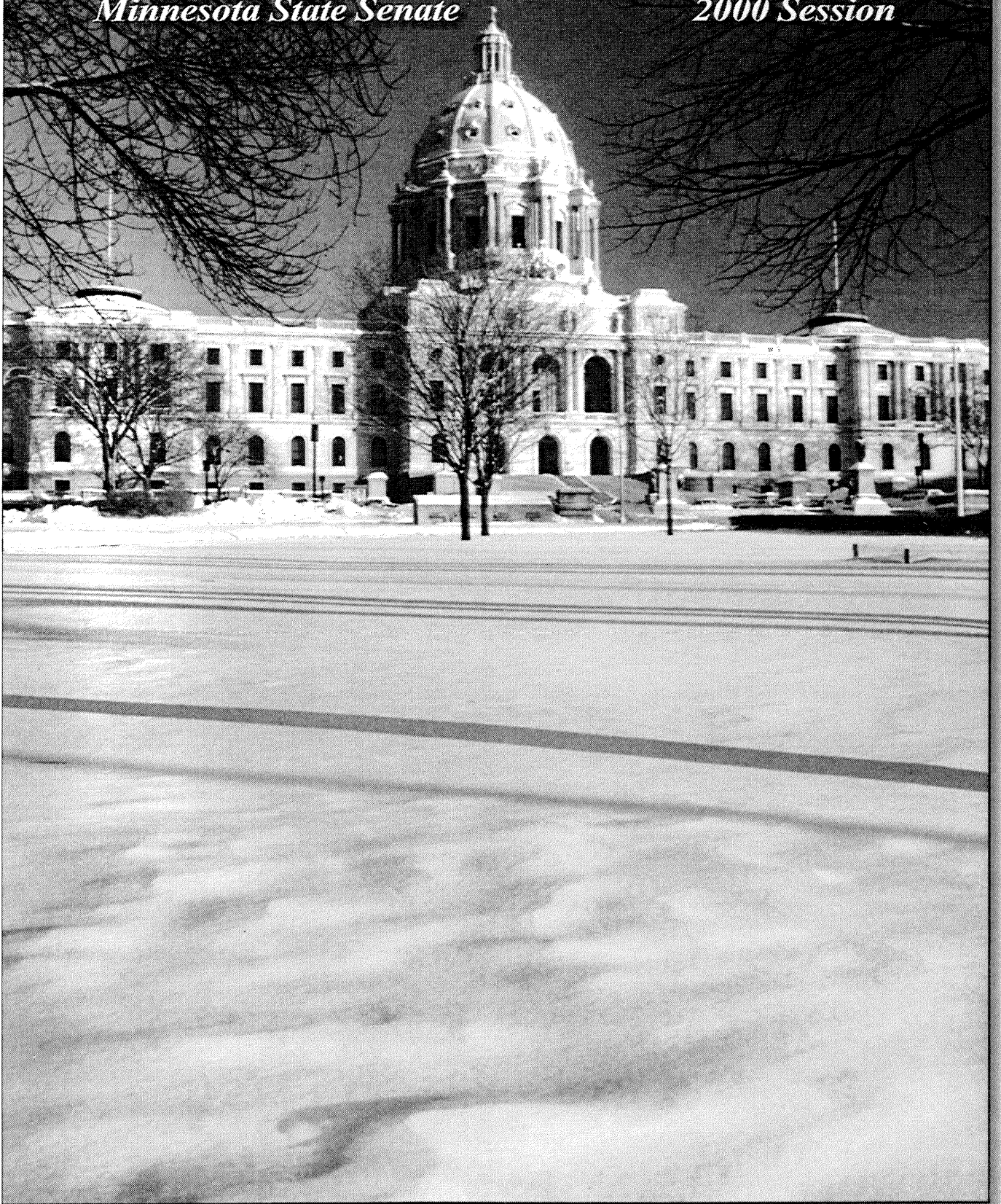


# *Fiscal Review*

*Minnesota State Senate*

*2000 Session*



**A**

**Fiscal Review**

**of the**

**2000 Legislative Session**

**Prepared by**  
**Minnesota State Senate**  
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**January 2001**

## **Dates of the 2000 Legislative Session**

**Regular Session: February 1 to May 17, 2000**

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# *Introduction*

The Fiscal Review is a report of actions taken by the 2000 regular session of the Minnesota Legislature. These reports have been issued since 1975. The 2000 appropriations amend the biennial budget adopted in the 1999 session. Some changes involve updated estimates of open and statutory appropriations, while other changes are the result of passage of new laws.

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

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

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

Some appropriations are open-ended and determined by formula or participation rates specified by statute. These are called open appropriations. Some appropriations allow for access to specified funds for specific purposes based on the amount available. These are called statutory appropriations. The Fiscal Review uses the estimates of open and statutory appropriations made through the

Department of Finance at the time the budget was enacted. The Fiscal Review includes open and statutory appropriations from all funds. Open and statutory appropriations from funds other than the General Fund are included based on the level of spending reported by the Department of Finance in the Consolidated Fund Statement.

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

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

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

There are also tables of appropriations by fund (Table A); a table of appropriations by fund and law (chapter) (Table D); a General Fund balance statement (Table B); a listing of open and statutory appropriations (Table E); and a table of federal funds (Table F).

# Highlights

## **Budget Surplus**

With projected biennial surpluses of General Fund Revenue, the 2000 Legislature allocated an additional \$1.96 billion in General Fund and related revenue. Of this amount, \$1.03 billion was returned in tax rebates and reductions, over \$400 million for transportation, over \$184 million for education, and almost \$116 million for capital expenditures. A portion of the General Fund Surplus was determined by the Department of Finance to be an ongoing structural budget surplus that allowed for ongoing tax cuts or expenditure changes that would continue into the next biennium. The negotiations between the Senate, the House, and the Governor resulted in a novel approach with the Senate, the House, and the Governor each deciding how one-third of the ongoing structural budget surplus would be allocated. Most of the ongoing structural budget surplus was dedicated to tax reductions, including reductions in auto license registration fees, and for kindergarten through grade 12 (K-12) education. Also, a portion of the ongoing structural budget surplus was allocated to natural resource conservation.

## **Elementary and Secondary Education**

Coming off of the 1999 session, which saw one of the largest increases in revenue for schools, the 2000 Legislature added another \$172 million in the current biennium and \$219 million in the next biennium in targeted revenue for schools.

## **Sales Tax Rebate**

The sales tax rebate enacted by the 1999 Legislature was authorized to be paid again in 2000 at a level that is approximately one-half of the amount paid in 1999. The rebate for 2000 was extended to Social Security recipients who were residents in 1998 but who did not have an income tax liability or claim the 1998 property tax rebate.

## **Income Tax Cut**

The 2000 Legislature reduced the income tax rates for the tax year beginning January 1, 2000. The income tax rate cuts are estimated to cost \$224.4 million in the 1999-2001 biennium and \$317.1 million in the 2001-2003 biennium.

## **Motor Vehicle Registration Tax**

Beginning with the first motor vehicle license renewal period, the motor vehicle registration tax was capped at \$189. For the second and subsequent license renewal periods, the motor vehicle registration tax was limited to \$99. In order to pay the cost of the registration tax reduction, \$149.8 million was transferred from the General Fund to the Highway User Tax Distribution Fund (HUTDF) for FY2001 and \$161.7 million was transferred for FY2002. Beginning in FY2003, 32 percent of the proceeds from the motor vehicle sales tax will be deposited in the HUTDF at an estimated cost to the General Fund of \$176 million.



### **Agricultural Relief**

The Legislature provided about \$18 million in agricultural relief to farmers in 31 specified counties. The specified counties are counties that were either declared federal disaster areas in 1999 or are contiguous to counties in Minnesota that were declared federal disaster areas in 1999. Under the 2000 program, farmers are eligible for agricultural relief payments of \$4 per acre for all crop acres that are covered by crop insurance in 2000. Each individual or married couple is restricted to a maximum of \$5,600 in total payments.

### **Feedlots**

In Chapter 43 5, the Legislature enacted a number of provisions related to feedlot permits and feedlot permit rules. The changes included limitations on the Pollution Control Agency (PCA) rulemaking authority by requiring specific changes to the proposed feedlot rules and by directing the PCA to provide specific reports. The legislative directions include requiring certain provisions to be removed from the rules and specifying other provisions that must be altered or included in the rules.

### **In Lieu of Tax Payment Increase**

Payments in lieu of taxes to local governments for natural resource land were indexed for inflation using the first quarter of 1994 as the basis to measure inflationary changes. The total cost of the increased natural resources land payments, including increased payments for consolidated-conservation lands, is estimated to be \$5.5 million in the 2001-2003 biennium.



### **Ethanol**

In Chapter 488, the Legislature increased the amount of spending under the open General Fund appropriation for ethanol producer payments in the current biennium by just over \$5.1 million and by over \$5.8 million in the next biennium. The increased spending is the result of making certain ethanol producers eligible for ethanol producer payments (20 cents/gallon) consistent with payments to other plants that have approved capacity for ethanol payments on 15 million gallons.

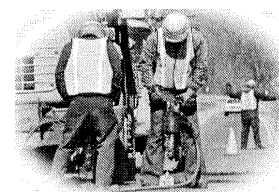
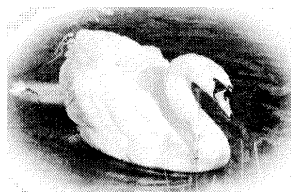
### **Corporate and Partnership Farming Law**

The Legislature made a number of changes to the Corporate and Partnership Farming Law. The most significant change is the addition of two types of limited liability companies (LLCs) as eligible to farm and own agricultural land in Minnesota. Prior to the change, LLCs were strictly prohibited from farming and owning agricultural land, except for poultry production which is exempt from the Corporate and Partnership Farming Law.

### **Lottery in Lieu of Sales Tax Dedication**

The Legislature dedicated 97 percent of the revenue in FY 2001 and 87 percent of the revenue in FY 2002 and thereafter from the in lieu of sales tax on lottery tickets for specific natural resource purposes. The amounts and purposes are:

- (1) 50 percent for improvement, enhancement, and protection of fish and wildlife resources;



- (2) 22.5 percent for state parks and trails;
- (3) 22.5 percent for metropolitan parks and trails;
- (4) three percent for local trail grants; and
- (5) two percent for the Minnesota Zoological Garden, Como Zoo and Conservatory, and the Duluth Zoo.

**Consolidated-Conservation Lands**

In Chapter 485, the Legislature provided for the designation of over 360,000 acres of consolidated-conservation lands (Con-Con lands). The Legislature designated just under 142,000 acres as wildlife management areas and over 118,000 acres as state forest. The law also provides for an analysis and report to the 2001 Legislature on the designation of just over 100,000 acres of Con-Con lands.

**Transportation Funding**

The 2000 Legislature took the unprecedented action of devoting over \$400 million of the state's General Fund biennial budget surplus to transportation spending. Traditionally, the majority of the funds spent on transportation comes from the state's constitutionally dedicated gas tax and vehicle registration tax. The total supplemental transportation funding enacted by the 2000 Legislature totaled \$602.5 million, including \$100 million in Trunk Highway Bonds.



**Wolf Management**

In Chapter 463, the Legislature enacted changes to wolf management laws in anticipation of delisting of the gray wolf under the federal Endangered Species Act. The changes will allow for the taking of gray wolves to protect livestock, pets, and domestic animals. The law changes will not be effective until the gray wolf is delisted under the federal Endangered Species Act.

**Crime Prevention Funding**

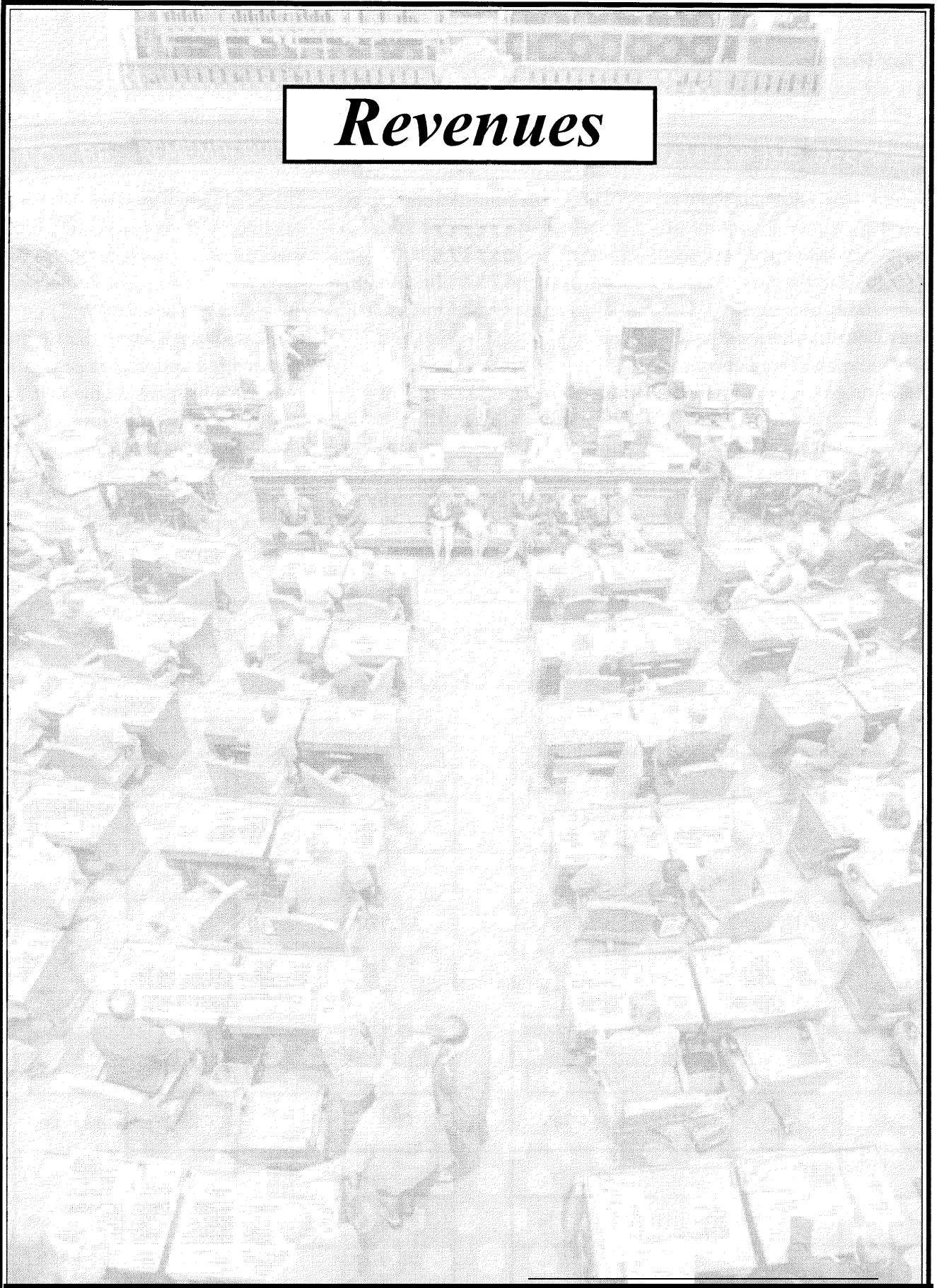
The total criminal prevention supplemental funding was approximately \$26 million. Chapter 3 11, dedicated to Katie Poirier, appropriated \$18.4 million to the criminal justice system. Other supplemental appropriations totaling \$7.6 million were in the Omnibus Appropriations Bill.

**Higher Education**

The Legislature appropriated \$14 million for higher education; \$13,180,000 to the Minnesota State Colleges and Universities (MnSCU); and \$820,000 to the University of Minnesota.



# *Revenues*



# State Taxes

## Sales Tax Rebate

The sales tax rebate enacted by the 1999 Legislature was authorized to be paid again in 2000 at a level that is approximately one-half of the amount paid in 1999. The sales tax rebate is based on the estimated amount of Minnesota sales tax paid by taxpayers with respect to their income tax filing status and income category. For 2000, the rebate for married couples filing joint returns and head of household returns ranges from a minimum of \$168 to a maximum of \$2,400. For single filers and married couples filing separately, the minimum rebate is \$95 and the maximum rebate is \$1,200. The rebate for 2000 was extended to Social Security recipients

who were residents in 1998 but who did not have an income tax liability or claim the 1998 property tax rebate. The aggregate amount of the rebate was \$635.6 million which is a cost in FY 2000. The filing deadline for the 1999 rebate was extended from June 15, 1999, to June 30, 2000. This extension of the 1999 filing deadline is estimated to cost \$8.5 million in FY 2000.

## Income Tax

The Omnibus Tax Bill (Chapter 490) further reduced the income tax rates for individuals for the tax year beginning January 1, 2000. The change to the income tax rates for tax year 2000 is shown in the table below.

The income tax rate cuts are estimated to cost \$224.4 million in the 1999-2001 biennium and \$317.1 million in the 2001-2003 biennium.

The definition of income used in calculating the marriage penalty credit was expanded to include taxable pension income and taxable Social Security income. The credit will now be calculated based on the distribution between the spouses of earned income, taxable pension income, and taxable Social Security income. This increase in the marriage penalty credit is estimated to cost \$1.7 million in the 1999-2001 biennium and \$4.2 million in the 2001-2003 biennium.

