	0	0	0	0
Appropriations Carried Forward (1)	0	3,001,000	0	3,001,000
Subtotal Department of Human Services:	4,883,904,000	(210,737,000)	14,222,000	4,687,389,000
Ombudsman for Mental Health & Retardation	2,229,000	0	0	2,229,000
Ombudsman for Families	270,000	0	0	270,000
MinnesotaCare				
Department of Commerce	52,000	0	0	52,000
Department of Health	16,107,000	0	0	16,107,000
Department of Human Services	219,160,000	0	0	219,160,000
Department of Employee Relations	1,000,000	0	0	1,000,000
Department of Revenue	2,756,000	0	0	2,756,000
University of Minnesota	5,149,000	0	0	5,149,000
Legislative Coordinating Commission	300,000	0	0	300,000
Subtotal MinnesotaCare:	244,524,000	0	0	244,524,000
State Appropriations:	\$ 5,130,927,000	\$ (210,737,000)	\$ 14,222,000	\$ 4,934,412,000
Federal Appropriations:	\$ 4,468,894,000	\$ 0	\$ 0	\$ 4,468,894,000
Total Human Services:	\$ 9,599,821,000	\$ (210,737,000)	\$ 14,222,000	\$ 9,403,306,000

Health

Department of Health

Preventive & Protective Health Services	33,626,000	0	0	33,626,000
Health Delivery Systems	69,711,000	0	2,280,000	71,991,000
Health Support Services	8,188,000	0	0	8,188,000
MN ENABL	740,000	0	0	740,000
Crime Bill	80,000	0	0	80,000
Vulnerable Adults Act	2,131,000	0	0	2,131,000
Child Abuse Prevention & Reduce Delinquency	0	0	310,000	310,000
Appropriations Carried Forward (1)	0	203,000	0	203,000
Subtotal Department of Health:	114,476,000	203,000	2,590,000	117,269,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Operator Certification of Wastewater Facilities	\$ 10,000	\$ 0	\$ 0	10,000
Health-Related Boards	17,514,000	0	225,000	17,739,000
Brd. Medical Practices: Acupuncture License	20,000	0	0	20,000
Subtotal Health-Related Boards:	17,534,000	0	225,000	17,759,000
State Appropriations:	\$ 132,020,000	\$ 203,000	\$ 2,815,000	\$ 135,038,000
Federal Appropriations:	\$ 200,339,000	\$ 0	\$ 0	\$ 200,339,000
Total Health:	\$ 332,359,000	\$ 203,000	\$ 2,815,000	\$ 335,377,000

Veterans

Veterans Affairs	7,652,000	0	0	7,652,000
Veterans Claims	44,000	0	80,000	124,000
Veterans Nursing Homes & Board	36,551,000	0	125,000	36,676,000
Appropriations Carried Forward (1)	0	76,000	0	76,000
Total Veterans:	\$ 44,247,000	\$ 76,000	\$ 205,000	\$ 44,528,000