## Change to the Income Tax Rates for Tax Year 2000

Married Filing Joint Return			
Taxable Income		Tax Rate	
Over	But Not Over	Old Rate	New Rate
0	25,680	5.50%	5.35%
25,680	102,030	7.25%	7.05%
102,030		8.00%	7.85%

Single			
Taxable Income		Tax Rate	
Over	But Not Over	Old Rate	New Rate
0	17,570	5.50%	5.35%
17,570	57,710	7.25%	7.05%
57,710		8.00%	7.85%

Married Filing Separate Return			
Taxable Income		Tax Rate	
Over	But Not Over	Old Rate	New Rate
0	12,840	5.50%	5.35%
12,840	51,010	7.25%	7.05%
51,010		8.00%	7.85%

Head of Household			
Taxable Income		Tax Rate	
Over	But Not Over	Old Rate	New Rate
0	21,630	5.50%	5.35%
21,630	86,910	7.25%	7.05%
86,910		8.00%	7.85%

## Changes to Lawful Gambling Tax Rates

Tax	Old Rate	New Rate
Paddlewheel, raffles, bingo	9.0% of gross profit	8.5%
Pull-tabs, tipboards	1.8% of ideal gross	1.7%
Combined receipts tax:		
\$500,000 - <b>700,000</b>	1.8% of amount over \$500,000	1.7%
<b>\$700,000 - 900,000</b>	<b>\$3,600</b> plus 3.6% of amount over \$700,000	<b>\$3,400 + 3.4%</b>
Over \$900,000	\$10,800 plus 5.4% of amount over \$900,000	<b>\$10,200 + 5.1%</b>

The percentage of earnings used in calculating the Minnesota working family credit was increased so that for all claimants, the credit equals at least 25 percent of the federal earned income tax credit. The credit phase-out rate was increased so that the maximum income eligible for the credit remains unchanged. This increase in the working family credit is estimated to cost \$11.8 million in the 1999-2001 biennium and \$24 million in the 2001-2003 biennium. For claimants with children, the increased working family credit refunds were appropriated from Temporary Assistance to Needy Families (TANF) block grant funds. The federal funds appropriation was \$9.8 million in the 1999-2001 biennium and approximately \$20 million in the 2001-2003 biennium.

A new tax credit was enacted equal to 30 percent of an employer's net cost of providing transit passes to employees. The credit is available to employers filing either as individual or corporate taxpayers. This transit pass credit is estimated to cost \$1.3 million in the 1999-2001 biennium and \$3.1 million in the 2001-2003 biennium.

Corporate taxpayers will be allowed to claim the remaining depreciation allowance in tax year 2001, which results from the difference between the federal Accelerated Cost Recovery System (ACRS) depreciation schedules and the allowable state depreciation. The allowance of these deductions is estimated to cost \$8.9 million in the 2001-2003 biennium.

### Sales and Excise Taxes

The percentage of estimated June sales tax that businesses are required to pay before the end of June was reduced from 75 percent to 62 percent. The requirement that 75 percent of estimated June cigarette and liquor excise taxes must be paid before the end of June was eliminated. The cost of this reduction in the accelerated June sales tax payment requirement is estimated to be \$44.4 million in the 2001-2003 biennium.

An exemption from the sales tax was enacted for leases of trucks, buses, and vans capable of carrying at least nine passengers, which are used primarily to transport goods or people as part of a nonprofit group's chari-

table or educational activities. This exemption is estimated to cost \$1.3 million in the 1999-2001 biennium and \$2.8 million in the 2001-2003 biennium.

The tax rates which apply to lawful gambling in Minnesota were reduced by approximately five percent, as shown in the table above.

These rate reductions are estimated to cost \$3.1 million in the 1999-2001 biennium and \$6.5 million in the 2001-2003 biennium.

The disposition of the receipts from the payment in lieu of sales tax on lottery tickets was changed beginning with FY 2001. Under prior law, 100 percent of the receipts were deposited in the General Fund. For FY 2001, 97 percent of the in lieu of sales tax receipts will be credited to the Game and Fish Fund and the Natural Resources Fund in equal shares. Beginning with FY 2002, 87 percent of the receipts will be transferred to the Game and Fish Fund and the Natural Resources Fund in equal shares. The change in disposition of these receipts

is a cost to the General Fund of \$24.6 million in the 1999-2001 biennium and \$44.1 million in the 2001-2003 biennium. The Game and Fish Fund and the Natural Resources Fund each gain \$12.3 million in the 1999-2001 biennium and \$22.1 million in the 2001-2003 biennium.

### Motor Vehicle Registration Tax

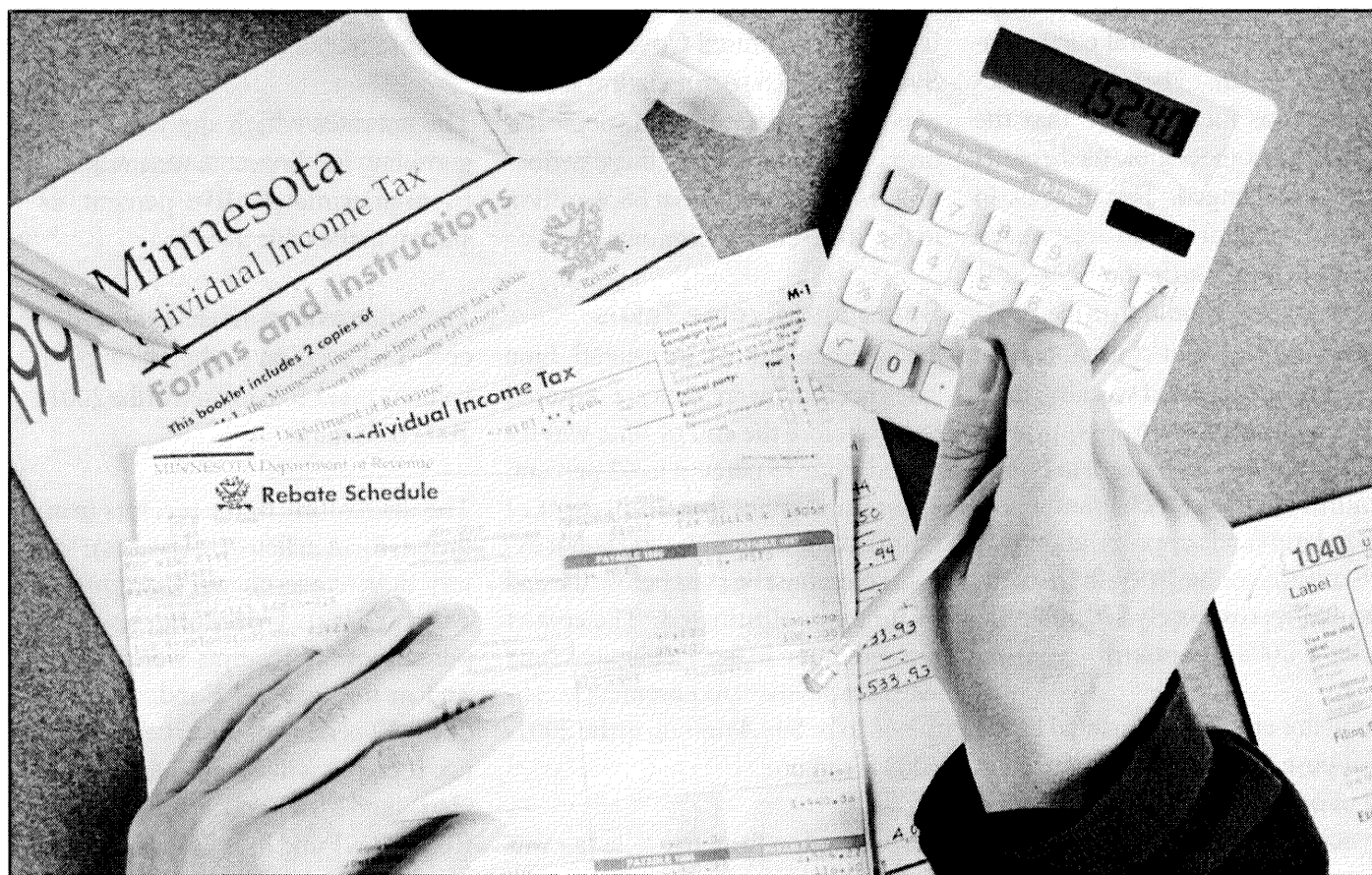
Beginning with the first motor vehicle license renewal period, the motor vehicle registration tax was capped at \$189. For the second and subsequent license renewal periods, the motor vehicle registration tax was limited to

\$99. In order to pay the cost of the registration tax reduction, \$149.8 million was transferred from the General Fund to the Highway User Tax Distribution Fund (HUTDF) for FY 2001 and \$161.7 million was transferred for FY 2002. Beginning in FY 2003, 32 percent of the proceeds from the motor vehicle sales tax will be deposited in the HUTDF at an estimated annual cost to the General Fund of \$176 million.

### Health Care Taxes

Health Maintenance Organizations (HMOs), community integrated service networks, and nonprofit health service corporations were exempted

from the insurance premium tax for calendar years 2001 and 2002. The trigger provision that required the Commissioner of Finance to impose the tax when the Health Care Access Fund is found to be in structural deficit was repealed. The insurance premium tax will be imposed on HMOs, community integrated service networks, and nonprofit health service corporations at a one percent rate beginning in 2003. These health care tax changes are expected to cost the Health Care Access Fund \$16.2 million in the 1999-2001 biennium and \$21.7 million in the 2001-2003 biennium.



## *Local Property Tax Aids and Credits*

**T**he rate of the education agricultural credit was increased from 54 percent to 70 percent of the general education tax on agricultural homestead land and buildings up to \$600,000 in market value for taxes payable in 2001 and thereafter. The credit rate on nonhomestead farm land and homestead and buildings exceeding \$600,000 in market value was increased from 50 percent to 63 percent. The additional cost of the education agricultural credit is estimated to be \$21.9 million in the 2001-2003 biennium.

Payments made by the state in lieu of taxes on natural resources land were indexed for inflation. For payments in lieu of tax beginning in 2001, the payment rates for the various types of natural resource land will be increased by the change in the implicit price deflator which has occurred since the first quarter of 1994. Administration of the payment program was transferred from the Department of Natural Resources to the Department of Revenue. The total cost of the increased natural resources land payments, including increased payments for consolidated conservation lands, is estimated to be \$5.5 million in the 2001-2003 biennium.

Levy limits which had been imposed on counties and cities for property taxes payable in 1998 through 2000 were allowed to expire for taxes levied in 2000, payable in 2001.

### **Development Grants**

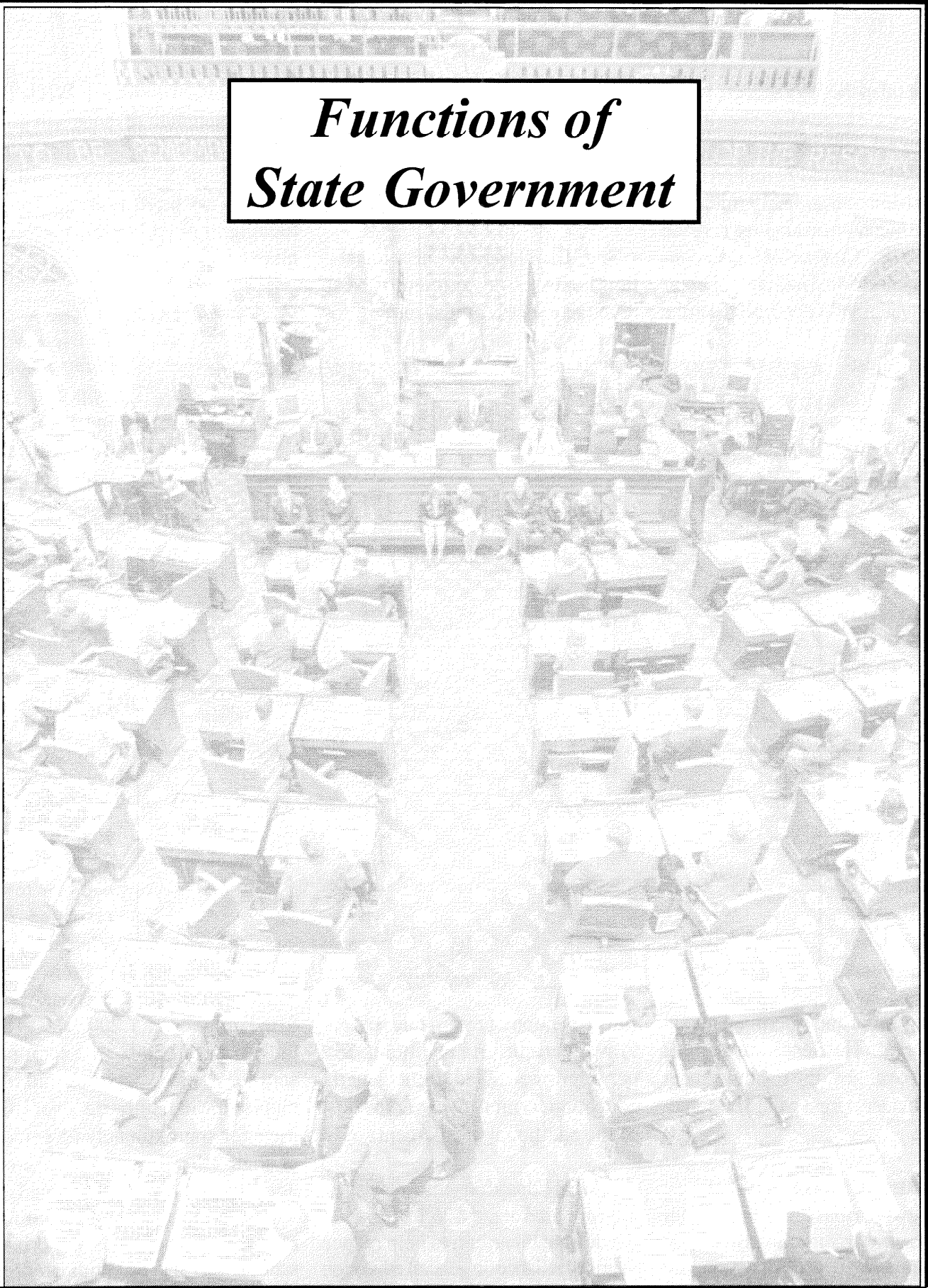
An appropriation of \$5 million was made to the Commissioner of Trade and Economic Development to be used for redevelopment grants in the City of Richfield. The grants are to be used for acquisition and site preparation of residential property in the City of Richfield along trunk highway No. 77 in the vicinity of the metropolitan airport.

An appropriation of \$30 million was made from the General Fund to the Minnesota Minerals 21<sup>st</sup> Century Fund. This fund was created in 1999 for loans or equity investments in mineral processing facilities.

### **Workers' Compensation Assigned Risk Plan**

\$110 million was transferred from the Workers' Compensation Assigned Risk Plan to the General Fund effective July 15, 2000.

# *Functions of State Government*



# Elementary and Secondary Education

Coming off of the 1999 session, which saw one of the largest increases in revenue for schools, the 2000 Legislature added another \$172 million in the current biennium and \$219 million in the next biennium in targeted revenue for schools. Chapter 489 also contained another \$88.5 million in the current biennium and \$209.2 million in the next biennium in forecast adjustments.

Given the circumstances surrounding the allocation of the state revenue surplus, the 2000 Legislature saw the Senate with the unique opportunity to designate its "one-third share" of the surplus for education purposes. The Legislature essentially had two target numbers for education: a one-time

revenue target and a permanent revenue target. The Senate mostly had control over how the revenue under the permanent target would be appropriated.

## Permanent New Funding

The new permanent funding for schools was targeted mostly for staff development, special education, and telecommunication access for schools.

The new commitments for permanent funding amounted to about \$97.5 million in appropriations in the current biennium and \$218 million in appropriations for the next biennium.

- Staff Development - new legislation increases the amount of basic revenue a district must reserve for

special education services. While the current biennium revenue will go to districts on a one-time, per pupil basis, about \$77 million will be added to existing special education funding formulas for the next biennium.

- Telecommunication Access - school districts will receive some help in covering their telecommunication access costs through additional operating capital revenue and a new categorical aid formula. The existing operating capital formula was increased by \$5 per pupil at a cost of about \$4.4 million per year to be reserved for telecommunication access costs. About



staff development from one percent to two percent. An additional \$39 per pupil was added to the general education formula to cover the cost of the additional one percent.

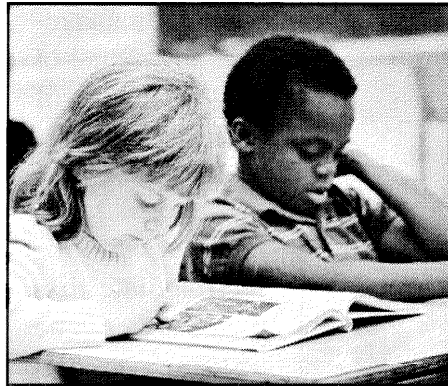
- Special Education - the Legislature appropriated about \$26.3 million in the current biennium to help reduce districts' reliance on general education revenue to help cover the costs of spe-

\$16.7 million in FY 2001 and \$18.5 million in FY 2002 was appropriated for a new categorical aid formula that will reimburse school districts for approximately 65 percent of their telecommunication costs not covered by the additional \$5 added to the operating capital formula. Charter schools and private schools will also be eligible for revenue and/or services under the new

program. The program expires after FY 2002 with the intent that the Department of Children, Families and Learning will work with the Department of Administration to recommend a more permanent funding method by February 2002.

**One-Time New Funding**

The 2000 Legislature appropriated about \$75.1 million in a number of one-time programs and additions to current programs. The majority of the one-time appropriations were targeted for training and experience



revenue, secondary vocational revenue, and for district deferred maintenance projects.

- Training and Experience Revenue - because of the increased number of teacher retirements and teacher movement from district to district, many school districts saw a larger than expected decline in training and experience revenue. About \$31 million was appropriated to soften the loss of the revenue.