Transportation

Highway Development & Operations				
Development - Road Construction	344,226,000	0	45,200,000	389,426,000
Development - Highway Debt Service	41,330,000	0	0	41,330,000
Operations - Maintenance	352,873,000	0	0	352,873,000
Operations - Construction Engineering	110,650,000	0	0	110,650,000
Bonding Bill - Capital Projects	0	0	20,454,000	20,454,000
Drivers' Examination Stations	0	0	1,185,000	1,185,000
Dept. of Transportation - State Claims	0	0	3,000	3,000
Driver Education Programs	0	0	100,000	100,000
Subtotal Highway Develop. & Operations:	849,079,000	0	66,942,000	916,021,000
Transportation Aids to Local Governments				
County State Aids	578,710,000	0	0	578,710,000
Municipal State Aids	176,318,000	0	0	176,318,000
Subtotal Transp. Aids to Local Gov.:	755,028,000	0	0	755,028,000
Engineering, Technical Asst. & Communications				
Design Engineering	105,962,000	0	6,267,000	112,229,000
State Aid Technical Assistance	11,558,000	0	0	11,558,000
Electronic Communications	8,336,000	0	0	8,336,000
Subtotal Engineer., Tech. Asst., & Comm.:	125,856,000	0	6,267,000	132,123,000
Public Transit Asst. & Met Council Transit				
Greater Minnesota Transit Assistance	24,585,000	0	1,000,000	25,585,000
Met Council Transit - Regular Route	52,141,000	0	3,775,000	55,916,000
Met Council Transit - Metro Mobility	30,600,000	0	1,600,000	32,200,000
Met Council Transit - Bus Security	354,000	0	0	354,000
Met Council Transit-High Speed Bus Demo.	0	0	625,000	625,000
Subtotal Public Transit & Met Council Transit:	107,680,000	0	7,000,000	114,680,000
Program Management				
Motor Carrier Administration	4,533,000	0	0	4,533,000
Railroads and Waterways	2,862,000	0	0	2,862,000
Research and Investment Management	20,778,000	0	0	20,778,000
Subtotal Program Management:	28,173,000	0	0	28,173,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
General Support Services				
General Management & Legal Services	\$ 45,692,000	\$ 0	\$ 0	\$ 45,692,000
General Services	33,023,000	0	0	33,023,000
Equipment	23,978,000	0	0	23,978,000
Appropriations Carried Forward (1)	0	10,000	0	10,000
Subtotal General Support Services:	102,693,000	10,000	0	102,703,000
Other Transportation				
Public Safety Radio Comm. System	194,000	0	7,500,000	7,694,000
Repair Shingobee Road	0	0	100,000	100,000
Repair Stone Arch Bridge	0	0	110,000	110,000
Subtotal Other Transportation:	194,000	0	7,710,000	7,904,000
Aeronautics				
Administration	8,811,000	0	0	8,811,000
Airport Development and Assistance	23,097,000	0	0	23,097,000
Air Transportation Services	122,000	0	0	122,000
Civil Air Patrol	130,000	0	0	130,000
Subtotal Aeronautics:	32,160,000	0	0	32,160,000
Transportation Regulation Board	605,000	0	0	605,000
Compensation Increase from Trunk Highway Fund	20,343,000	0	0	20,343,000
Federal Funds Included in Highway Operations, Technical Services & Program Management	(40,446,000)	0	0	(40,446,000)
State Appropriations:	\$ 1,981,365,000	\$ 10,000	\$ 87,919,000	\$ 2,069,294,000
Federal Appropriations:	\$ 761,306,000	\$ 0	\$ 0	\$ 761,306,000
Total Transportation:	\$ 2,742,671,000	\$ 10,000	\$ 87,919,000	\$ 2,830,600,000
Agriculture				
Department of Agriculture				
Protection Service	33,845,000	0	75,000	33,920,000
Promotion and Marketing	2,292,000	0	200,000	2,492,000
Administrative Support and Grants	12,051,000	0	350,000	12,401,000
Subtotal Department of Agriculture:	48,188,000	0	625,000	48,813,000
Agricultural Utilization Research Institute	8,660,000	0	0	8,660,000
Board of Water & Soil Resources	27,666,000	0	125,000	27,791,000
Wetland Protection and Management	0	0	400,000	400,000
Appropriations Carried Forward (1)	0	70,000	0	70,000
Subtotal Department of Agriculture:	27,666,000	70,000	525,000	28,261,000
Board of Animal Health	4,382,000	0	0	4,382,000
Ethanol Producer Payments	25,192,000	0	0	25,192,000
State Appropriations:	\$ 114,088,000	\$ 70,000	\$ 1,150,000	\$ 115,308,000
Federal Appropriations:	\$ 5,263,000	\$ 0	\$ 0	\$ 5,263,000
Total Agriculture:	\$ 119,351,000	\$ 70,000	\$ 1,150,000	\$ 120,571,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Economic Development				
Department of Trade & Economic Development				
Tourism	\$ 16,319,000	\$ 0	\$ 100,000	\$ 16,419,000
Administration	3,974,000	0	0	3,974,000
Community Development	33,112,000	0	250,000	33,362,000
Minnesota Trade Office	4,622,000	0	0	4,622,000
Minnesota Investment Fund	0	0	4,000,000	4,000,000
Morrison Cnty. Development Authority	0	0	750,000	750,000
Appropriations Carried Forward (1)	0	384,000	0	384,000
World Trade Center Corporation	170,000	0	78,000	248,000
Minnesota Technology Incorporated	14,721,000	0	700,000	15,421,000
Amateur Sports Commission	2,505,000	0	0	2,505,000
Ice Arenas	2,875,000	0	0	2,875,000
Appropriations Carried Forward (1)	0	6,000	0	6,000
Border Resorts Promotion	100,000	0	0	100,000
Job Creation Grants	450,000	0	0	450,000
Labor Interpretive Center	340,000	0	0	340,000
State Appropriations:	\$ 79,188,000	\$ 390,000	\$ 5,878,000	\$ 85,456,000
Federal Appropriations:	\$ 133,340,000	\$ 0	\$ 0	\$ 133,340,000
Total Economic Development:	\$ 212,528,000	\$ 390,000	\$ 5,878,000	\$ 218,796,000

Housing

Housing Finance Agency	46,914,000	0	550,000	47,464,000
Total Housing:	\$ 46,914,000	\$ 0	\$ 550,000	\$ 47,464,000

Natural Resources

Department of Natural Resources				
Operations Support	51,632,000	0	282,000	51,914,000
Water Resources Management	17,487,000	0	0	17,487,000
Mineral Resources Management	9,434,000	0	250,000	9,684,000
Forest Management	61,194,000	0	510,000	61,704,000
Fish and Wildlife Management	71,045,000	0	0	71,045,000
Parks and Recreation Management	47,629,000	0	2,450,000	50,079,000
Enforcement	36,076,000	0	0	36,076,000
Trails and Waterways	22,523,000	0	253,000	22,776,000
Integrated Resource Mgmt. Pilot Project	746,000	0	0	746,000
Leech Lake and White Earth Reservation	3,572,000	66,000	0	3,638,000
1854 Indian Treaty Settlement	7,479,000	182,000	0	7,661,000
Nongame Check-Off	1,748,000	0	0	1,748,000
DNR Firefighting	0	3,328,000	0	3,328,000
Blue Earth/MN River Trail Acquisition	0	0	230,000	230,000
Well Inventory and Sealing	0	0	276,000	276,000
Dept. Natural Resources - State Claims	0	0	6,000	6,000
Snowmobile Grants-In-Aid	0	0	600,000	600,000
Emergency Deer Feeding	0	0	750,000	750,000
Subtotal Dept. of Natural Resources:	330,565,000	3,576,000	5,607,000	339,748,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Zoological Board	\$ 10,348,000	\$ 0	\$ 0	\$ 10,348,000
Appropriations Carried Forward (1)	0	47,000	0	47,000
Subtotal Zoological Board:	10,348,000	47,000	0	10,395,000
Minn.-Wisc. Boundary Area Commission	332,000	0	0	332,000
Voyageurs National Park Citizens Committee	119,000	0	0	119,000
Minnesota Future Resources				
LCMR Administration	702,000	0	0	702,000
Parks and Trails	11,076,000	0	3,305,000	14,381,000
Management Approaches	4,795,000	0	57,000	4,852,000
Environmental Education	4,650,000	0	0	4,650,000
Natural Resource Data	3,450,000	0	375,000	3,825,000
Urban Natural Resources	2,195,000	0	50,000	2,245,000
Fisheries	1,950,000	0	0	1,950,000
Wildlife	1,600,000	0	1,101,000	2,701,000
Energy	945,000	0	0	945,000
Historic	1,019,000	0	0	1,019,000
Biological Control	490,000	0	0	490,000
Subtotal Minnesota Future Resources:	32,872,000	0	4,888,000	37,760,000
State Appropriations:	\$ 374,236,000	\$ 3,623,000	\$ 10,495,000	\$ 388,354,000
Federal Appropriations:	\$ 20,599,000	\$ 0	\$ 0	\$ 20,599,000
Total Natural Resources:	\$ 394,835,000	\$ 3,623,000	\$ 10,495,000	\$ 408,953,000