- Secondary Vocational Revenue - the repeal of the secondary vocational aid formula was delayed by one year and now is scheduled to expire after FY 2001. The additional year of funding for this program carries a cost of \$12.4 million.

- Deferred Maintenance - for FY 2001 only, the Legislature appropriated \$23.4 million for school district deferred maintenance projects.



**\$23.4 million for school district deferred maintenance projects**



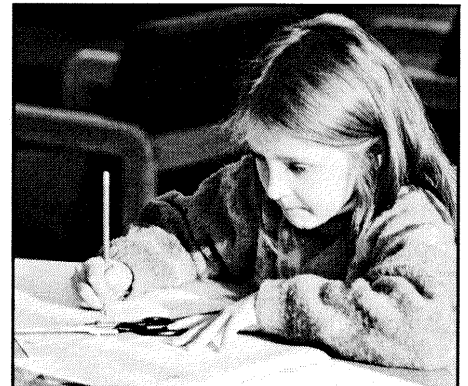
All districts will receive \$10 per pupil unit and school districts that do not qualify for alternative bonding (mostly districts with smaller enrollments) will see an additional \$21.90 per student.

- Other One-Time Projects - other one-time projects funded by the 2000 Legislature include: \$2.4 million for library telecommunication aid; \$1.2 for a magnet school in

Willmar; \$1 million for homeless grants; and \$970,000 to help school districts affected by floods pay outstanding loan interest.

**Forecast Adjustments**

Forecast adjustments reflect changes in the cost of fully funding the formulas in existing law based on new data that became available between the end of the 1999 legislative session and the February 2000 forecast. Legislation was required in 2000 to make the increases



in categorical aid funds available for payment to districts. The forecast adjustments include \$50 added to the basic revenue formula that was authorized by the 1999 Legislature if the state had a budget surplus based on the 1999 November budget forecast. An additional \$10.2 million in the current biennium and \$28.7 million in the next biennium were required to fully fund charter school lease aid.



# Higher Education

The Legislature appropriated \$14 million for higher education; \$13,180,000 to the Minnesota State Colleges and Universities (MnSCU); and \$820,000 to the University of Minnesota.

## Minnesota State Colleges and Universities

The appropriation to MnSCU was for the following:

- \$11,600,000 to cover the cost associated with an increase in student enrollment.

- \$250,000 to provide educational and management services to farmers facing financial hardships.

- \$1,250,000 to establish an urban teacher preparation program. The program, leading to teacher certification, will be a collaborative effort between Metro State University, Inver Hills Community College, and Minneapolis Community and Technical College. The focus of the program is to meet the needs of urban and inner-ring suburban school districts with emphasis on direct classroom teaching experience and mentoring throughout the time the student is enrolled in the program. The program may also focus on the professional development of pretenure teachers.

- \$80,000 for a project in Cook County that will deliver educational programs to students residing in remote areas.

Rider language directs MnSCU to allocate money to campuses that have experienced health care cost increases of greater than 80 percent above the systemwide average since 1996.

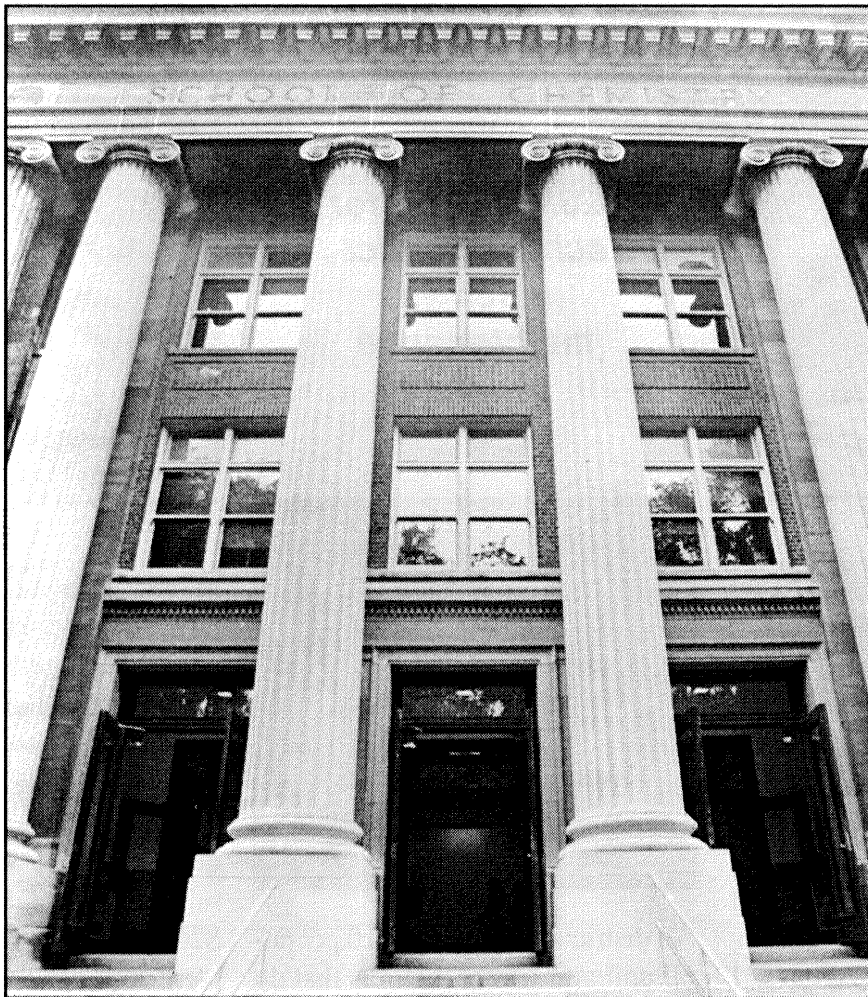
## Miscellaneous Provisions

Additional provisions in the bill were as follows:

- Student childcare grant money not expended in the first year of the biennium may be used to augment the maximum award amount in the second year.

- The intermediate school districts and MnSCU are directed to contract with the management analysis unit of the Department of Administration for an analysis of the educational space needs at the three intermediate districts. Issues to be addressed in the final report are delineated. Rider language in the bill prohibits the termination of existing agreements between the intermediates and MnSCU until June 30, 2010.

- The management analysis unit of the Department of Administration is directed to review board-level administration and management practices at MnSCU and make recommendations to the MnSCU Board of Trustees and the Legislature on certain management issues.



## University of Minnesota

The University of Minnesota received a one-time appropriation of \$220,000 for start-up costs in the newly renovated Kirby Center and \$600,000 for the Rapid Agricultural Response Fund to investigate diseases adversely affecting agricultural products.

directed to review board-level administration and management practices at MnSCU and make recommendations to the MnSCU Board of Trustees and the Legislature on certain management issues.

# *Family and Early Childhood Education*

Early education issues during the 2000 session were one article of the larger Education Omnibus Bill (Chapter 489). The article concentrated on reforming and changing the funding basis of the Adult Basic Education (ABE) program, which provides remedial instruction to adults who need high school degrees, and to adults who need English as a second language instruction.

The ABE program had been funded by paying each local program on the basis of the number of full-time equivalent students enrolled. There was an additional appropriation for small rural programs. This funding basis was creating imbalances between programs that enrolled large numbers of students and other programs which had more stable enrollment. The 2000 session changed the program by substituting a complex formula which balances enrollment and several demographic measures of need.

The total ABE aid for FY 2001 was increased by an additional \$6.7 million. This money will be spent using the new ABE formula. In addition, \$700,000 in one-time funds was appropriated in 2001 for supplemental services grants, which are grants to statewide organizations to provide expertise and background assistance to ABE programs. \$100,000 was appropriated in 2001 and added to the base in 2002 and 2003 to pay for audits of existing ABE programs.

An additional \$1.7 million was added to the Early Childhood Family Education (ECFE) appropriation for 2001, making up a shortage in the formula appropriations for that program. Forecast changes to the Minnesota Family Investment Program (MFIP)-Child Care Program were made.

Emergency services grants to provide benefits to homeless persons were increased by \$622,000 in one-time funds in 2001. \$250,000 in one-time funds was appropriated in 2001 for language instruction programs which combine instruction of children and their parents.

Federal Temporary Assistance for Needy Families (TANF) funds were available for use by early childhood programs. \$1.1 million was trans-

ferred in each of the next three years for use in intensive English as a Second Language (ESL) instruction programs. Transitional housing programs were increased by \$1.9 million per year for each of the next three years, using TANF funds. \$6.4 million in TANF funds was appropriated over the next three years to increase the number of slots in the Basic Sliding Fee Child Care Program.

TANF funds were used to pay for child care for MFIP recipients who need social services. \$9.8 million in TANF funds was appropriated for this purpose, spread over the next three years. \$8.7 million in TANF funds was appropriated for child care expenses of families transitioning from MFIP to employment.



# Human Services

Department of Human Services appropriations were included in Chapter 488, the 2000 Omnibus State Government Appropriations Bill. The most significant developments in the human services arena in 2000 were:

- passage of a series of new self-sufficiency initiatives financed with federal Temporary Assistance for Needy Families (TANF) block grant funds that were available because of significant reductions in welfare caseloads over the past few years; and

- the appropriation of about \$91.3 million from the General Fund for FY 2001 expenditures. The vast majority of this amount was for cost of living adjustments (COLAS) for employees of nursing homes, group homes for persons with mental retardation, and a wide variety of community-based health and home care services (costing about \$25.8 million); for affordable housing initiatives (costing \$50 million in General Fund spending but

indirectly financed with federal TANF block grant funds); and for an expansion of the senior drug program.

## TANF

As a result of declining welfare caseloads, a substantial portion of the federal TANF block grant was unobligated at the beginning of the 2000 legislative session. The Legislature appropriated over \$96.5 million in federal TANF funds in Chapter 488 and about \$20.2 million in other legislation for other activities, for a total of almost \$116.7 million for the biennium. This spending was offset by a forecast reduction in federal TANF expenditures of over \$67.7 million as a result of continuing reductions of TANF caseloads below projected levels. In addition, significant federal TANF expenditures were approved for the biennium beginning July 1, 2001. For the current biennium, significant TANF expenditures include \$50 million to reimburse the General Fund for housing initiatives (described

below) and an \$18.7 million appropriation to support local intervention efforts aimed at increasing self-sufficiency. Of the \$18.7 million, \$7 million must be transferred to the Commissioner of Health for home visiting programs; \$250,000 is for tuition waivers for participants in the Health Care and Human Services Workers Training and Retention Program; \$320,000 is for training job counselors about the Minnesota Family Investment Program (MFIP); and the remainder of the funds must be allocated to county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. In addition, the Legislature approved a \$7.5 million transfer to the federal social services block grant, which is distributed to counties on a formula basis; about \$4.1 million to reimburse the federal government, necessitated because of a change in the allocation formula for child support collections; a reduction of about \$5.3 million in MFIP that results from distributing all child support collections to MFIP families but counting the child support as income to the family; about \$5.6 million to delay for six months, until July 1, 2001, the requirement that the first \$100 of public housing subsidies provided to MFIP recipients be counted as unearned income, thus reducing MFIP grants for persons receiving those subsidies; about \$1.3 million to provide MFIP food assistance to eligible noncitizens; about \$3.9 million for distribution of child support collections to MFIP families; \$1 million for a supportive housing and managed care pilot project; \$1 million for an at-risk out-of-wedlock pregnancy prevention program; and almost \$6.6 million for a contingency account.



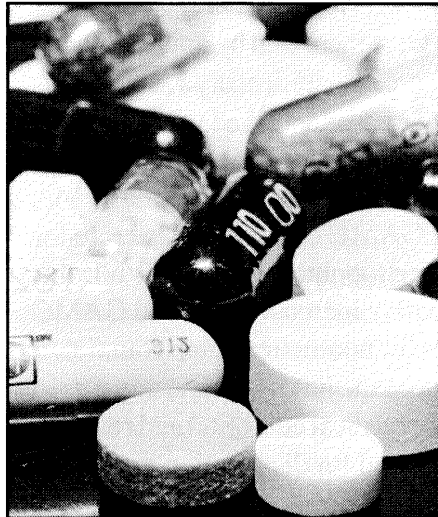
## GENERAL FUND SPENDING

### Employee COLAs and Nursing Facility Spending

The Legislature appropriated almost \$25.8 million for FY 2001 for pay raises for nonadministrative staff at nursing homes, group homes for persons with mental retardation, and a wide variety of community-based health and home care programs. The Legislature directed that within each facility or program the additional money be used to raise the pay rates of nonadministrative staff by an equal dollar amount. For this purpose, nursing facilities are eligible for a rate increase of \$1 per bed per day plus up to an additional \$3.13 per bed. Group homes and community-based programs are eligible for a three percent increase. These rate increases are in addition to rate increases for employee compensation and for other facility and program costs that were approved by the 1999 Legislature for implementation in FY 2001.

The Legislature also dealt with a number of funding issues specific to nursing facilities. A variety of rate adjustments and exceptions to the construction moratorium that only affected specific facilities was approved at a cost of \$426,000 in FY 2001. A bed closure pilot project was approved (Chapter 364) that will enable two nonprofit nursing facility corporations to close up to seven nursing facilities and to use any resultant savings to increase reimbursement levels at other facilities operated by the corporations. The pilot project is designed to be budget neutral. An industry-wide initiative was approved that will allow nursing facilities to put up to half of their beds in "layaway" for up to five

years. These beds will not be subject to the nursing facility bed surcharge and will receive other favorable treatment for reimbursement purposes. Under normal circumstances, beds placed on layaway cannot be put back into service for one year, but these beds may be taken off layaway status



and placed back into service earlier to provide access to patients relocated from other facilities in case of an emergency or closure of other facilities. This initiative is expected to result in a net savings of \$155,000 in FY 2001.

### Housing Initiatives

The Legislature provided \$50 million for two housing initiatives. The appropriation is to be transferred to the Commissioner of the Housing Finance Agency to be used as follows:

- \$20 million for an interest-free deferred loan to Habitat for Humanity of Minnesota, Inc., to finance new mortgages through the Habitat program; and
- \$30 million for the affordable rental investment fund program to finance rental housing units that serve persons receiving MFIP payments or persons

who have lost MFIP eligibility due to increased earnings or to the collection of child support or spousal support.

The Legislature funded these housing initiatives through a complicated funding mechanism. The Legislature directed that General Fund money used to pay the working family tax credit be periodically replaced by federal TANF block grant funds. (The tax credit is an allowable expenditure of federal TANF dollars.) The federal TANF dollars earned in this manner are deposited in the General Fund, up to a limit of almost \$31 million in FY 2000 and about \$33.9 million in FY 2001. Most of the money deposited in the General Fund through this mechanism is appropriated for the housing initiatives.

### Prescription Drug Program

The prescription drug program for low-income seniors was expanded effective October 1, 2000, by increasing the asset limits to \$10,000 from \$4,000 for a single individual and to \$18,000 from \$6,000 for a married couple or a family of two or more, at a cost of about \$1 million. This appropriation is in addition to the money made available for the program by the 1999 Legislature. About \$25.9 million was appropriated in 1999 for the current biennium, but about \$15 million of that amount is expected to cancel back to the General Fund because enrollment has fallen far short of projections. After cancellations, about \$10.9 million is available for the program for this biennium in addition to the new money appropriated by the 2000 Legislature. Effective July 1, 2002, the program will also be expanded to include those individuals who are eligible for Medicare and who are under the age of 65. For this

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group, the asset limits will be the same as for seniors but the income limit will be 100 percent of the federal poverty guidelines versus 120 percent for seniors.

### **Other General Fund Spending**

The Legislature provided almost \$2.5 million to increase funding for adoption assistance and about \$1.4 million to support the relative custody assistance program. These appropriations are partially offset by Medical Assistance (MA) savings of \$282,000. Special transportation rates were increased by ten cents per mile for FY 2001 only, at a cost of \$436,000 in MA and \$8,000 in General Assistance Medical Care (GAMC). The pending repeal of benefits under GAMC, Group Residential Housing (GRH), and General Assistance (GA) for persons who lost eligibility for the federal Supplemental Security Income (SSI) program because they were drug or alcohol dependent was delayed until the end of FY 2002 at a cost of about \$1.3 million each in FY 2001 and FY 2002. The Legislature also delayed until the end of FY 2002 the repeal of the Minnesota Food Assistance Program; the sunset of GA benefits for certain noncitizens; and the repeal of the homeshare program. The combined cost of continuing these programs was about \$1.5 million in FY 2001 and \$1.6 million in FY 2002. In the state-operated services program area the Legislature reduced the amount of permitted carryforward for state-operated services by about \$1.5 million for FY 2001. In the economic assistance area, a savings of almost \$1.2 million in FY 2001 was anticipated by reducing the percentage a county is allowed to retain out of recoveries made in the MFIP program

and the former Aid to Families with Dependent Children (AFDC) program. This reduction is effective January 1, 2001. About \$3.9 million was appropriated for distribution of child support collections to MFIP families using the same refinancing mechanism used for the housing initiatives approved this year. Prepaid MA program rates for nonmetropolitan counties were increased by approximately 1.6 percent until January 1, 2002. This increase was achieved without an additional appropriation by eliminating the 1.6 percent reduction to the MA and GAMC capitation base rate for nonmetropolitan counties. While this initiative increased MA and GAMC rates for nonmetropolitan counties, it reduced the funding that is transferred to the medical education and research trust fund for distribution to clinical medical education programs,

### **Forecast Spending Increases**

A variety of reductions and increases in forecasted spending for human services entitlement programs produced a net General Fund forecast increase of about \$7.3 million. Forecasts of increased spending in MA for families and children (up about \$45.8 million), MA for the elderly and disabled (up about \$9.9 million), GAMC (up about \$3.8 million), chemical dependency entitlement services (up about \$2.5 million), assistance to families grants (up about \$4.6 million), and Minnesota Supplemental Aid (up \$647,000) were substantially offset by forecast reductions in spending for MA long-term care waiver services (down about \$19.9 million), MA long-term care facilities (down about \$34.4 million), Group Residential Housing (down about \$2.4 million), and GA (down about \$3.4 million),

### **MinnesotaCare**

The Legislature provided almost \$4.7 million out of the Health Care Access Fund for the MinnesotaCare program to cover a forecast adjustment resulting from enrollment growth and growth in service costs.