Pollution Control

Pollution Control Agency

Water Pollution Control	18,577,000	0	250,000	18,827,000
Air Pollution Control	14,299,000	0	0	14,299,000
Groundwater & Solid Waste Control	15,994,000	0	323,000	16,317,000
Hazardous Waste Pollution Control	11,869,000	0	0	11,869,000
General Support	15,625,000	0	0	15,625,000
Feedlot Assistance and Compliance	1,710,000	0	0	1,710,000
General Fund Adjustment	(42,000)	0	0	(42,000)
Certification of Wastewater Facilities	82,000	0	0	82,000
Automated Water Quality Monitoring Systems	0	0	200,000	200,000
Landfill Cleanup Costs	0	0	737,500	737,500
Appropriations Carried Forward (1)	0	15,000	0	15,000
Subtotal Pollution Control Agency:	78,114,000	15,000	1,510,500	79,639,500
Office of Environmental Assistance	12,958,000	0	100,000	13,058,000
SCORE County Block Grants	28,016,000	0	0	28,016,000
State Appropriations:	\$ 119,088,000	\$ 15,000	\$ 1,610,500	\$ 120,713,500
Federal Appropriations:	\$ 39,049,000	\$ 0	\$ 0	\$ 39,049,000
Total Pollution Control:	\$ 158,137,000	\$ 15,000	\$ 1,610,500	\$ 159,762,500

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Protection of Workers				
Department of Labor & Industry				
Workers' Comp. Regulation & Enforcement	\$ 22,343,000	\$ 0	\$ 2,800,000	\$ 25,143,000
Workplace Services	10,692,000	0	0	10,692,000
General Support	11,851,000	0	0	11,851,000
Subtotal Department of Labor & Industry:	44,886,000	0	2,800,000	47,686,000
Workers' Compensation Court of Appeals	2,753,000	0	0	2,753,000
Mediation Services	3,643,000	0	0	3,643,000
Department of Economic Security				
Employment Training & Youth Employment	6,000,000	0	5,883,000	11,883,000
Youthbuild	200,000	0	117,000	317,000
Economic Opportunity Office	14,000,000	0	0	14,000,000
Rehabilitation Services	36,464,000	0	0	36,464,000
Services for the Blind	7,297,000	0	0	7,297,000
Job Creation Grants	450,000	0	0	450,000
Transitional Housing Programs	1,870,000	0	450,000	2,320,000
All Other Community-Based Services	10,881,000	0	200,000	11,081,000
MN Workforce Center System	0	0	500,000	500,000
Home Energy Assistance	0	0	1,000,000	1,000,000
Extended Employment Settlement	0	0	725,000	725,000
Youth Intervention Programs	0	0	240,000	240,000
Curfew Enforcement & Truancy Prevention	0	0	340,000	340,000
Appropriations Carried Forward (1)	0	60,000	0	60,000
Subtotal Department of Economic Security:	77,162,000	60,000	9,455,000	86,677,000
State Appropriations:	\$ 128,444,000	\$ 60,000	\$ 12,255,000	\$ 140,759,000
Federal Appropriations:	\$ 468,810,000	\$ 0	\$ 0	\$ 468,810,000
Total Protection of Workers:	\$ 597,254,000	\$ 60,000	\$ 12,255,000	\$ 609,569,000

Public Employees

Department of Employee Relations				
Administration	13,793,000	0	0	13,793,000
Employee Insurance	1,664,000	0	0	1,664,000
Appropriations Carried Forward (1)	0	170,000	0	170,000
Subtotal Dept. of Employee Relations:	15,457,000	170,000	0	15,627,000
Retirement				
Minneapolis Employees' Retirement Fund	20,910,000	0	0	20,910,000
Pre-1973 Retirement Adjustment	1,100,000	0	0	1,100,000
Local Police and Fire Amortization Aid	10,040,000	(55,000)	0	9,985,000
Police & Fire Supplemental Amortization Aid	2,000,000	0	0	2,000,000
Aid to Police and Fire Departments	109,597,000	1,627,000	0	111,224,000
Legislators' Retirement	3,986,000	0	0	3,986,000
Judges' Retirement	2,894,000	134,000	0	3,028,000
Teachers' Retirement	6,990,000	(599,000)	0	6,391,000
Firefighters' Relief Surcharge	800,000	(64,000)	0	736,000
Constitutional Officers' Retirement	330,000	0	0	330,000
Subtotal Retirement:	158,647,000	1,043,000	0	159,690,000
Total Public Employees:	\$ 174,104,000	\$ 1,213,000	\$ 0	\$ 175,317,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Industry Regulation				
Department of Commerce				
Financial Examinations	\$ 7,565,000	\$ 0	\$ 0	7,565,000
Registration and Analysis	7,997,000	0	0	7,997,000
Administrative Services	5,460,000	0	0	5,460,000
Enforcement and Licensing	7,847,000	0	0	7,847,000
Petroleum Tank Release Cleanup Board	1,680,000	0	140,000	1,820,000
General Reduction	(300,000)	0	0	(300,000)
Workers' Comp. Insurance Regulation	900,000	0	0	900,000
Workers' Comp. Injury Survey	150,000	0	0	150,000
Subtotal Department of Commerce:	31,299,000	0	140,000	31,439,000
Non-Health-Related Boards	1,502,000	0	0	1,502,000
Public Utilities Commission	6,463,000	0	370,000	6,833,000
Appropriations Carried Forward (1)	0	335,000	0	335,000
Subtotal Public Utilities Commission:	6,463,000	335,000	370,000	7,168,000
Department of Public Service	17,560,000	0	0	17,560,000
State Lottery Board (4)	85,744,000	0	0	85,744,000
Lawful Gambling Control Board	4,120,000	0	0	4,120,000
Racing Commission	740,000	0	0	740,000
Gambling Enforcement—Public Safety	2,277,000	0	0	2,277,000
State Appropriations:	\$ 149,705,000	\$ 335,000	\$ 510,000	\$ 150,550,000
Federal Appropriations:	\$ 2,024,000	\$ 0	\$ 0	\$ 2,024,000
Total Industry Regulation:	\$ 151,729,000	\$ 335,000	\$ 510,000	\$ 152,574,000