## **HEALTH**

Chapter 488 provided just over \$1 million in new funding for the Minnesota Department of Health (MDH). An appropriation of \$790,000 was provided for the poison control system. A \$75,000 appropriation was approved to pay the administrative costs of new regulatory requirements for funeral goods and services. A \$175,000 appropriation will pay to expand access to free screening and testing for sexually transmitted infections.

### **Complementary and Alternative Health Care Practice**

An office of unlicensed complementary and alternative health care practice is to be established in the Department of Health effective July 1, 2001, at a cost of \$150,000 in the next biennium. This office has the responsibility of investigating complaints against unlicensed complementary and alternative health care practitioners and taking disciplinary actions against unlicensed practitioners who engage in prohibited conduct. The office will also serve as a clearinghouse on complementary and alternative health care practices and practitioners through the dissemination of objective information to consumers and the development of public education activities.

# Housing

## Landlord/Tenant

Chapter 282 extended the period for which the interest rate on rental housing security deposits is three percent per annum, from May 1, 2001, to May 1, 2004. After that date, the interest rate will increase to four percent per annum.

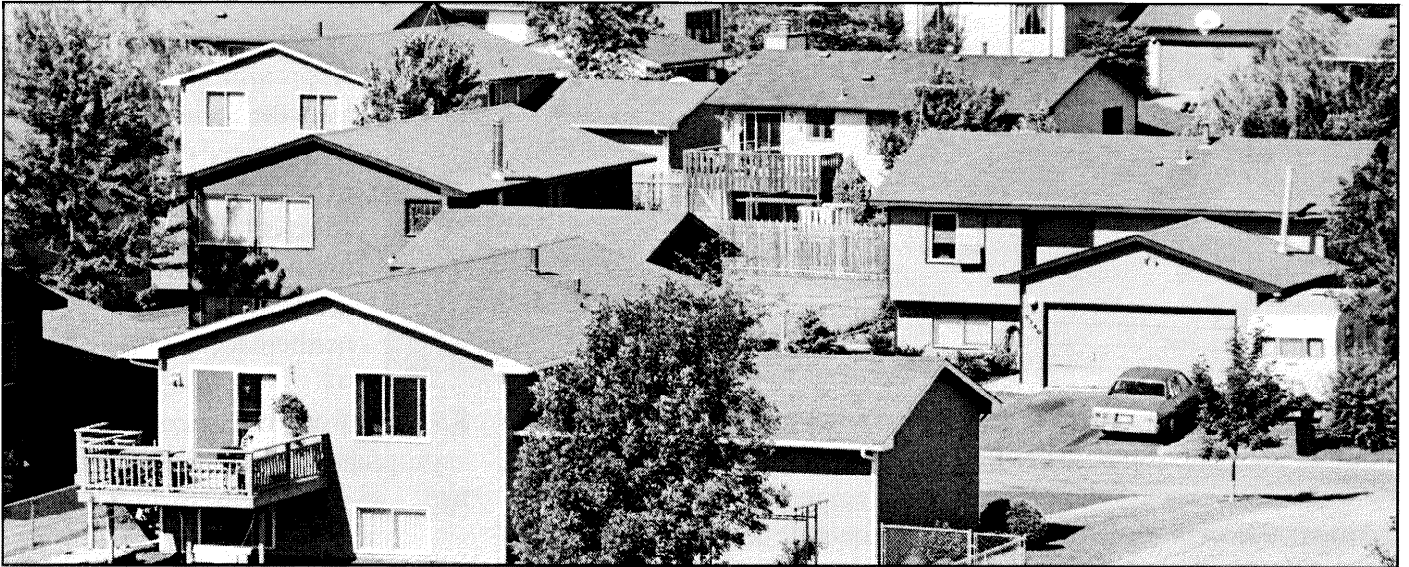
Chapter 268 permitted the owners of single-metered apartment buildings to apportion utility payments among residential units, or to add a utility payment to each unit's rent or billing for

manufactured homes located in the owned manufactured home park. A manufactured home park owner may sell up to ten homes per license in a single park.

## Housing Policy and Appropriations

Chapter 424 expanded eligibility for access to the Community Rehabilitation Fund (CRF) program to for-profit organizations. Previously, access to funds for this program was limited to cities and nonprofit organizations. It

Chapter 488, the Omnibus State Government Appropriations Bill, appropriated \$50 million in federal Temporary Assistance for Needy Families (TANF) funds from the Department of Human Services to the Housing Finance Agency. These funds reimburse the General Fund and were transferred to the Housing Development Fund, which is now known as the "Bruce F. Vento Year 2000 Affordable Housing Program." Of this transfer, \$20 million was for an interest-free deferred loan to Habitat for Humanity of Min-



utility charges separate from rent. The act also provided certain consumer protection conditions and has a retroactive effective date to August 1, 1995, for leases that already included a provision that a tenant will pay for utility charges separate from rent.

Chapter 352 authorized the owner of a manufactured home park to obtain a separate limited dealer's license for each owned manufactured home park. A limited dealer's license allows the licensee to engage in the sale of used

also authorized the Minnesota Housing Finance Agency (MHFA) to enter into interest rate swap agreements. This is a financing tool that can help MHFA provide lower interest rate mortgages to first-time home buyers. The act also made a technical change by changing "single housing" to "housing for homeownership," and put in statute a current MHFA policy to maximize recycling of state funds in making a decision to award a grant or loan from the CRF program.

nesota, Inc., to be allocated among the various state chapters on the basis of the number of Minnesota Family Investment Program (MFIP) households residing within a chapter's service area. \$30 million was appropriated to the Affordable Rental Investment Fund. Additionally, \$500,000 in TANF funds was appropriated to the Family Homeless Prevention and Assistance program to supplement the 1999 appropriation.

# Economic Development

Chapter 482 amended the Business Subsidy Law enacted in the 1999 session. The act modified certain provisions of financial assistance that are not considered a business subsidy and added four new ones. The new exclusions are: (1) federal assistance to the state or local government that has not been repaid or reinvested; (2) funds from dock and wharf bonds issued by a seaway port authority; (3) business loans and loan guarantees of \$75,000 or less; and (4) federal loans funds provided through the

U.S. Department of Commerce Economic Development Administration.

In addition, the act modified the public purpose by stating that a business subsidy may include, but may not be limited to, increasing the tax base and specified that a subsidy's goals must be measurable, specific, and tangible, and that the recipient must commit to continue operations in the jurisdiction (generally, a city or township) where the subsidy is used, for at least five years. The recipient, however, may move operations if it receives approval from the grantor at a public hearing.

The act also clarified that, except for grants, other types of business subsidies must state the fair market value to the recipient, including in-kind ben-

efits. Finally, it modified the provision relating to the recipient's failure to meet goals by giving the grantor the option of having the recipient pay back the assistance plus interest to the Contamination Cleanup Account (under the Department of Trade and Economic Development) instead of to the grantor.



Chapter 484 authorized the creation of the Koochiching County Economic Development Commission to establish economic development priorities and approve economic development projects for the county. The act also provided that the Board of County Commissioners of Yellow Medicine County may establish an economic development authority. It may create and define the boundaries of economic development districts.

Chapter 488, the Omnibus State Government Appropriations Bill, created and funded several economic development initiatives. They include:

\$750,000 from the General Fund for grants to local or regional economic development agencies for labor force

assessments that will allow the agencies to recognize areas in which the skill sets or education of the available workforce are underused.

\$1 million from the General Fund is for Catalyst Grants to local governments and recognized Indian Tribal governments for capital expenditures

to expand telecommunications capacity to residences and businesses in areas of rural Minnesota that are otherwise unlikely to receive access through existing technology.

Approximately \$1 million from the General Fund was appropriated to the Tourism Loan Account in the Department of Trade and Economic Development. The funds are to be targeted to northern Minnesota.

\$200,000 from the General Fund was appropriated to the E-Business Institute.

Although not funded, Chapter 488 created the Distance-Work Grants program under the Job Skills Partnership Board (Board). It authorizes the Board to make grants-in-aid for distance-work projects in as many parts of the state as possible. Grant awards are to give preference to applications that provide the most cost-effective training proposals, the best prospects for high-paying jobs with high retention rates, or that are from more economically distressed areas or communities.

# Transportation

The 2000 Legislature took the unprecedented action of devoting over \$400 million of the state's General Fund biennial budget surplus to transportation spending. Traditionally, the majority of the funds spent on transportation comes from the state's constitutionally dedicated gas tax and vehicle registration tax. These taxes are constitutionally dedicated to "highway purposes" and account for about 90 percent of the transportation spending. General funds historically are used only to fund nonhighway purpose transportation activities such as transit, rail and waterway, motor carrier regulation, and public safety. However, over the past decade the cost and need for major highway construction projects has outstripped the revenues available from the constitutionally dedicated funds. The Governor and Legislature recognized this growing need and responded with a significant one-time commitment of revenue from the General Fund.

The transportation appropriations totaled \$602.5 million and are contained in Chapter 479. The appropriations included \$566.6 million to the Department of Transportation, \$20 million to the Metropolitan Council, \$119,000 to the Department of Public Safety, and \$15.1 million to the Department of Finance. A \$750,000 appropriation to the Department of Trade and Economic Development for travel information centers was vetoed by the Governor. The appropriations are primarily for transportation capital purposes and are available until spent.

## DEPARTMENT OF TRANSPORTATION

The 2000 Legislature appropriated an additional \$566.6 million to the Department of Transportation, of which \$364.4 million is from the General Fund, \$102.2 million is from the Trunk Highway Fund, and \$100 million is from the Trunk Highway Bond Pro-

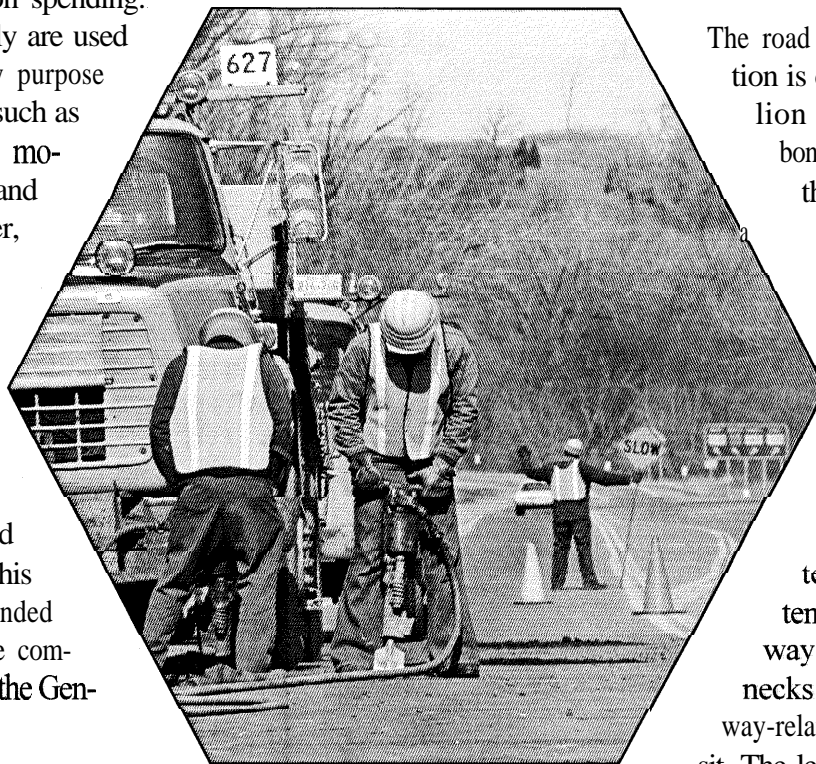
ceeds Account. The bulk of the appropriation, \$459 million, is for state road construction and program delivery. Other significant appropriations included \$30 million for local roads, \$39 million for local bridges, \$25.7 million for Department buildings, \$5 million for the rail service improvement loan program, \$2 million for port development assistance, and \$872,000 for Greater Minnesota transit capital. The Department's total appropriations are shown in the table on the following page.

## State Road Construction

The \$459 million road construction appropriation is available beginning July 1, 2000, and is intended to be spent over the next three fiscal years. This appropriation is expected to bring the Department's annual road construction program spending from \$535 million in FY 2000 to an average of over \$660 million for FY 2001, 2002, and 2003.

The road construction appropriation is composed of \$100 million from trunk highway bonds, \$282.5 million from the General Fund, and \$76.5 million from the Trunk Highway Fund. The trunk highway bonds must be used for reconstruction and replacement of key bridges on the trunk highway system improvement of the interregional corridor system, improvement of highways classified as bottlenecks and for providing highway-related advantages for transit. The legislation specifically requires the General Fund and trunk highway appropriations to be spent as follows: \$177 million within the seven-county metropolitan area for the purpose of improving traffic flow and eliminating bottlenecks; \$177 million for improvements on interregional corridors outside the seven-county metropolitan area; and, \$5 million for bus transit ways or highway related advantages for transit.

The legislation requires that the Commissioner of Transportation report by August 1 of each year to the chairs of





## 2000 DEPARTMENT OF TRANSPORTATION SUPPLEMENTAL AND CAPITAL BUDGET APPROPRIATIONS

ITEM	FUND	TOTAL
<b>STATE ROAD CONSTRUCTION</b>		
Metropolitan Bottleneck Reduction	GF	\$138,750,000
	THF	38,250,000
Interregional Corridors in Greater Minnesota	GF	138,750,000
	THF	38,250,000
Advantages for Transit	GF	5,000,000
Trunk Highway Bond Construction	THB	100,000,000
<b>LOCAL ROADS AND BRIDGES</b>		
County Roads	GF	23,800,000
Municipal Streets	GF	6,200,000
Local Bridge Assistance	GF	39,000,000
<b>SUPPLEMENTAL APPROPRIATIONS</b>		
Major Transportation Projects Commission	THF	5,000
Payment of Sales Tax	GF	4,800,000
<b>BUILDINGS</b>		
St. Cloud Headquarters	THF	10,350,000
Detroit Lakes Headquarters	THF	8,724,000
Regional Transportation Management Center	THF	5,000,000
Moorhead Truck Station	THF	1,600,000
<b>OTHER CAPITAL PROJECTS</b>		
Rail Service Improvement Program	GF	5,000,000
Northstar Corridor Planning Study	GF	100,000
DM&E Railroad Mitigation Study	GF	100,000
Port Development Assistance	GF	2,000,000
Greater MN Transit Capital	GF	872,000
<b>Fund Totals</b>	<b>General Fund</b>	<b>\$364,372,000</b>
	<b>Trunk Highway Bonds</b>	<b>\$100,000,000</b>
	<b>Trunk Highway Fund</b>	<b>\$102,179,000</b>

**TOTAL DEPARTMENT OF TRANSPORTATION**

**\$566,551,000**

the Senate and House transportation finance and policy committees on the status of each project funded wholly or in part from the appropriation. For each project, the report must identify the project's full cost, a schedule for completion, the current status of right-of-way acquisition and environmental

review, and the project's status in the statewide transportation improvement program.

### **Major Transportation Projects Commission**

Chapter 479 created a new Major Transportation Projects Commission

to review and comment on major transportation projects in which the Department of Transportation is involved. The Commission is to have 19 members, including: the Governor or the Governor's designee; four citizen members appointed by the Governor; seven senators; and seven rep-

representatives. The Commissioner of Transportation serves as a nonvoting member, unless the Commissioner is the Governor's designee.

The Department of Transportation is required to submit a report to the Major Transportation Projects Commission each year by July 15<sup>th</sup>, containing a listing of projects and candidate projects that meet the criteria for being a major transportation project. The report must include the plan for funding and implementation of each project. A major transportation project is defined as one which: involves the Department of Transportation; has a total cost of more than \$5 million; is a critical element of the transportation system of its region and the state; and has a completed draft environmental impact statement. The Department is prohibited from constructing a major transportation project without first submitting it to the Commission for its review and comment.

### **Nonhighway Purpose Trunk Highway Fund Appropriations**

Article Two of Chapter 479 replaced \$4.9 million in existing appropriations from the Trunk Highway Fund for FY 2001 with General Fund appropriations. These trunk highway appropriations were deemed by the Legislature to have a tenuous relationship to the Constitutional definition of highway purpose, which requires that the expenditure be for construction, improvement or maintenance of highways. The changed appropriations included: \$1.7 million for the Bureau of Criminal Apprehension crime laboratory; \$766,000 for travel information centers; \$67,000 for the Minnesota Safety Council; \$600,000 for tort

claims; \$2,100,000 for driver education programs; \$1.8 million for the Emergency Medical Services Board; and \$39,000 for the Mississippi River Parkway Commission. The article specified that these expenses and the payment of sales tax using trunk highway funds do not further a highway purpose and do not aid in the construction, maintenance, or improvement of the highway system. The article also required the Commissioner of Finance and Attorney General to report to the chairs of the Senate and House transportation committees concerning any expenditure that is proposed to be appropriated from the Trunk Highway Fund if that expenditure is similar to those eliminated in the bill.