Public Safety

Department of Public Safety				
Administration and Related Services	10,322,000	0	884,000	11,206,000
Emergency Management	4,505,000	0	513,000	5,018,000
Criminal Apprehension	33,369,000	0	500,000	33,869,000
Fire Marshal	5,250,000	0	0	5,250,000
State Patrol	87,562,000	0	150,000	87,712,000
Capitol Security	2,872,000	0	0	2,872,000
Driver and Vehicle Services	58,918,000	0	336,000	59,254,000
Liquor Control	980,000	0	0	980,000
Drug Policy	5,892,000	0	2,050,000	7,942,000
Pipeline Safety	1,727,000	0	0	1,727,000
Crime Victims Services	4,024,000	0	0	4,024,000
Crime Victims Ombudsman	406,000	0	0	406,000
Priv. Detective & Protective Agen. Lic. Board	217,000	0	0	217,000
Transfer to Trunk Highway Fund	3,901,000	0	0	3,901,000
Highway User Tax Transfer to General Fund	1,432,000	0	0	1,432,000
Traffic Safety	489,000	0	0	489,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Manufacture Special License Plates	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Vulnerable Adults Act	21,000	0	0	21,000
Transfer to Dept. C, F & L	0	(2,621,000)	0	(2,621,000)
Law Enforcement Officers	0	0	4,660,000	4,660,000
Driving While Intoxicated Bill	0	0	84,000	84,000
Appropriations Carried Forward (1)	0	219,000	0	219,000
Subtotal Department of Public Safety:	221,937,000	(2,402,000)	9,177,000	228,712,000
Department of Corrections				
Management Services	37,104,000	0	4,000	37,108,000
Community Services	142,557,000	0	720,000	143,277,000
Correctional Institutions	366,000,000	0	345,000	366,345,000
Corrections Aid	30,265,000	604,000	0	30,869,000
Claims Against the State	117,000	0	7,000	124,000
Transfer to Dept. C, F & L	0	(1,017,000)	0	(1,017,000)
Reimburse City of Braham	0	0	24,000	24,000
Structural Deficiency	0	0	6,000,000	6,000,000
Appropriations Carried Forward (1)	0	1,744,000	0	1,744,000
Subtotal Department of Corrections:	576,043,000	1,331,000	7,100,000	584,474,000
Sentencing Guidelines Commission	740,000	0	0	740,000
Corrections Ombudsman	1,060,000	0	225,000	1,285,000
Board of Peace Officers Standards and Training	8,450,000	0	5,000	8,455,000
Automobile Theft Prevention Board	0	0	930,000	930,000
Military Affairs				
Maintenance of Training Facilities	10,928,000	0	0	10,928,000
General Support	3,123,000	0	0	3,123,000
Enlistment Incentives	4,702,000	0	0	4,702,000
Armory Facility and Ramp	0	0	220,000	220,000
Appropriations Carried Forward (1)	0	787,000	0	787,000
Subtotal Department of Military Affairs:	18,753,000	787,000	220,000	19,760,000
State Appropriations:	\$ 826,983,000	\$ (284,000)	\$ 17,657,000	\$ 844,356,000
Federal Appropriations:	\$ 89,109,000	\$ 0	\$ 0	\$ 89,109,000
Total Public Safety:	\$ 916,092,000	\$ (284,000)	\$ 17,657,000	\$ 933,465,000

Governance

LEGISLATURE

Senate	31,585,000	0	0	31,585,000
House	43,776,000	0	0	43,776,000
Legislative Rent	9,732,000	0	0	9,732,000
Legislative Coordinating Commission	14,017,000	0	0	14,017,000
Legislative Audit Commission	8,694,000	0	0	8,694,000
Appropriations Carried Forward (1)	0	2,062,000	0	2,062,000
TOTAL LEGISLATURE:	\$ 107,804,000	\$ 2,062,000	\$ 0	\$ 109,866,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
COURTS				
Supreme Court				
Operations	\$ 7,962,000	\$ 0	\$ 0	\$ 7,962,000
State Court Administrator	15,831,000	0	0	15,831,000
State Law Library	3,473,000	0	0	3,473,000
Low Income & Family Farm Leg. Assistance	10,014,000	0	350,000	10,364,000
Family Law Legal Assistance	1,754,000	0	0	1,754,000
Community Dispute Resolution	490,000	0	0	490,000
Subtotal Supreme Court:	39,524,000	0	350,000	39,874,000
Court of Appeals	11,646,000	0	0	11,646,000
District Courts	133,874,000	0	0	133,874,000
Board on Judicial Standards	418,000	0	100,000	518,000
Board of Public Defense	1,486,000	0	50,000	1,536,000
State Public Defender	5,993,000	0	0	5,993,000
District Public Defense	68,845,000	0	0	68,845,000
Tax Court	1,184,000	0	0	1,184,000
Appropriations Carried Forward (1)	0	134,000	0	134,000
Subtotal District Courts:	211,800,000	134,000	150,000	212,084,000
TOTAL COURTS:	\$ 262,970,000	\$ 134,000	\$ 500,000	\$ 263,604,000
CONSTITUTIONAL OFFICERS				
Governor and Lieutenant Governor				
Governor and Lieutenant Governor	7,011,000	0	0	7,011,000
Appropriations Carried Forward (1)	0	12,000	0	12,000
Subtotal Governor & Lt. Governor:	7,011,000	12,000	0	7,023,000
Secretary of State				
Elections and Publications	971,000	0	0	971,000
Administration	1,885,000	0	0	1,885,000
Operations	9,334,000	0	0	9,334,000
Subtotal Secretary of State:	12,190,000	0	0	12,190,000
State Auditor	14,280,000	0	0	14,280,000
State Treasurer	4,955,000	0	0	4,955,000
Attorney General				
Government Services	8,729,000	0	0	8,729,000
Public and Human Resources	6,651,000	0	0	6,651,000
Legal Policy and Administration	9,520,000	0	0	9,520,000
Law Enforcement	8,139,000	0	0	8,139,000
Business Regulation	7,037,000	0	0	7,037,000
Solicitor General	6,831,000	0	0	6,831,000
Vulnerable Adults Act	40,000	0	0	40,000
Voluntary Insurance Buyout Program	40,000	0	0	40,000
Regulating Charitable Organizations	150,000	0	0	150,000
DARE Advisory Council	250,000	0	0	250,000
Landfill Insurance Claims	0	0	456,000	456,000
Sexually Dangerous Person Proceedings	0	0	200,000	200,000
Community Notification - Sex Offenders	0	0	140,000	140,000
Appropriations Carried Forward (1)	0	5,000	0	5,000
Subtotal Attorney General:	47,387,000	5,000	796,000	48,188,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Investment Board	\$ 4,185,000	\$ 0	\$ 0	\$ 4,185,000
TOTAL CONSTITUTIONAL OFFICERS:	\$ 90,008,000	\$ 17,000	\$ 796,000	\$ 90,821,000
State Appropriations:	\$ 460,782,000	\$ 2,213,000	\$ 1,296,000	\$ 464,291,000
Federal Appropriations:	\$ 1,610,000	\$ 0	\$ 0	\$ 1,610,000
Total Governance:	\$ 462,392,000	\$ 2,213,000	\$ 1,296,000	\$ 465,901,000