### **Ramp Meter Study**

The Commissioner of Transportation is required to undertake a study of the ramp metering system currently in place on the highway system within the Twin Cities metropolitan area and report back to the Legislature. The study requires all meters on access ramps to a freeway or expressway to display flashing yellow lights for a period of time determined by the Commissioner. The Commissioner must study the traffic flow and safety results and report to the Legislature by February 1, 2001.

## **METROPOLITAN COUNCIL TRANSIT**

The Transportation Bill provided the Metropolitan Council with \$20 million from the General Fund for transit purposes. Of this amount, \$10 million is to construct bus garages, \$6.3 million is for engineering, design, and construction of bus transit ways, and \$3.7 million is for transit operations. In addition to these appropriations, the Council received \$44 million from the General Fund in the Capital Appropriations Bill, Chapter 492. This appropriation is for engineering, design and construction of an exclusive bus transit way, including acquisition of land and right-of-way. The Council is prohibited from using any part of the appropriation for light rail or commuter rail purposes.

## **OTHER APPROPRIATIONS**

In addition to the appropriations to the Department of Transportation and the Metropolitan Council, the Transportation Bill contained \$15.1 million for the Department of Finance and \$119,000 for the Department of Public Safety. Of the amount appropriated to the Department of Finance, \$15 million is for transfer to the highway account in the Transportation Revolving Loan Fund and \$100,000 is from the Trunk Highway Bond Proceeds Account for bond sale expenses. The Public Safety appropriation is for grants to drivers' license agents to pay for photo identification equipment.

# Agriculture

## Department of Agriculture

In Chapter 488, the Legislature appropriated supplemental budget items totaling just under \$1.8 million to the Commissioner of Agriculture, including just under \$500,000 for increased meat inspection activities and \$300,000 for farm crisis services through the Farm Wrap and the Rural Help networks. This total includes administration of the agricultural relief payments in the Omnibus Tax Bill but does not include the estimate of the open appropriation for those payments. The following table shows the detail on supplemental appropriations to the Department of Agriculture.

Revolving Fund. Not included is the \$500,000 for the Agricultural Innovation Center that was vetoed by the Governor.

## Ethanol

In Chapter 488, the Legislature increased the amount of spending under the open General Fund appropriation for ethanol producer payments in the current biennium by just over \$5.1 million and by over \$5.8 million in the next biennium. The increased spending is the result of making certain ethanol producers eligible for ethanol producer payments (20 cents/gallon) consistent with payments to other plants

were made retroactive to July 1, 1999, and continue to apply to ethanol producer payments in future years

## Agricultural Relief

As part of the Omnibus Tax Bill (Chapter 490), the Legislature provided about \$18 million in agricultural relief to farmers in 31 specified counties. The specified counties are counties that were either declared federal disaster areas in 1999 or are contiguous to counties in Minnesota that were declared federal disaster areas in 1999. Under the 2000 program, farmers are eligible for agricultural relief payments of \$4 per acre for all crop

## DEPARTMENT OF AGRICULTURE DIRECT APPROPRIATIONS

GENERAL FUND	FY 2000	FY 2001
Meat Inspection	\$120,000	\$374,000
Agroforestry Cooperative Grants		200,000
Grant to the U of M for farm financial software update		150,000
Agriculture Water Quality Research	300,000	
Farm Advocates	150,000	
MN Grown Coupon		170,000
Farm Wrap	3 00,000	
Dairy Producers Board Reduction		(25,000)
Farm Relief Administration	50,000	
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>	<b>\$920,000</b>	<b>\$869,000</b>

The Legislature also appropriated \$21.2 million in the capital budget (Chapter 492) for the Department of Agriculture. Of this amount, \$20 million is for Rural Finance Authority loan participation, \$1 million is for Agriculture Best Management Practices loans, and \$200,000 is for capitalizing the Agroforestry Loan Program

that have approved capacity for ethanol payments on 15 million gallons. Ethanol producers who, prior to the law change, had an approved ethanol production level of at least 12 million gallons but less than 15 million gallons per year will now be eligible for payments on their full level of production up to 15 million gallons. The changes

acres that are covered by crop insurance in 2000. Each individual or married couple is restricted to a maximum of \$5,600 in total payments. To receive agricultural relief payments for the 2000 program, applications must be submitted to the Department of Agriculture by September 30, 2000. Chapter 490 also provided another

\$290,000 in agricultural relief payments under the 1999 program by extending the filing deadline for the 1999 program to June 30, 2000.

### Feedlots

In Chapter 43 5, the Legislature enacted a number of provisions related to feedlot permits and feedlot permit rules.

The Commissioner of Agriculture was directed to establish an education and training system for certified private manure applicators. The system is based on the pesticide private applicator certification program. Beginning in 2005, a private manure applicator will be required to have three hours of training every three years to apply manure from a feedlot with over 300 animal units if the feedlot does not have an updated manure management plan. If the feedlot is over 300 animal units in size and does have an updated manure management plan, then the private manure applicator certification is not required.

Several changes were made to the feedlot permitting statute, including:

1. adding a definition of "animal unit" for the purpose of feedlot permitting;
2. extending the application of an existing statute that requires permits to be issued within 60 days to the Pollution Control Agency (PCA) and counties for feedlot permit applications filed after October 1, 2000;
3. providing that once the new rules become effective, the PCA may only add additional requirements based on law changes;

4. providing that discharges from land-applied manure and manure stockpiles that are managed according to PCA rule are not subject to a fine for a discharge violation;

5. providing that land-applied manure and manure stockpiles that do not discharge into defined water bodies and are managed according to PCA rule are not discharges;

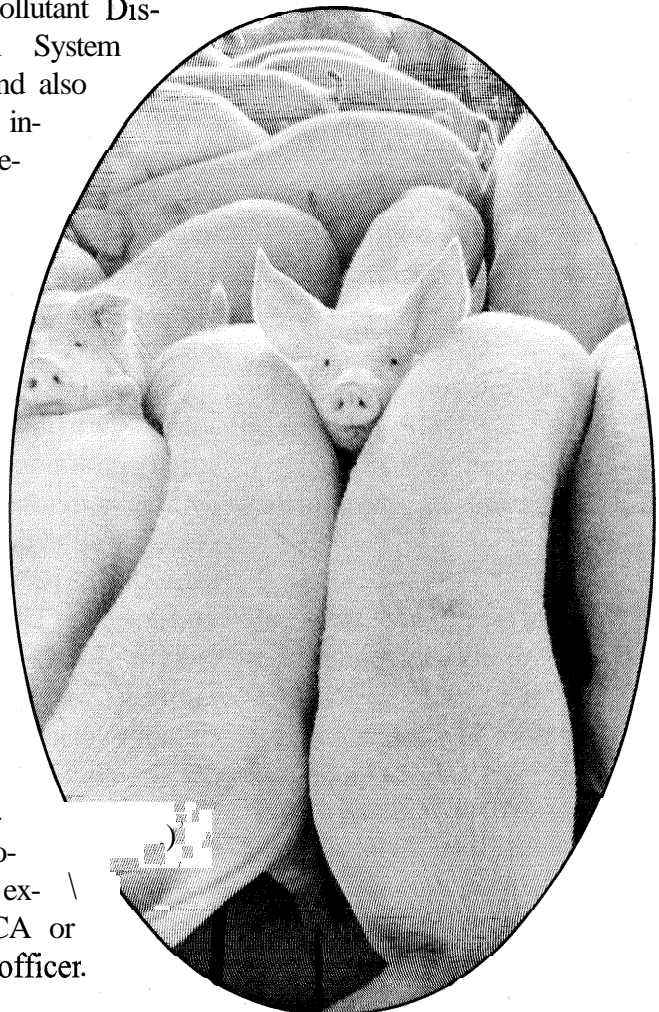
6. restricting the PCA or counties from requiring upgrades of certain feedlots; and

7. specifying that feedlots must be defined as a "concentrated animal feeding operation" to be required to have a National Pollutant Discharge Elimination System (NPDES) permit and also specifying when an individual permit is required.

Livestock production facilities were exempted from ambient air quality standards while manure is being removed and for seven days after removal. The exemption for feedlots with over 300 animal units was limited to 21 days and the operator must provide notice of the claim for exemption to the PCA or the county feedlot officer.

PCA rulemaking authority was limited by requiring specific changes to the proposed feedlot rules and by directing the PCA to provide specific reports. The legislative directions include requiring certain provisions to be removed from the rules and specifying other provisions that must be altered or included in the rules.

The Act also required several reports and a temporary prohibition on requiring upgrading feedlots with less than 100 animal units unless a cost share of 75 percent is available to the feedlot operator or there is an imminent public health threat.





### **Agroforestry**

In Chapter 488, the Legislature established an agroforestry loan program to make loans to people converting agricultural land to short-rotation woody crops. A farmer is eligible for loans up to \$75,000 for a term up to 12 years. A borrower may receive a loan for up to 160 planted crop acres in an amount not to exceed:

- the total amount to establish the crop;
- the total amount of maintenance costs during the first three years of the crop; and
- 70 percent of the estimated value of the crop growth in years four to 12.

The Legislature also appropriated \$200,000 as part of the capital budget (Chapter 492) to begin capitalizing the Agroforestry Loan Program Revolving Fund and, as noted above, another \$200,000 as part of

the supplemental budget (Chapter 488) for grants to agroforestry co-operatives.

### **Corporate and Partnership Farming Law**

In Chapter 477, the Legislature made a number of changes to the Corporate and Partnership Farming Law. The most significant change is the addition of two types of limited liability companies (LLCs) as eligible to farm and own agricultural land in Minnesota. Prior to the change, LLCs were strictly prohibited from farming and owning agricultural land, except for poultry production which is exempt from the corporate and partnership farming law. The law now provides that family farm LLCs and authorized farm LLCs may farm and own agricultural land in Minnesota. Both LLC entities added to the corporate and partnership farming law were patterned after the similar corporate entities allowed to farm and own agricultural land in Minnesota,

Another significant change to the corporate and partnership farming law was to provide an exemption for nonprofit entities. Prior to this change a number of nonprofit organizations were found to be technically in violation of the corporate and partnership farming law.

### **Board of Animal Health**

In Chapter 488, the Legislature appropriated an additional one-time \$245,000 from the General Fund to the Board of Animal Health for expansion of the pseudorabies control program. The appropriation is a deficiency appropriation added to the 1999 emergency appropriation for the program and was needed due to the Board's finding of additional infected herds.

# Board of Water and Soil Resources

## Board of Water and Soil Resources

In Chapter 488, the Legislature appropriated over \$3 million from the General Fund to the Board of Water and Soil Resources (BOWSR); over \$2.6 million for an agricultural land set-aside program; and \$400,000 for administrative costs of wetland mitigation banking related to public roads.

In Chapter 492 (Capital Budget), the Legislature appropriated \$23.8 million in bonding proceeds to BOWSR, of which \$20 million is for the Conservation Reserve Enhancement Program (CREP) for the purchase of easements on marginal agricultural land in the Minnesota River basin to protect soil, enhance water quality, and support fish and wildlife habitat. State appropriations for CREP will partially leverage \$163 million in federal funds that have already been approved for the program. BOWSR staff have estimated that a total of \$60 million will be necessary to fully leverage the federal money for CREP.

## Agricultural Land Set-Aside

The BOWSR agricultural land set-aside program, created by the 2000 Legislature, provides for state payments to farmers who set aside marginal agricultural

land in a county under a presidential disaster declaration related to agriculture. Individual landowners may receive set-aside payments on a maximum of 160 acres of marginal agricultural land and the land must be set aside for three years. The payment rate is based on the rental rates for the federal Conservation Reserve Program (CRP) and may include an additional payment of \$5 per acre for land maintenance costs. As noted above, \$2.6 million was appropriated for this program.

## Wetlands

The Legislature enacted Chapter 382 to simplify and consolidate the state and local regulation of all wetlands and to provide a better process for coordination of wetland regulation with the federal government. Currently wetlands regulated under the Wetland

Conservation Act (WCA) are regulated by local government units under BOWSR rules and public waters wetlands are regulated as public waters by the Department of Natural Resources (DNR) under the Public Waters Inventory (PWI). Some of the specific changes included in Chapter 382 are:

1. The DNR is allowed to initiate changes to the PWI, which become effective after the changes are approved by all local government units;
2. Elements of the public waters law and WCA are modified to make common standards for permanently or semi-permanently flooded areas; and
3. Elements of the public waters law and WCA are modified to allow for increased efficiency and one-stop shopping of wetland permitting and replacement plan approval.

The Act also clarifies that persons doing wetland delineation work are exempt from the soil science licensing requirements of Minnesota Statutes, Chapter 326, and provides for the development of a plan for a wetland delineator certification program.



# Natural Resources

## Department of Natural Resources

In Chapters 341, 463, 473, and 488, the Legislature provided supplemental appropriations of almost \$36.8 million, including over \$24.6 million in newly dedicated revenue from the in lieu of sales tax on lottery tickets; just under \$4.5 million from the Game and Fish Fund related to license fee in-

creases; almost \$5.5 million in General Fund deficiency appropriations; and \$2.1 million in General Fund match to the game and fish license fee increases. The General Fund deficiency direct appropriations are: (1) just under \$4 million to the Mille Lacs Band for legal fees related to the litigation of the 1837 Treaty; and (2) almost \$1.5 million for grants to North-

eastern Minnesota counties for emergency communication and response in anticipation of wildfires due to the July 4, 1999, blowdown of timber in the area. The following table provides a summary of the direct appropriations to the Department of Natural Resources (DNR).

## DEPARTMENT OF NATURAL RESOURCES DIRECT APPROPRIATIONS

	FY 2000	FY 2001
<b>General Fund (all one-time appropriations)</b>		
Legal Costs of the 1837 Treaty Litigation	\$3,955,000	
Fish and Wildlife Management		\$1,565,000
Walleye Stocking		500,000
Emergency Fire Response Grants	1,459,000	
	\$5,414,000	\$2,065,000
<b>Total General Fund</b>		
 <b>Game and Fish Fund - License Fees</b>		
Fish and Wildlife Management		3,591,000
Enforcement		825,000
Lifetime License Administration and Marketing		60,000
		\$4,476,000
<b>Total Game and Fish Fund - License Fees</b>		
 <b>Lottery in Lieu of Sales Tax - Dedicated Revenue</b>		
Fish and Wildlife		12,304,000
State Park and Recreation Center Operations		4,537,000
State Trail Operations		1,000,000
Metropolitan Park and Trail Grants		5,537,000
Local Trail Grants		738,000
Zoo Grants		492,000
		\$24,608,000
<b>Total Lottery in Lieu of Sales Tax Dedicated Revenue</b>		
 BWCAW Land Inventory - Forest Suspense Account	 200,000	
	<b>\$5,614,000</b>	<b>\$31,149,000</b>
<b>Total Direct DNR Appropriations - All Sources</b>		

In addition to the direct appropriations in the table on the previous page, the Legislature committed another \$3 54,000 in open appropriations for the current biennium. Of this amount, \$100,000 in FY 2000 is a one-time appropriation to pay the interest cost on the Mille Lacs Band legal fees, \$193,000 is for DNR assistance with search and rescue operations, and \$61,000 in FY 2001 is for payments to several American Indian bands as required in agreements with those bands. The agreements provide for payments to the bands based on the level of fishing and hunting license fee revenue collected by the state. The increased payment amount is due to the hunting and fishing license fee amount increases. The amount obligated from the General Fund for this purpose will continue and increase in the future to around \$1.5 million per biennium.

### Department of Natural Resources Bonding

In Chapter 492 (Capital Budget), the Legislature appropriated just under \$73.2 million to the DNR for capital projects. Included in the total is \$16 million for a grant to the City of St. Paul to construct the Como Park Education Resource Center, \$14 million for flood hazard mitigation grants, and \$5 million for a grant to the Metropolitan Council for metropolitan regional park acquisition and betterment. The table in the bonding section shows all of the specific bonding appropriations to the DNR.

### Game And Fish License Increases

In Chapter 463, the Legislature increased hunting and fishing license fees effective on March 1, 2001. The following table shows the existing fees and the new license fees.

## GAME AND FISH LICENSE FEE INCREASES\*

	Old Fee	New Fee**
<b>Resident Fishing Licenses:</b>		
Individual Angling - 24 hours	\$ 8.00	\$ 8.50
Individual Angling	15.00	17.00
Combined Angling (husband & wife)	20.50	25.00
Dark House Spearing	15.00	17.00
Senior Citizen Angling	5.50	6.50
White Fish Netting	9.00	10.00
Fish House/Dark House	10.00	11.50
Fish House/Dark House Rental	23 .00	26.00
<b>Non-Resident Fishing Licenses:</b>		
Fish House	31.50	33.00
Fish House - 7 day	18.50	19.00
Individual Angling	31.00	34.00
Family Angling	41.50	46.00
Combined Angling - 14 day	32.00	35.00
Individual Angling - 7 day	21.50	24.00
Individual Angling - 3 day	18.00	20.00
<b>Resident Hunting Licenses:</b>		
Deer-Firearms	22.00	25.00
Deer-Bow & Arrow	22.00	25.00
Deer Multi-Zone	44.00	50.00
Deer Youth	5.00	5.50
Bear	33 .00	38.00
Trapping	18.00	20.00
Junior Trapping	5.50	6.00
Senior Small Game	5.00	6.00
Small Game	10.00	12.00
Turkey	16.00	18.00
Moose	275.00	310.00
Elk	220.00	250.00
Goose Permit/Stamp (includes non-Resident)	3.00	4.00
<b>Non-Resident Hunting Licenses:</b>		
Deer-Firearms	110.00	125.00
Deer-Bow & Arrow	110.00	125.00
Deer Management	55.00	62.50
Deer Multi-Zone	220.00	250.00
Furbearer	137.50	155.00
Small Game	56.00	73.00
Turkey	56.00	73 .00
Bear	165.00	195.00
<b>Sporting Licenses:</b>		
Resident Sporting Individual	20.00	23 .00
Resident Sporting Combination	27.50	32.00

\* Fees listed do not include surcharges or issuing fees

\*\* New fees are effective beginning March 1, 2001



## Lifetime Licenses

In Chapter 34 1, the Legislature provided residents with the option of purchasing lifetime angling, small game, firearms deer, and sporting licenses, and nonresidents with the option of purchasing lifetime angling and small game licenses. The resident licenses will be made available beginning with the 200 1 license year and the nonresident licenses will be made available beginning with the 2002 license year. The following table shows the fee amount for each license and age category.

(4) three percent for local trail grants; and

(5) two percent for the Minnesota Zoological Garden, Como Zoo and Conservatory, and the Duluth Zoo.

The money dedicated under this section may not be used as a substitute for traditional sources of funding but may be used as a supplement to those sources. Any land acquired with money dedicated for improvement and enhancement of fish and wildlife resources must be open to public hunt-

protect livestock, pets, and domestic animals. The law provides that the wolf must be an immediate threat in the Northeastern forested areas of Minnesota (referred to as Zone A) and may be taken at any time to protect livestock, pets, and domestic animals in the remaining part of the state (referred to as Zone B). The law also provides for: (1) predator controllers to take wolves in areas where livestock, pets, or domestic animals have been taken by wolves; (2) the Commissioner of Natural Resources to establish an open season on wolves five

### LIFETIME LICENSE FEES

#### Resident

#### Non-Resident

	Angling	Small Game	Firearms Deer	Sporting	Angling	Small Game
Age 3 and under	\$227	\$217	\$337	\$357	\$447	\$ 947
Age 4 to age 15	\$300	\$290	\$450	\$480	\$600	\$1,280
Age 16 to age 50	\$383	\$363	\$573	\$613	\$773	\$1, 633
Age 51 and over	\$203	\$213	\$383	\$413	\$513	\$1, 083

## Lottery in Lieu of Sales Tax Receipt Dedication

In Chapter 488, the Legislature dedicated 97 percent of the revenue in FY 2001 and 87 percent of the revenue in FY 2002 and thereafter from the in lieu of sales tax on lottery tickets for specific natural resource purposes. The amounts and purposes are:

(1) 50 percent for improvement, enhancement, and protection of fish and wildlife resources;

(2) 22.5 percent for state parks and trails;

(3) 22.5 percent for metropolitan parks and trails;

ing and fishing during the open season. At least 87 percent of the money dedicated for improvement, enhancement, and protection of fish and wildlife resources must be allocated for field operations. The overall funding table for the Department of Natural Resources on the previous page shows specific appropriations of this money from the Game and Fish Fund for FY 2001.

## Wolf Management

In Chapter 463, the Legislature enacted changes to wolf management laws in anticipation of delisting of the gray wolf under the federal Endangered Species Act. The changes will allow for the taking of gray wolves to

years after delisting; and (3) increased depredation payments for farmers who suffer livestock losses due to gray wolves. The changes providing for the taking of gray wolves to protect livestock, pets, and domestic animals, including the use of state predator controllers, will not be effective until the gray wolf is delisted under the federal Endangered Species Act.

## Consolidated Conservation Lands

In Chapter 485, the Legislature provided for the designation of over 360,000 acres of consolidated-conservation lands (Con-Con lands). Con-Con lands are lands that the state acquired in the late 1920s to early

1930s by paying off the drainage bonds due on unsuccessful drainage projects on lands in North Central and Northwestern Minnesota. Originally the state acquired over 1.5 million acres of Con-Con lands, but about 1.2 million acres of Con-Con lands were previously designated. The Legislature designated just under 142,000 acres as wildlife management areas and over 118,000 acres as state forest. The law also provides for an analysis and report to the 2001 Legislature on the designation of just over 100,000 acres of Con-Con lands. The intent of the 2000 law is to have

the 2001 Legislature designate the remaining 100,000 acres, completing the designation of all remaining Con-Con lands.

Chapter 485 also provided for the designation of roads and trails for all-terrain vehicle use on Con-Con lands that are designated as wildlife management areas and increased the payments in lieu of taxes (PILT) to local governments for Con-Con lands designated as wildlife management areas, scientific and natural areas, state parks, or state recreation areas. The increased PILT to local governments

for Con-Con lands is effective beginning with the calendar year 2001 payments to local governments. The increased payments under Chapter 485 will result in just under \$1.4 million per year in additional payments to counties with Con-Con lands.

#### Payments in Lieu of Taxes

In addition to the increased PILT for certain Con-Con lands, the Legislature, as part of the Tax Bill (Chapter 490), provided for inflationary adjustments to PILT. Beginning with payments made in calendar year 2001, PILT payments will be adjusted for



inflation using the first quarter of 1994 as the basis to measure inflation changes. The increased payments under Chapter 490 will result in an increase of over \$1.2 million for the calendar year 2001 payments and just under \$1.5 million for the calendar year 2002 payments. The level will continue to increase based on the inflation formula in the law. The table below shows the old payment schedule and estimates for the calendar year 2001 and 2002 payment schedule that are based on estimated inflation levels.

**New State Recreation Areas**

In Chapters 488 and 492, the Legislature established two new state recreation areas. The Big Bog State Recreation Area is created in Beltrami

County north of the City of Waskish. The Red River State Recreation Area is established in Polk County within the City of East Grand Forks. Chapter 492 also contains State Bond Fund appropriations of just over \$2 million for development of the Big Bog State Recreation Area and \$1.5 million for development of the Red River State Recreation Area.

**Heritage Forests**

In Chapter 375, the Legislature provided a process for the Commissioner of Natural Resources and named counties to establish heritage forest areas. Currently the law names 13 counties as part of the Big Woods Heritage Forest. The Commissioner may establish heritage forest areas within the named counties after the

county board has submitted a resolution delineating the heritage forest areas within the county. Within the established heritage forest areas, the Commissioner may:

- (1) designate any DNR state lands as heritage forest lands;
- (2) accept donations of land, including easements;
- (3) manage lands designated by local governments for heritage forest management; and
- (4) contract with other agencies or organizations for management services, including monitoring.

**PILT PAYMENT RATE**

Land Category	Old Payment Rate (Actual)	Calendar Year 2001 Payment Rate (Estimate)	Calendar Year 2002 Payment Rate (Estimate)
Acquired State Lands*	\$3 .00/acre	\$3.539/acre	\$3.644/acre
Tax-Forfeited Lands	\$0.75/acre	\$0.885/acre	\$0.911/acre
Other State Lands	\$0.375/acre	\$0.422/acre	\$0.455/acre

\* A county also has the option of receiving a payment for acquired lands based on 3/4 of one percent of the land value for all acquired lands within the county.

## **Pollution Control Agency**

In Chapter 488, the Legislature appropriated an additional \$307,000 to the Pollution Control Agency (PCA) for the PCA's administrative costs related to the Wastewater Infrastructure Fund (WIF) grant program. In addition to the new money, the PCA was also directed to reallocate \$104,000 from its 1999 appropriations to the WIF program.

## **Dump Cleanup - Pigs Eye**

In Chapter 376, the Legislature authorized the PCA to provide, until June 30, 2001, up-front grants for response action costs that are attributable to the liability of responsible parties that are not subject to a response action agreement (commonly referred to as "orphan share"). To pay for the grants, the PCA will use money already appropriated for reimbursement of orphan share liability. Prior to this authorization the law only allowed the use of this money to reimburse settling parties after the cleanup is completed. The area targeted for the grants in this biennium is the former Pigs Eye Dump in the City of St. Paul. The PCA expects to spend around \$2 million in FY 2001 on this project.

## **Vehicle Inspection Program - 1999**

As of December 1, 1999, the requirement for testing the emissions of automobiles domiciled in the Twin Cities terminated. The program required an \$8 fee and raised approximately \$8 million per year. Based on air quality improvements and the passage of Laws 1999, Chapter 178, the PCA was able to convince the U.S. Environmental Protection Agency (EPA) to reclassify the Twin Cities as an attainment area and remove require-



ments for testing automobiles in the area. The testing program was originally the result of a federal mandate based on ambient levels of carbon monoxide found at certain intersections in the Twin Cities area. In recent years, due to a number of factors, the level of ambient carbon monoxide at those intersections was substantially reduced and resulted in the application for attainment status with the EPA. As a result, all nine vehicle emission testing stations in the Twin Cities area closed on December 1, 1999.

## **Off ice of Environmental Assistance - Capital Budget**

The Legislature appropriated \$2.2 million in bond proceeds as part of the capital budget (Chapter 492) to the Office of Environmental Assistance for solid waste capital assistance grants to local governments.

## **Public Facilities Authority - Capital Budget**

The Legislature appropriated just over \$33 million in the capital budget (Chapter 492) to the Public Facilities Authority for water-related programs. Just over \$10.4 million was from the General Fund and the remainder from bond proceeds. Just under \$12.9 million is for matching federal grants for the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund. Just over \$18.3 million is for wastewater infrastructure program grants. \$2 million of the total is deposited in the Water Pollution Control Revolving Fund for clean water partnership loans through the PCA.

# *Economic Opportunity and Workforce Protection*

## **ECONOMIC OPPORTUNITY**

Chapter 48 1 made self-employed farmers or ranchers, who are still working but have experienced a significant reduction in income due to a drop in crop or livestock prices or natural phenomenon, eligible for benefits as a dislocated worker until July 31, 2001. The Commissioner of Economic Security is to give priority in FY 2001 to proposals that provide retraining to dislocated farmers and ranchers, but retains existing discretionary authority and is not required to make a specific grant. In addition, the employer match requirement of funding, equipment, staff, instructors, and work release time for workers enrolled in training does not apply to these grants.

Chapter 488 made several appropriations to existing programs funded through the Department of Economic Security (DES). They include: (1) \$200,000 from the General Fund for grants to existing YouthBuild programs that have experienced a loss of federal funds; (2) approximately \$1.8 million from the General Fund for Displaced Homemaker programs. (This appropriation is from the WorkForce Development Fund.); (3) \$837,000 from the General Fund for Summer Youth Employment Programs; and (4) \$150,000 for DES for the processing of alien labor certification. This appropriation is available as matching funds on at least a dollar-for-dollar basis.

## **WORKFORCE PROTECTION**

Chapter 323 provided that, in matters relating to discrimination complaints under most provisions of the Occupational Safety and Health Act, communications between discrimination complainants and attorneys representing the Commissioner of Labor and Industry are privileged, as would be communications between an attorney and a client.

Chapter 351 obligated employers to comply with the federal Occupational Safety and Health Administration (OSHA) regulations on bloodborne pathogens, to eliminate or minimize employee exposure to bloodborne pathogens through sharps (needle) injuries. This involves an annual review by employers of exposure control plans and places the responsibility for the recommendation of effective engineering controls on the employer's safety committee. The recommendations, however, are not binding on the employer. The Act also required that employers establish internal procedures to document the route of exposure and detail the circumstances under which an exposure incident occurred.

Chapter 447 made several technical and substantive changes to the workers' compensation law, including transferring \$325 million from the assigned risk plan to reduce the unfunded liabilities in the Special Compensation Fund. The Act also increased ben-

efits on lost work-time claims for temporary total injuries after September 20, 2000, increased maximum replacement wages from \$615 to \$750 per week and minimum replacement pay from \$104 to \$130 per week, and increased schedule payments for injured workers with permanent partial disabilities.

Chapter 488, the Omnibus State Government Appropriations Bill, increased fines for violation of child labor laws by a factor of ten. This change in law applies to those employers for whom the federal child labor laws do not apply. The Commissioner of Labor and Industry is required to notify all affected Minnesota employers to ensure compliance with the law.

Chapter 488 also amended the state's OSHA statutes by permitting a deceased employee's next of kin to receive information from and to consult with the Department of Labor and Industry regarding the Department's investigation of OSHA citations against an employer in connection with the employee's death. In addition the Act provided for a minimum penalty of \$50,000 for an incident involving a willful or repeated violation which causes or contributes to the death of an employee, or a minimum penalty of \$25,000 for an incident involving a serious violation that is not willful or repeated.

# Regulated Industries

## Energy

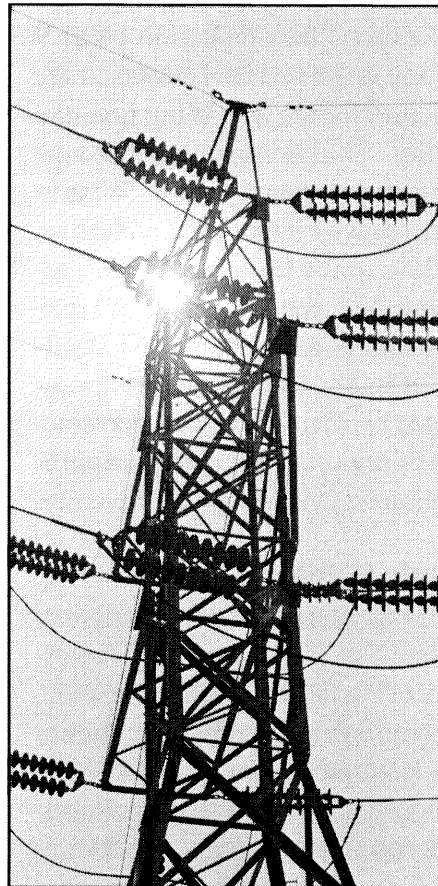
Chapter 487 set up a process to regulate *ex parte* communications and investigate alleged violations of the *ex parte* contact rules and the code of conduct rules by members of the Public Utilities Commission (PUC). Indirect and direct communications between a commissioner and a participant before the commission are prohibited and the PUC is authorized to expand the proceedings to which *ex parte* prohibitions apply.

In addition, a new complaint process was established to determine alleged violations of *ex parte* communications by a person seeking sanctions for those communications. Complaints must be referred to the Office of Administrative Hearings, where an administrative law judge (ALJ) has 30 days to file a report with recommendations and findings. The findings on whether an *ex parte* violation has occurred are binding on the commission. The ALJ must make a recommendation of one specific sanction from a statutory list of possible sanctions and must also discuss the disqualification of a commissioner or decision-making personnel from the case.

Chapter 289 allowed an existing nuclear or primarily coal-fired power plant to be eligible for an exemption from the Environmental Quality Board's (EQB) power plant siting process in order to retrofit or repower a plant to use primarily gas or another similar clean fuel. The exemption does not remove a proposal from EQB review, but simply allows the EQB flexibility to match the scope of review to what is sensible under the circumstances. The EQB retains the author-

ity to require a full review of a project under the Power Plant Siting Act.

Chapter 436 included two separate proposals. First, it extended the existence of the Legislative Electric Energy Task Force from June 30, 2000, until March 15, 2001. Second, it amended the law relating to depreciation of telephone equipment. The PUC now has the discretion, instead of being required, to fix depreciation rates and methods with respect to a particular telephone company, but only for purposes of a proceeding to determine or investigate any wholesale or retail rate, or to set any universal service support level. It removed the requirement that a telephone company depreciate its equipment according to rates and methods set by the PUC and required that all telephone companies



retain depreciation records and account information. Lastly, it repealed a statutory provision relating to depreciation for small telephone companies under an alternative form of regulation plan and certain rules relating to depreciation.

Chapter 443 amended the 1994 Prairie Island biomass mandate under which Northern States Power must operate, purchase, or contract for 125 megawatts of electric energy using farm-grown, closed loop biomass. The Act modified the mandate to allow a facility that uses poultry litter to generate electricity to be eligible to provide up to 50 megawatts of the required capacity if it can meet or beat the price of other facilities already approved by the PUC to satisfy the mandate. Chapter 443 also included a process for fulfilling the mandate if some of the 125 megawatts remain unfulfilled, and required that at least 75 of the 125 megawatts be generated using agricultural biomass.

Chapter 292 modified the election provision in Minnesota Statutes, Chapter 216B, which stipulates that the number of members (or stockholders) of a cooperative electric association necessary to initiate a petition be no less than one percent of the members of the association for a cooperative electric association that has merged or consolidated with at least three associations between December 30, 1996, and January 1, 2001. It also required that a cooperative pay the costs of including stockholder positions on issues in cooperative elections. This section applies only to elections that require no less than one percent of members to initiate.

# Public Safety and Judiciary

The 2000 Crime Prevention supplemental budget was divided between two bills. Chapter 3 11, dedicated to Katie Poirier, appropriated \$18.4 million to the criminal justice system. Other supplemental appropriations totaling \$7.6 million were in Article 4 of Chapter 488, the Omnibus Appropriations Bill. The total criminal justice supplement was approximately \$26 million.

## Courts

The Legislature appropriated approximately \$3.5 million in supplemental funds to the Supreme Court. Virtually all of it was to enhance the Supreme Court's Criminal Justice Information System. In addition, \$4,000 was appropriated for a parenting plan seminar. The Court of Appeals and the District Courts received \$200,000 and \$2.9 million, respectively. Most of this money funds judicial salary increases mandated by the Compensation Council but not funded by the 1999 Legislature. The District Court appropriation also included \$130,000 for the 2<sup>nd</sup> Judicial District (Ramsey County) Community Court and \$79,000 to Carlton County for extraordinary prosecution costs.