Other Departments, Boards, and Commissions

Office of Administrative Hearings	7,807,000	0	0	7,807,000
Department of Administration				
Operations Management	6,681,000	0	1,000,000	7,681,000
Intertechnologies Group	15,546,000	0	0	15,546,000
Property Management	10,691,000	0	0	10,691,000
Administrative Management	4,427,000	0	0	4,427,000
Children's Museum	180,000	0	0	180,000
Management Analysis	1,131,000	0	0	1,131,000
Information Policy Office	3,880,000	0	0	3,880,000
Public Broadcasting	6,108,000	0	150,000	6,258,000
Renovate Capitol Building	184,000	0	0	184,000
Dept. of Transportation Building Renovation	0	0	5,525,000	5,525,000
Agency Relocation	0	0	3,735,000	3,735,000
Evaluate Capitol Area Construction Plans	0	0	125,000	125,000
Robotics & Technical Training Facility	0	0	5,000,000	5,000,000
Corrections Study	0	0	350,000	350,000
Government Information Access Council	0	0	100,000	100,000
Appropriations Carried Forward (1)	0	15,000	0	15,000
Subtotal Department of Administration:	48,828,000	15,000	15,985,000	64,828,000
Capitol Area Architectural and Planning Board	620,000	0	430,000	1,050,000
Appropriations Carried Forward (1)	0	148,000	0	148,000
Subtotal Capitol Area Arch. & Planning Brd.:	620,000	148,000	430,000	1,198,000
Department of Finance				
Local Gov. Trust Fund Administration	105,000	0	0	105,000
Accounts Receivable Project	7,904,000	0	0	7,904,000
Critical Statewide Operating Systems	0	0	6,500,000	6,500,000
Appropriations Carried Forward (1)	0	1,937,000	0	1,937,000
Subtotal Department of Finance:	42,234,000	1,937,000	6,500,000	50,671,000
Department of Revenue				
Income Tax	24,304,000	0	0	24,304,000
Sales and Special Taxes	26,405,000	0	0	26,405,000
Property Tax & State Aids	5,760,000	0	0	5,760,000
Tax Operations	64,305,000	944,000	976,000	66,225,000
Legal and Research	7,456,000	0	0	7,456,000
Administrative Support	23,278,000	0	0	23,278,000
Open and Standing	2,200,000	0	0	2,200,000
Dept. of Revenue - State Claims	0	0	4,000	4,000
SCORE Evaluation	0	0	250,000	250,000
Unallotment	0	3,000	0	3,000
Subtotal Department of Revenue:	153,708,000	947,000	1,230,000	155,885,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Office of Strategic & Long-Range Planning	\$ 7,860,000	\$ 0	\$ 0	\$ 7,860,000
Appropriations Carried Forward (1)	0	4,081,000	0	4,081,000
Initiatives Roundtable	200,000	0	0	200,000
Subtotal Strategic & Long-Range Planning:	8,060,000	4,081,000	0	12,141,000
Brd. of Government Innovation and Cooperation	2,000,000	0	0	2,000,000
Appropriations Carried Forward (1)	0	83,000	0	83,000
Subtotal Brd. of Govt. Innovation & Coop.:	2,000,000	83,000	0	2,083,000
Intergov. Info. Systems Advisory Council (IISAC)	373,000	0	0	373,000
Appropriations Carried Forward (1)	0	807,000	0	807,000
Subtotal (IISAC):	373,000	807,000	0	1,180,000
Ethical Practices Board	887,000	0	0	887,000
Human Rights	6,709,000	0	300,000	7,009,000
Indian Affairs Council	971,000	0	0	971,000
Appropriations Carried Forward (1)	0	7,000	0	7,000
Subtotal Indian Affairs Council:	971,000	7,000	0	978,000
Council on Affairs of Spanish-Speaking People	494,000	0	0	494,000
Council on Black Minnesotans	461,000	0	0	461,000
Council on Asian-Pacific Minnesotans	398,000	0	0	398,000
Council on People with Disabilities	1,306,000	0	0	1,306,000
Minnesota Municipal Board	587,000	0	0	587,000
IRRRB Carryforward (1)	0	890,000	0	890,000
Uniform Laws Commission	58,000	0	0	58,000
Minnesota Historical Society	37,721,000	0	1,125,000	38,846,000
Appropriations Carried Forward (1)	0	47,000	0	47,000
Subtotal Minnesota Historical Society:	37,721,000	47,000	1,125,000	38,893,000
Board of the Arts	13,800,000	0	0	13,800,000
Minnesota Humanities Commission	1,172,000	0	300,000	1,472,000
Board of Architecture	1,415,000	0	0	1,415,000
Minnesota Horticultural Society	144,000	0	0	144,000
Minnesota Academy of Science	72,000	0	0	72,000
Science Museum of Minnesota	2,216,000	0	0	2,216,000
Minnesota Safety Council	134,000	0	0	134,000
Veterans of Foreign Wars	82,000	0	0	82,000
Disabled American Veterans	24,000	0	0	24,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
Military Order of the Purple Heart	\$ 40,000	\$ 0	\$ 0	\$ 40,000
Small Agency Supplement	1,330,000	0	0	1,330,000
State Appropriations:	\$ 333,651,000	\$ 8,962,000	\$ 25,870,000	\$ 368,483,000
Federal Appropriations:	\$ 15,146,000	\$ 0	\$ 0	\$ 15,146,000
Total Depts., Boards, & Commissions:	\$ 348,797,000	\$ 8,962,000	\$ 25,870,000	\$ 383,629,000