## Corrections

The Legislature appropriated approximately \$5.6 million to the Department of Corrections. This was offset by an expenditure reduction of \$1.9 million, for a net appropriation of approximately \$3.7 million. The major appropriation to the Department was \$5 million for sex offender probation costs. In addition, the Legislature appropriated \$500,000 for predesign of a joint headquarters building for the Department of Public Safety and the

## 2000 Crime Prevention Supplemental Budget Bill Appropriations by Department

Supreme Court	\$ 3,516,000
Court of Appeals	200,000
District Courts	2879,000
Corrections	3,720,000
Public Safety	14,297,000
Crime Victim Service Center	1,240,000
Sentencing Guidelines	120,000
Minnesota Safety Council	200,000
University of Minnesota	20,000
Crime Victim Ombudsman	<10,000>
Ombudsman for Corrections	<90,000>
<b>TOTAL</b>	<b>\$26,092,000</b>

Department of Corrections. An appropriation of \$162,000 was for sex offender community notification costs. The expenditure reduction of \$1.9 million is the result of a revised fee structure for the Red Wing juvenile facility. The Legislature reduced the per diem counties pay at Red Wing to 65 percent of actual cost, and offset the loss to the General Fund by reducing the Juvenile Residential Treatment Grants to counties by \$1.9 million. Finally, the Legislature appropriated \$1.75 million for the construction of regional jails, but this appropriation was vetoed by the Governor.

## Public Safety

The Legislature appropriated approximately \$14.3 million to the Department of Public Safety. Of this amount, \$8.4 million is for grants to counties for electronic law enforcement technology, primarily for electronic fingerprint and photo-imaging, with \$1 million for probation and pretrial release

tracking grants. The Bureau of Criminal Apprehension received approximately \$9.9 million, the majority of which is for increased staffing, with \$200,000 appropriated for agent overtime costs. In addition, the Legislature appropriated \$3.8 million in state-match monies for the federal Natural Disaster Assistance Program, and \$20,000 to recodify the state DWI statutes.

## Crime Victim Services Center

The 1999 Legislature transferred the Battered Women's Shelter Program from the Department of Human Services to the Crime Victim Services Center. Because of the lag between billing and payment, the Legislature appropriated \$1.2 million to pay for services rendered in FY 2000, but not paid until FY 2001. The Legislature also authorized \$40,000 for a study of the state's battered women's services.

### Other Appropriations

The Legislature appropriated \$200,000 to the Minnesota Safety Council for a crosswalk safety public awareness campaign, and \$120,000 to the Sentencing Guidelines Commission for a rent increase and a grant to Ramsey County to implement a statewide statute table.

### Appropriation Cuts

The Legislature cut the FY 2001 appropriations for the Ombudsman for

Corrections and the Crime Victim Ombudsman by \$90,000 and \$10,000, respectively.

### Revenues

The Auto Theft Prevention Board, created by the 1996 Legislature, was abolished by the 2000 Legislature. Its duties were transferred to the Department of Public Safety, and the Legislature transferred the unencumbered balance of the Board's special revenue as of July 1, 2000, to the Gen-

eral Fund. The unencumbered balance is estimated to be approximately \$4.9 million. In addition, the Legislature mandated that the state pay for 35 percent of the cost of housing juvenile offenders at Red Wing. This comprises a revenue loss of \$3.4 million. When revenue changes are tallied, the net cost of the 2000 Crime Prevention supplemental budget is approximately \$27.5 million.





# State Government

The State Government article of the Supplemental Appropriations Bill (Chapter 488, Article 12) made net appropriations of about \$2.7 million for the administrative departments of state government.

## Secretary of State

The Secretary of State was appropriated \$4 million to construct and maintain the new statewide central filing system for the Uniform Commercial Code (UCC) mandated by Chapter 3 99. The new system will provide a statewide index for all UCC documents and make it possible to locate and retrieve a copy of any UCC filing via the World Wide Web, whether the document was filed at the Office of the Secretary of State or at a satellite office operated by the county recorder or other public official under an agreement with the Secretary of State. The new system is scheduled to begin operating by July 1, 2001.

## Office of Strategic and Long-Range Planning

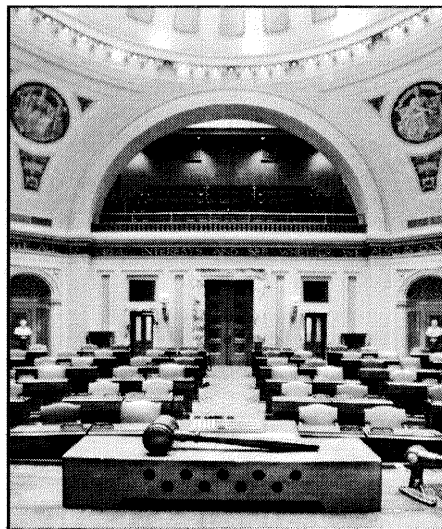
Minnesota Planning escaped the \$2 million budget cut passed by the House of Representatives and instead received an additional \$200,000 for grants of \$50,000 each to regional development commissions to support planning work on behalf of local governments. This is an expansion of the similar grant program established in the 1999 State Government appropriations bill.

## Administration

The Office of Technology had requested the Legislature to change its name to the Technology Policy Bureau. The Senate approved the name change and the House abolished the Office. The conference committee

agreed to continue funding the Office under its old name.

A \$2 million surplus in the Y2K contingency account was reappropriated, \$1.4 million to enable the electronic delivery of government services and \$600,000 to the Department of Revenue to be added to the project to replace its income tax processing system.



A risk assessment and risk mitigation plan will be required for any information systems project estimated to cost more than \$1 million that is undertaken by a state agency in the executive or judicial branch or by a constitutional officer. If the project is estimated to cost more than \$5 million, the risk assessment and mitigation plan must be conducted by an entity outside of state government.

The law enacted in 1999 that required a cost-benefit analysis for every state project over \$5 million was repealed.

## Employee Relations

The Commissioner of Employee Relations received \$100,000 to cover the cost of a study of ways to improve

health care coverage for both active and retired public employees, as mandated by Chapter 46 1, Article 5. The Commissioner must convene a task force composed of representatives of state and local retirement associations, public employee unions, and major public employers. The task force must report its findings and recommendations to the Legislature by November 15, 2000.

## Finance

The Commissioner of Finance will now be required to consult with legislative fiscal staff and the chairs and ranking minority members of the Senate State Government Finance Committee and House Ways and Means Committee about the rate of inflation to be used in state revenue and expenditure forecasts and to inform them of any changes in key forecast data from two to four weeks before each new forecast is released.

## Minneapolis Employees Retirement Fund

The state contribution to the Minneapolis Employees Retirement Fund was reduced by \$3.226 million, in light of experience showing that amounts previously appropriated were in excess of the amounts needed to fully fund the statutory formula.

## Minnesota Comprehensive Health Association

\$15 million was appropriated in Chapter 488, Article 13, from the assets of the workers' compensation assigned risk plan for transfer to the Minnesota Comprehensive Health Association (MCHA) for the exclusive purpose of reducing the association's operating deficit assessment for calendar year 2001.

# Pensions and Retirement

## Health Care Task Force

This year's Omnibus Retirement Act (Chapter 461) called for the formation of a task force to study ways to provide health care coverage for retired as well as active public employees. Its charge is to develop ways to provide health coverage in an efficient, cost-effective way while taking into account adverse selection and consumer choice. The task force must report its findings and recommendations to the Legislature by November 15, 2000.

The establishment of the task force came after the two houses of the Legislature and the Executive Branch failed to reach agreement on funding for a proposal developed by the Minnesota State Retirement System (MSRS) that would have provided a contribution to its retired members toward the cost of health coverage.

The Commissioner of Employee Relations is directed to convene the task force, which must have equal representation from public employees and employers, including representatives of major public pension systems.

## Military Service

Members of MSRS and the Public Employees Retirement Association (PERA) will now be able to purchase credit in their retirement plans for military service performed before they became public employees. That puts them on a par with members of the Teachers Retirement Association (TRA) and the first-class city teacher plans, who were extended that option earlier.

Previous law authorized the purchase of credit only for military service that interrupted ongoing public employment. The new law also allows purchase of credit for military service by employees who failed to take timely advantage of the previous law.

To receive credit for military service, members must pay the actuarial cost of the increased benefits to which they will become entitled. Purchases must be completed by May 16, 2003, when the new law will sunset.

The new provision extends to MSRS Corrections and State Patrol members as well as to PERA Police and Fire Plan members.

## Volunteer Firefighters

Maximum pension benefits were increased for volunteer firefighters. The current flexible service pension lit-nit of

\$40 a month for each year of service will rise to \$44 on December 31, 2000; and then will rise in additional \$4 increments on December 31 of 2001 and 2002, until it reaches \$56 at the end of 2003. Lump-sum payments, currently \$5,500 for each year of service, will rise to \$6,000 on December 31, 2000; \$6,500 on December 31, 2001; \$7,000 on December 31, 2002; and \$7,500 on December 31, 2003.

## Annuitant Earning Limits

Minnesota State Colleges and Universities retirees who return to work for their former employer may now earn more money each year without affecting their retirement annuities. The limit was raised from \$35,000 a year to \$46,000. The change applies to system retirees covered by MSRS, TRA, or one of the first-class city teacher plans.



# Veto

The Governor vetoed eight and four of the line-item vetoes. The nonappropriation bills and exercised line-item veto authority on three appropriation bills. The Legislature overrode and passed one of the vetoed bills. The total amount of the successful line-item vetoes was just under \$6 million. The total amount of line-item vetoes attempted by the Governor but overridden by the Legislature was just over \$5.6 million. The table below shows both the successful and overridden line-item vetoes.

## Nonappropriation Bills Vetoed

The following is a list of the eight bills that were passed by the Legislature and vetoed by the Governor. The veto of the second bill listed was subsequently overridden by the Legislature.

- Limitations on the length of service for the Governor's Commissioner appointments that have not been confirmed – Chapter 277
- Ah-Gwah-Ching Center continuation \* – Chapter 310
- DWI motor vehicle forfeiture proceedings requirements – Chapter 383
- Towed motor vehicle lien – Chapter 388
- Marriage license fee reduction for premarital education – Chapter 397
- Abortion waiting period – Chapter 412
- Right-hand lane driving requirement – Chapter 425
- Exempting certain public hospital employees from compensation limits – Chapter 448

\*The Legislature was successful in overriding this veto.

## LINE-ITEM VETOES

I T E M	A M O U N T
<b>GENERAL FUND</b>	
MN River Valley Travel Information Centers - Chapter 479	\$ 750,000
Drug Detection Dog Purchase - Chapter 488	30,000
Adult Regional Detention Facility Grants - Chapter 488	1,750,000
St. Croix Valley Heritage Center - Chapter 492	150,000
<b>TOTALGENERALFUND</b>	<b>\$ 2,680,000</b>
<b>BOND PROCEEDS FUND - ALL IN CHAPTER 492</b>	
Agricultural Innovation Center	\$ 500,000
City of Landfall Retaining Wall Repair and Replacement	100,000
Koochiching County Cold Weather Testing Center	2,700,000
<b>TOTALBONDPROCEEDSFUND</b>	<b>\$ 3,300,000</b>
<b>TOTAL AMOUNT SUCCESSFULLY VETOED</b>	<b>\$ 5,980,000</b>
<b>VETOES OVERRIDDEN - ALL IN CHAPTER 492</b>	
Multicultural Development Grants - Bond Proceeds Fund	\$ 1,511,000
Root River Center for the Arts - Bond Proceeds Fund	1,000,000
Guthrie Theater - General Fund	3,000,000
Organ Donor Vehicle - General Fund	135,000
<b>TOTAL AMOUNT OVERRIDDEN</b>	<b>\$ \$646,000</b>
<b>TOTAL AMOUNT OF LINE-ITEM VETOES ATTEMPTED BY THE GOVERNOR</b>	<b>\$11,626,000</b>
<b>PERCENTAGE OF SUCCESSFUL LINE-ITEM VETOES</b>	<b>51.4%</b>

# *State Debt and Capital Expenditures*



# Capital Expenditures

## 2000 Capital Projects

The 2000 Legislature adopted a Capital Budget Bill totaling approximately \$6 10 million. The following table delineates project amounts for bond authorization and direct appropriations.

## CAPITAL EXPENDITURES AUTHORIZED BY THE 2000 LEGISLATURE

BONDING AUTHORITY		
Item	Project	Total
<b>AMATEUR SPORTS COMMISSION</b>		<b>\$1,100,000</b>
Mighty Ducks Ice Arena Grants	810,000	
National Sports Conference Center, Predesign	300,000	
<b>ARTS</b>		<b>\$1,500,000</b>
Children's Museum Rooftop Perspectives	500,000	
Root River Center for the Arts. Lanesboro*	1,000,000	
<b>BOARD OF WATER AND SOIL RESOURCES</b>		<b>\$23,300,000</b>
RIM and PWP Conservation Easements	1,000,000	
MN River Basin Conservation Reserve Enhancement Program	20,000,000	
Wetland Replacement Due to Public Road Projects	2,300,000	
<b>DEPARTMENT OF ADMINISTRATION</b>		<b>\$17,800,000</b>
Capital Asset Preservation and Replacement	10,000,000	
Capitol Building Predesign, Restoration of Capitol	300,000	
Capitol Electrical Utility Infrastructure, Phase 4	2,500,000	
Capitol Security Renovation	1,000,000	
Delaware Street Health Building Renovation	4,000,000	
<b>DEPARTMENT OF AGRICULTURE</b>		<b>\$20,500,000</b>
Minnesota Center for Agricultural Innovation*	500,000	
Rural Finance Authority Loan Participation	20,000,000	
<b>DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING</b>		<b>\$79,641,000</b>
Early Childhood Learning and Child Protection Facilities	3,000,000	
Glover-Sudduth Center	1,000,000	
Library Access Grants	1,000,000	
Maximum Effort Capital Loans	44,030,000	
Metropolitan Magnet Schools, East Metro	16,000,000	
Minnesota Planetarium	1,000,000	
Monolithic Dome, Grand Meadow	3,000,000	
Multicultural Development Grants*	1,511,000	
Pine Point School	4,100,000	
Youth Enrichment Grants	5,000,000	

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**BONDING AUTHORITY**

<b>Item</b>	<b>Project</b>	<b>Total</b>
<b>DEPARTMENT OF CORRECTIONS</b>		<b>\$18,035,000</b>
Bayport Storm Sewer	2,680,000	
H-Building Remodeling, Phase 3, MCF-Lino Lakes	3,400,000	
Health Services Conversion, MCF-Stillwater	1,800,000	
Inmate Bed Expansion, MCF-Oak Park Heights	<b>855,000</b>	
Mental Health Support and Living Unit, MCF-Red Wing	<b>800,000</b>	
Perimeter Wall Repair, MCF-Stillwater	1,000,000	
Sewer Repair, MCF-Faribault	7,500,000	
<b>DEPARTMENT OF HEALTH</b>		<b>\$7,000,000</b>
To design, construct, furnish, and equip the renovation of and an addition to the Gillette Children's Hospital		
<b>DEPARTMENT OF HUMAN SERVICES</b>		<b>\$12,171,000</b>
Asset Preservation, Systemwide	3,000,000	
Pexton Hall Upgrade, St. Peter	7,200,000	
Roof Repairs and Replacement, Systemwide	1,971,000	
<b>DEPARTMENT OF MILITARY AFFAIRS</b>		<b>\$3,625,000</b>
Asset Preservation at Military Affairs Facilities Statewide	1,500,000	
Kitchen Renovation at National Guard Training and Community Centers Statewide	1,000,000	
Law Enforcement Training Center		
Authorizes the designation of a site within Camp Ripley to establish a live-fire tactical operations law enforcement training center and use existing resources to design and prepare a site for the facility.		
Minnesota Military Museum, Camp Ripley	<b>125,000</b>	
Tactical Live-Fire Village	1,000,000	
<b>DEPARTMENT OF NATURAL RESOURCES</b>		<b>\$72,877,000</b>
ADA Compliance	2,000,000	
Big Bog State Recreation Area	2,017,000	
Como Park Education Resource Center	16,000,000	
Dam Repair, Reconstruction, and Removal	1,200,000	
Flood Hazard Mitigation Grants	14,000,000	
Forest Road and Bridge Projects and Forestry Recreation Facilities	1,000,000	
Harbor of Refuge, Two Harbors	1,000,000	
Lake Minnetonka Public Access	4,000,000	
Lake Superior Public Access	2,000,000	
Lewis and Clark Rural Water System	<b>610,000</b>	
Metro Greenways and Natural Areas	1,500,000	
Metro Regional Park Acquisition and Betterment	5,600,000	
Moose Lake Geologic Interpretive Center	1,000,000	
Native Prairie Bank Easements	1,000,000	
Office Facility Development, Fergus Falls	3,250,000	
Red River State Recreation Area	1,000,000	