Direct Capital Appr. & Debt Service

Debt Service	458,704,000	(12,963,000)	1,099,000	446,840,000
Cambridge Bank Payment-Debt Service	61,875,000	(61,875,000)	0	0
Total Direct Capital Appr. & Debt Service:	\$ 520,579,000	\$ (74,838,000)	\$ 1,099,000	\$ 446,840,000

Miscellaneous

General Contingent Accounts				
General Fund	300,000	0	0	300,000
Trunk Highway Fund	400,000	0	0	400,000
Highway User Tax Distribution Fund	250,000	0	0	250,000
Special Revenue	500,000	0	0	500,000
Airport Fund	100,000	0	0	100,000
Workers' Compensation	200,000	0	0	200,000
Subtotal General Contingent Accounts:	1,750,000	0	0	1,750,000
Dedicated General Fund Appropriations	168,000,000	0	0	168,000,000
Tort Claims	1,775,000	0	(225,000)	1,550,000
Campaign Financing	1,500,000	0	0	1,500,000
Campaign Fund Check-Off	3,375,000	0	0	3,375,000
Arbitrage Rebate	54,000	0	0	54,000
Loans to Revolving Fund	7,000,000	12,253,000	0	19,253,000
Transfer of Lands	994,000	0	0	994,000
Fairview / UM Hospital Merger	0	0	1,800,000	1,800,000
Appropriations Carried Forward (1)	0	1,525,000	0	1,525,000
Total Miscellaneous:	\$ 184,448,000	\$ 13,778,000	\$ 1,575,000	\$ 199,801,000

	1995-1997 Biennium	Estimate Changes	Law Changes	Biennium Total
TOTALS				
State Appropriations - Gross	\$ 21,094,289,000	\$ 584,859,000	\$ 120,713,500	\$ 21,799,861,500
Voluntary Unpaid Leave	(800,000)	0	0	(800,000)
Dept. of Human Services RTC Collections (5)	(221,942,000)	0	0	(221,942,000)
Indirect Cost Receipts	(26,512,000)	(571,000)	(1,528,000)	(28,611,000)
Cancellations	(20,000,000)	0	(2,587,000)	(22,587,000)
State Appropriations - Net:	\$ 20,825,035,000	\$ 584,288,000	\$ 116,598,500	\$ 21,525,921,500
Federal Funds Appropriations:	\$ 6,968,020,000	\$ 0	\$ 0	\$ 6,968,020,000
Total Appropriations:	\$ 27,793,055,000	\$ 584,288,000	\$ 116,598,500	\$ 28,493,941,500
Cash Flow Account	\$ 350,000,000	\$ 0	\$ 0	\$ 350,000,000
Budget Reserves	204,524,000	15,476,000	50,000,000	270,000,000
	\$ 554,524,000	\$ 15,476,000	\$ 50,000,000	\$ 620,000,000

NOTES:

- (1) Appropriations carried forward are unused funds appropriated in a previous biennium that did not cancel but were carried forward into the next biennium.
- (2) The 1995 Legislature created the Department of Children, Families, and Learning out of the old Department of Education and certain programs from other departments.
- (3) Combined old Limited English Proficiency Pupils Program Aid and Assurance of Mastery into new program called Targeted Needs Aid.
- (4) The appropriation for the State Lottery Board equals the statutory maximum of 14.5 percent of gross lottery revenues for the biennium, as per Minnesota Statutes 349.10(3).
- (5) Dept. of Human Services RTC receipts already counted in the appropriation for MA and GAMC federal funds.

Table D
Direct Appropriations
by Fund, by Chapter

		FY 1996	FY 1997	1995-1997 Biennium
County-State Aid Highway Fund				
Chpt. 455	Transportation	\$ 0	\$ 100,000	\$ 100,000
Total Cnty.-St. Aid Highway Fund:		\$ 0	\$ 100,000	\$ 100,000
Environmental Trust Fund				
Chpt. 407	Environment, Natural Res., & Agriculture	\$ 1,630,000	\$ 0	\$ 1,630,000
Total Environmental Trust Fund:		\$ 1,630,000	\$ 0	\$ 1,630,000
Game and Fish Fund				
Chpt. 294	Emergency Deer Feeding	\$ 750,000	\$ 0	\$ 750,000
Total Game and Fish Fund:		\$ 750,000	\$ 0	\$ 750,000
General Fund				
Chpt. 264	1995 Omnibus Tax	\$ 944,000	\$ 0	\$ 944,000
Chpt. 360	Claims Against the State	0	100,000	100,000
Chpt. 371	Age Discrimination - Ext. Emplmnt. Prog.	740,000	(15,000)	725,000
Chpt. 390	State Departments and Government	4,407,000	5,049,000	9,456,000
Chpt. 395	Higher Education	0	14,450,000	14,450,000
Chpt. 407	Environment, Natural Res., & Agriculture	1,643,000	1,152,000	2,795,000
Chpt. 408	Criminal Justice and Corrections	764,000	16,539,000	17,303,000
Chpt. 412	K-12 Education	(26,050,000)	3,738,000	(22,312,000)
Chpt. 451	Health and Human Services	(109,730,000)	(45,125,000)	(154,855,000)
Chpt. 452	Economic Development	1,654,000	14,719,000	16,373,000
Chpt. 455	Transportation	0	7,440,000	7,440,000
Chpt. 460	U of MN - Fairview Hosp. Employee Retire.	0	1,800,000	1,800,000
Chpt. 461	State Budget Reserve - Property Tax Shift	502,232,000	180,200,000	682,432,000
Chpt. 462	Wetland Protection and Management	0	400,000	400,000
Chpt. 463	Bonding	7,953,000	0	7,953,000
Chpt. 465	MN Jobs Programs - Child Care	0	5,501,000	5,501,000
Chpt. 471	1996 Omnibus Tax	0	250,000	250,000
Total General Fund:		\$ 384,557,000	\$ 206,198,000	\$ 590,755,000
Highway User Tax Distribution Fund				
Chpt. 442	DWI - Criminal Vehicular Operation	\$ 0	\$ 14,000	\$ 14,000
Chpt. 455	Transportation	0	160,000	160,000
Chpt. 463	Bonding	535,000	0	535,000
Total Hwy. User Tax Distribution Fund:		\$ 535,000	\$ 174,000	\$ 709,000

		FY 1996	FY 1997	1995-1997 Biennium
Landfill Cleanup-Solid Waste Fund				
Chpt. 407	Environment, Natural Res., & Agriculture	\$ 150,000	\$ 629,000	\$ 779,000
Chpt. 470	Environmental Waste - Recyclable Materials	737,500	0	737,500
Total Landfill-Solid Waste Fund:		\$ 887,500	\$ 629,000	\$ 1,516,500
Minnesota Resources Fund				
Chpt. 407	Environment, Natural Res., & Agriculture	\$ 3,258,000	\$ 0	\$ 3,258,000
Total Minnesota Resources Fund:		\$ 3,258,000	\$ 0	\$ 3,258,000
Natural Resources Fund				
Chpt. 293	Snomobile Trails - Grants	\$ 600,000	\$ 0	\$ 600,000
Chpt. 407	Environment, Natural Res., & Agriculture	1,350,000	0	1,350,000
Total Natural Resources Fund:		\$ 1,950,000	\$ 0	\$ 1,950,000
Petroleum Tank Release Cleanup				
Chpt. 452	Economic Development	\$ 47,000	\$ 93,000	\$ 140,000
Total Tank Release Cleanup:		\$ 47,000	\$ 93,000	\$ 140,000
Special Revenue Fund				
Chpt. 407	Environment, Natural Res., & Agriculture	\$ 750,000	\$ 0	\$ 750,000
Chpt. 408	Criminal Justice and Corrections	0	984,000	984,000
Chpt. 451	Health and Human Services	50,000	300,000	350,000
Total Special Revenue Fund:		\$ 800,000	\$ 1,284,000	\$ 2,084,000
Trunk Highway Fund				
Chpt. 408	Criminal Justice and Corrections	\$ 19,000	\$ 0	\$ 19,000
Chpt. 442	DWI - Criminal Vehicular Operation	0	75,000	75,000
Chpt. 455	Transportation	9,687,000	42,760,000	52,447,000
Chpt. 463	Bonding	36,053,000	0	36,053,000
Total Trunk Highway Fund:		\$ 45,759,000	\$ 42,835,000	\$ 88,594,000
Workers' Compensation Fund				
Chpt. 452	Economic Development	\$ 0	\$ 2,800,000	\$ 2,800,000
Total Workers' Compensation Fund:		\$ 0	\$ 2,800,000	\$ 2,800,000
Grand Total:		\$ 440,173,500	\$ 254,113,000	\$ 694,286,500

Table E
Open and Standing Appropriations
Fiscal Years 1996 and 1997

	FY 1996	FY 1997	1995-1997 Biennium
Aids and Credits			
Property Tax Refund			
- Homeowners	\$ 75,417,000	\$ 76,500,000	\$ 151,917,000
- Renters	88,908,000	86,700,000	175,608,000
- Targeting	4,895,000	3,363,000	8,258,000
Homestead Credit and Agricultural Credit			
- Schools	(1,889,000)	121,947,000	120,058,000
- Cities & Counties	452,599,000	430,162,000	882,761,000
- Tax Increment Financing	24,000	24,000	48,000
Political Contribution Refunds	2,800,000	4,400,000	7,200,000
Disparity Aid	28,262,000	28,341,000	56,603,000
Border City Disparity Credit	5,104,000	6,858,000	11,962,000
Local Government Aid	339,305,000	349,222,000	688,527,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Suppl. Homestead Prop. Tax Relief	483,000	503,000	986,000
In Lieu of Taxes Payments on DNR Lands	5,082,000	5,100,000	10,182,000
Enterprise Zone Credit	40,000	339,000	379,000
Regional Transit Board Levy Reduction	2,164,000	1,928,000	4,092,000
Region 3 - Occupation Tax	957,000	1,157,000	2,114,000
Mortgage Certificate Aid	100,000	100,000	200,000
Family Preservation Aid	1,500,000	1,538,000	3,038,000
Total Aids and Credits:	\$ 1,008,969,000	\$ 1,121,400,000	\$ 2,130,369,000
Other Open and Standing Appropriations			
State Lottery Board	\$ 42,872,000	\$ 42,872,000	\$ 85,744,000
Corrections Aid	10,000,000	20,265,000	30,265,000
Minneapolis Employees' Retirement Fund	10,455,000	10,455,000	20,910,000
Pre-1973 Retirement Adjustment	550,000	550,000	1,100,000
Local Police & Fire Amortization Aid	5,265,000	4,720,000	9,985,000
Local Police & Fire Suppl. Amortization Aid	1,000,000	1,000,000	2,000,000
Aid to Police & Fire Departments	50,847,000	60,377,000	111,224,000
Legislators' Retirement	1,993,000	1,993,000	3,986,000
Judges' Retirement	1,514,000	1,514,000	3,028,000
Constitutional Officers' Retirement	165,000	165,000	330,000
Teachers' Retirement	3,053,000	3,338,000	6,391,000
Firefighters' Relief Surcharge	367,000	369,000	736,000
Debt Service and Borrowing	197,763,000	249,131,000	446,894,000
Other Open and Standing	178,242,000	40,306,000	218,548,000
Total Other Open & Standing Approps.:	\$ 504,086,000	\$ 437,055,000	\$ 941,141,000
Total Open and Standing Appropriations:	\$ 1,513,055,000	\$ 1,558,455,000	\$ 3,071,510,000

Index

Administration	
Department of	13, 29, 33
Agriculture	6, 17
Department of	17, 29
Farm	8, 17, 27, 28, 34
Used Farm Machinery	2, 4
Aid to Families with Dependent Children (AFDC)	6, 10-12
Aids	
County Criminal Justice Aid	5
Local Government Aid (LGA)	6
Supplemental Aid	6, 10
Airport	3, 16, 17
Appropriations	
By Functional Area	36
By Fund	37
Direct	58
Open and Standing	60
Attorney General	20, 23, 26, 27
Bonding	2, 3, 18, 27, 29, 32, 34
Capital Expenditures	2, 29
Child Abuse	13, 26
Child Care	10, 11
Children	7, 10-13, 19, 26
Department of Children, Families, and Learning	7, 26, 30
Computer System	10, 16
Corrections	6, 7
Correctional Facilities	25
Department of	2, 25, 27, 30, 33
Criminal Justice	5, 6, 12
Economic Development	3, 14
Economic Security	
Department of	12, 26, 30
Education	
At-Risk Students	7
Desegregation	7
Elementary and Secondary, K-12	6-8, 26, 28
Higher Education	2, 8, 26, 28, 31, 32
Community College	2, 29, 31
State University	2, 9, 15, 27, 29, 31, 34
Technical College	27, 31, 34
University of Minnesota	2, 8, 9, 17, 24, 29, 32
Employee Relations	
Department of	9
Environment	20, 28
Environment and Natural Resources Trust Fund	20
Environmental Assistance, Office of	20, 31
Laurentian Environmental Learning Center	18, 27, 34
Pollution Control Agency	20, 28, 31, 33
Family Investment Program	10
Family Services	9, 12
Film Board	14
Finance, Department of	1, 5
Housing Finance Agency	27, 30

Gambling	25
Compulsive Gambling	11, 25
Lottery	11, 25
General Assistance	6, 10
General Assistance Medical Care	10, 11
General Fund	1, 2, 5, 6, 12, 13, 15, 17-19, 20, 27
Governor	2, 3, 7, 8, 10, 15, 17, 18, 27, 34
Health	
Department of	12, 26
Health Care	2, 9, 10, 12
Health Care Access Fund	10
Health Insurance	28
Mental Health	11
MinnesotaCare	10, 27
Highlights	2
Homestead and Agricultural Credit Aid (HACA)	5, 6
Hospitals	10, 24
Housing	17, 30
Grants	11
Group Residential	11
Housing Finance Agency	27, 30
Human Immunodeficiency Virus (HIV)	11, 28
Human Services	6, 9, 10, 26, 27, 30
Department of	2, 9, 11, 12, 14, 25, 26, 30
Indian	7
Industry Regulation	
Energy	28, 32
Gambling	11, 25
Insurance	3, 20, 23, 24, 28
Health Insurance	28
Workers' Compensation Insurance	3, 23
Judiciary	25
Landfill	20
Lottery	11, 25
Medical Assistance	6, 10, 12
Metropolitan Council	15, 16, 28
Military Affairs	
Department of Military Affairs	13, 31, 33
National Guard	13
MinnesotaCare	10, 28
Minnesota Technology, Inc.	9, 14
Natural Resources	
Board of Water and Soil Resources	14, 18, 20, 28
Department of	19, 21-23, 30
Game and Fish Fund	6, 18, 19, 27, 28, 31, 33
Parks	18
Parks	18, 20
Pensions	6, 25
Pollution Control	20, 21
Agency	20, 28, 31-33
Solid Waste	20
Water Pollution Control	20
Public Employees	24, 28, 29

Public Safety	25, 27, 32, 34
Department of Public Safety	2, 15, 16, 26
Public Service, Department of	27, 32
Regional Treatment Center	27, 30, 34
Retirement	6, 24, 25, 28
Public Employees Retirement Association	24
State Retirement System	24
Teachers Retirement Association	24
Revenue	4, 7, 8, 17, 18, 29
Special Revenue Fund	12
Special Revenue Fund	12
State Aids	3, 6, 28
State Patrol	16, 34
Statistics	35
Supreme Court	11, 26, 27
Tables	
Appropriations by Function - All Funds	40
Biennial Appropriations by Fund	37
Direct Appropriations by Fund, by Chapter	58
General Fund and Local Government Trust Fund	38
Open and Standing Appropriations	60
Taxes	
Excise	4, 15
Income	4, 17
Property	2, 5-8, 28
Refunds	5, 6
Sales	2, 4
State	4, 17
Teachers	26, 28
Teachers Retirement Association	24
Trade and Economic Development	
Department of	3, 14
Transportation	3, 15, 18, 21
Department of	15, 21, 32-34
Metro Mobility	16
Trunk Highway Fund	2, 15, 16
University of Minnesota	2, 8, 9, 17, 24, 29, 32
Veterans Affairs	13
Vetoos	3, 27, 28
Workers	
Economic Security	12, 26, 30
Public Employees	24, 28
Workers' Compensation	3, 23, 24, 28