**BONDING AUTHORITY**

<b>Item</b>	<b>Project</b>	<b>Total</b>
Regional Parks, Greater Minnesota	<b>500,000</b>	
Regional Trail Grants	<b>500,000</b>	
Reinvest in Minnesota Critical and Habitat Match	<b>750,000</b>	
Reinvest in Minnesota Wildlife Development and Habitat Improvements	<b>1,000,000</b>	
St. Croix Valley Heritage Center, Taylors Falls*	<b>150,000</b>	
St. Paul, Upper Landing Park	<b>3,000,000</b>	
Scientific and Natural Area Acquisition and Improvement	<b>500,000</b>	
State Park and Recreation Area Acquisition	<b>500,000</b>	
State Park and Recreation Area Betterment and Rehabilitation	<b>1,500,000</b>	
State Park and Recreation Area Building Rehabilitation	<b>1,900,000</b>	
<b>State Trail Acquisition and Development</b>	<b>3,400,000</b>	
Statewide Asset Preservation	<b>2,000,000</b>	
<b>DEPARTMENT OF PUBLIC SAFETY</b>		<b>\$2,000,000</b>
For grants to state departments or local units of government to predesign, design, construct, expand, or improve public safety training facilities		
<b>DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT</b>		<b>\$34,503,000</b>
Clean Water Partnership	2,000,000	
Cold Weather Testing Center - Koochiching County*	2,700,000	
Empowerment Zone Projects - Hennepin County	3,000,000	
Empowerment Zone Projects - Minneapolis	5,800,000	
Landfall HRA Retaining Walls*	100,000	
Mora Workforce Center	100,000	
State matching money for federal grants to the water pollution control revolving fund and the drinking water revolving fund	12,893,000	
Wastewater Infrastructure Funding Program	7,910,000	
<b>MINNESOTA HISTORICAL SOCIETY</b>		<b>\$5,750,000</b>
County and Local Preservation Grants	<b>500,000</b>	
Historic Site Preservation and Repair	1,750,000	
North West Company Fur Post Interpretive Center	<b>500,000</b>	
St. Anthony Falls Heritage Center	3,000,000	
<b>MINNESOTA STATE ACADEMIES</b>		<b>\$3,066,000</b>
Asset Preservation	1,000,000	
West Wing Noyes Building	2,066,000	
<b>MINNESOTA STATE COLLEGES AND UNIVERSITIES</b>		<b>\$127,421,000</b>
Higher Education Asset Preservation and Replacement	30,000,000	
Alexandria Technical College	<b>500,000</b>	
Anoka Hennepin Technical College	12,500,000	
Bemidji State University		
American Indian History Center	2,000,000	
Northwest Technical College	5,000,000	
Fond du Lac Community and Tribal College	4,500,000	



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**BONDING AUTHORITY**

Item	Project	Total
Itasca Community College	3,600,000	
Minneapolis Community and Technical College	11,700,000	
Minnesota State University, Mankato, Phase 2	6,907,000	
Minnesota West Community and Technical College, Worthington		
- Authorizes the MnSCU Board to enter into an agreement with the YMCA for the lease of land on the Worthington campus		
Moorhead State University	1,600,000	
- Hagen Hall Science Building		
- Authorizes the construction of a campus security building at Moorhead State University		
- Authorizes the MnSCU board to lease land to a private developer for the construction of student services, alumni foundation, and student residence hall facilities		
Normandale Community College, Science Building, Phase 1	11,400,000	
North Hennepin Community College, Remodeling and Construction, Phase 2	11,000,000	
Northland Community and Technical College, Remodeling and Construction, Phase 2	5,000,000	
Northwest Technical College, Moorhead	1,258,000	
Ridgewater Community and Technical College, Willmar		
- Authorizes the construction of an addition to kennels for the veterinary technology program		
Rochester Community and Technical College		
- Site Development	1,400,000	
- Construct Greenhouse and Classrooms	4,500,000	
St. Cloud State University		
- Lawrence Hall Remodeling	3,864,000	
- Authorizes the predesign for the renovation of Centennial Hall and design for the renovation of Eastman Hall and River-view Hall		
St. Cloud Technical College, Design and Remodel A and B Wings, Construct Addition to Boiler Room, and Enlarge HVAC System	7,992,000	
Southwest State University, Design Renovation of Library	800,000	
Winona State University, Design New Science Building	1,600,000	
Land Acquisition	300,000	
<b>MINNESOTA ZOOLOGICAL GARDENS</b>		<b>\$1,000,000</b>
For design, repair, and upgrades to the heating and cooling systems		
<b>OFFICE OF ENVIRONMENTAL ASSISTANCE</b>		<b>\$2,200,000</b>
For solid waste capital assistance grants		
<b>PERPICH CENTER FOR ARTS EDUCATION</b>		<b>\$877,000</b>
Delta dormitory upgrades	296,000	
Asset preservation	500,000	
Installation of air conditioning	81,000	

**BONDING AUTHORITY**

<b>Item</b>	<b>Project</b>	<b>Total</b>
<b>UNIVERSITY OF MINNESOTA</b>		<b>\$100,213,000</b>
Higher Education Asset Preservation and Replacement	9,000,000	
Crookston Kiehle Building	6,500,000	
Duluth Music Performance Center	6,100,000	
Morris Science and Math Building Renovation, Phase 2	8,000,000	
Twin Cities - Minneapolis Campus		
▪ Molecular and Cellular Biology Building	35,000,000	
▪ Art Building	18,500,000	
Twin Cities - St. Paul Campus		
▪ Microbial and Plant Genomics Building	10,000,000	
▪ Plant Growth Facilities, Phase 1	5,963,000	
Research and Outreach Centers	1,150,000	
<b>VETERANS HOME BOARD</b>		<b>\$11,700,000</b>
Asset Preservation at Veterans Homes Statewide	3,000,000	
Hastings Veterans Home, Phase 2	7,000,000	
Minneapolis Veterans Home, Infrastructure Improvements	1,700,000	

**GENERAL FUND DIRECT APPROPRIATIONS**

<b>Item</b>	<b>Project</b>	<b>Total</b>
<b>ARTS</b>		<b>\$3,000,000</b>
Guthrie Theater*		
<b>BOARD OF WATER AND SOIL RESOURCES</b>		<b>\$500,000</b>
For administrative expenses to implement the RIM and PWP conservation easements and Minnesota River Basin Conservation Reserve Enhancement Program		
<b>DEPARTMENT OF ADMINISTRATION</b>		<b>\$63,650,000</b>
Agency Relocation	500,000	
Asset Preservation	3,000,000	
Bureau of Criminal Apprehension Headquarters	58,000,000	
Health and Human Services and Related Facilities, Predesign	1,000,000	
Property Acquisition	1,000,000	
World War II Veterans Memorial	150,000	
<b>DEPARTMENT OF AGRICULTURE</b>		<b>\$1,200,000</b>
Agriculture Best Management Practices Loan	1,000,000	
Agroforestry Loan Program	200,000	
<b>DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING</b>		<b>\$1,100,000</b>
For library shelving at the School for the Blind	600,000	
Metropolitan Magnet School, West Metro	500,000	

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**GENERAL FUND DIRECT APPROPRIATIONS**


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Item	Project	Total
<b>DEPARTMENT OF HEALTH</b>		135,000
For a mobile learning center to provide interactive education about organ, tissue, and eye donation*		
<b>DEPARTMENT OF HUMAN SERVICES</b>		\$300,000
Mash-Ka- Wisen Treatment Center Youth Alcohol Treatment Wing		
<b>DEPARTMENT OF PUBLIC SAFETY</b>		\$844,000
To purchase National Weather Service transmitters for up to 13 sites statewide and for generator upgrades at MnDOT sites		
<b>DEPARTMENT OF NATURAL RESOURCES</b>		\$300,000
For ring dikes		
<b>DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT</b>		<b>\$16,879,000</b>
Farm america	470,000	
Redevelopment Account	6,000,000	
Wastewater Infrastructure Program	10,409,000	
<b>DEPARTMENT OF VETERANS AFFAIRS</b>		\$25,000
Grant for the women's memorial at Arlington National Cemetery		
<b>HOUSING FINANCE AGENCY</b>		<b>\$2,000,000</b>
For transfer to the housing development fund to make loans for transitional housing		
<b>MINNESOTA STATE COLLEGES AND UNIVERSITIES</b>		<b>\$3,600,000</b>
To demolish structures, eliminate blight, and construct parking facilities		
<b><u>BOND SALE EXPENSES</u></b>		\$448,000
<b><u>CANCELLATIONS</u></b>		<b>(\$29,913,000)</b>
<b><u>TOTAL</u></b>		<b>\$610,357,000</b>
<b><u>BOND PROCEEDS FUND (GENERAL FUND DEBT SERVICE)</u></b>		<b>\$470,900,000</b>
<b><u>BOND PROCEEDS FUND (USER FINANCED DEBT SERVICE)</u></b>		<b>\$71,359,000</b>
<b><u>GENERAL FUND DIRECT APPROPRIATIONS</u></b>		<b>\$98,011,000</b>

\*Projects veted by the Governor are identified with an asterisk.

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The Governor used his line-item veto authority to eliminate funding for the following projects:

• Cold Weather Testing Center	\$2,700,000
• Guthrie Theater	\$3,000,000
• Landfall HRA Retaining Wall	\$100,000
• Minnesota Center for Agricultural Innovation	\$500,000
• Multicultural Development Grants	\$1,511,000
• Organ Donor Vehicle	\$135,000
• Root River Center for the Arts	\$1,000,000
• St. Croix Valley Heritage Center	\$150,000

The Legislature restored funding for the following projects:

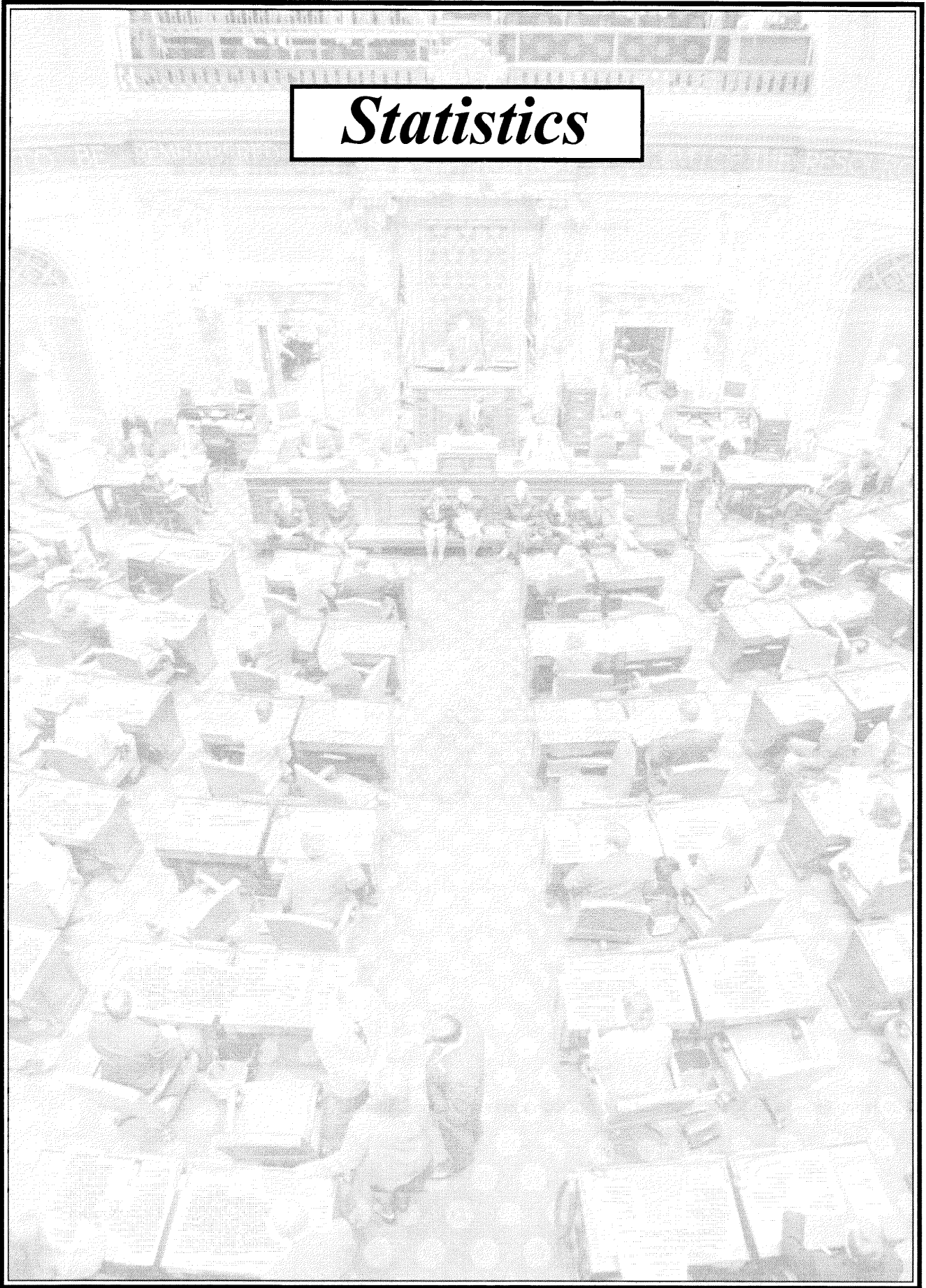
- Guthrie Theater
- Multicultural Development Grants
- Organ Donor Vehicle
- Root River Center for the Arts

The combined impact of gubernatorial vetoes and legislative overrides is a bonding bill totaling \$606,907,000. In addition to the funding provided for capital projects in the bonding bill, the Legislature also authorized the sale of \$100.1 million in Trunk Highway Bonds and appropriated the money for trunk highway construction purposes.

Notable legislation in the bonding bill includes:

- Creation of the Big Bog State Recreation Area in Beltrami County and the Red River State Recreation Area in Polk county.
- Requiring the Pollution Control Agency to submit an annual report tracking the location and capacity of each new wastewater treatment system requiring a national pollutant discharge elimination system or state disposal system built after May 1, 2000.
- Directing the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities to consider the following criteria in establishing priorities for requests for bond funds for capital projects: (1) maintenance and preservation of existing facilities; (2) completion of projects that have received funding; (3) updating facilities to meet contemporary needs; (4) providing geographic distribution of capital projects; and (5) maximizing the use of **nonstate** contributions.
- Appropriating \$25,000,000 in FY 200 1 and \$19,000,000 in FY 2002 to the Metropolitan Council for engineering, design, and construction of an exclusive bus **transitway**, including, but not limited to, acquisition of land and right-of-way.

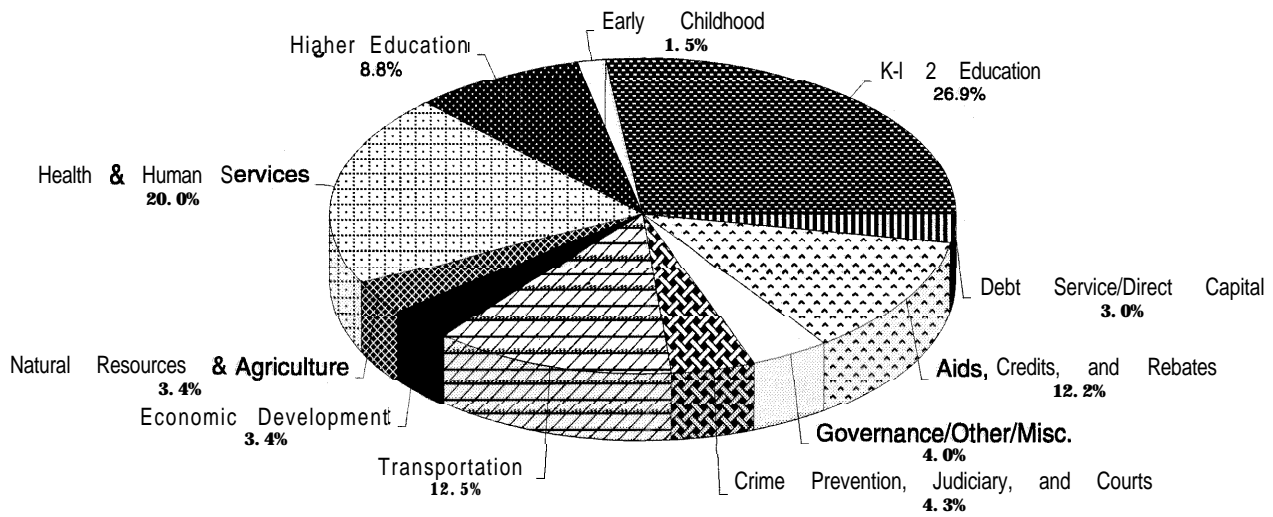
# *Statistics*



# State Appropriations by Functional Area

1999-2001 Biennium

Total Appropriations (1): \$30,414,340,000



Note:

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

**Table A**

**Summary of Biennial Appropriations by Fund  
1999 & 2000 Legislative Sessions**

<b>Fund</b>	<b>1999-2001 Biennium</b>	<b>2000 Changes</b>	<b>New Total</b>
County-State Aid Highway	\$ 731,687,000	\$ 23,800,000	\$ 755,487,000
Environmental	61,892,000	2,203,000	64,095,000
Environmental Trust Fund	25,460,000	0	25,460,000
Game and Fish, State Sources	95,180,000	16,608,000	111,788,000
Game and Fish, Federal Sources	32,000,000	0	32,000,000
General Fund (includes rebates)	22,364,377,000	1,693,134,000	24,057,511,000
Dedicated General Fund	236,591,000	45,755,000	282,346,000
Health Care Access Fund	385,632,000	9,173,000	394,805,000
Highway User Tax Distribution	35,357,000	0	35,357,000
Landfill Cleanup-Solid Waste	90,312,000	(15,397,000)	74,915,000
Minnesota Future Resources	14,840,000	0	14,840,000
Municipal-State Aid Street	212,943,000	6,200,000	219,143,000
Natural Resources	55,012,000	13,124,000	68,136,000
Endowment School	41,581,000	(1,826,000)	39,755,000
Petroleum Tank Release Cleanup	78,761,000	(10,434,000)	68,327,000
Special Revenue, State Sources	616,903,000	17,034,000	633,937,000
Special Revenue, Federal Sources	68,903,000	(13,353,000)	55,550,000
State Airports, State Sources	41,718,000	0	41,718,000
State Airports, Federal Sources	500,000	0	500,000
State Govt. Special Revenue, State Sources	113,768,000	(2,706,000)	111,062,000
State Govt. Special Revenue, Federal Sources	0	706,000	706,000
State Lottery Fund (1)	106,495,000	248,000	106,743,000
Trunk Highway, State Sources	1,503,970,000	90,958,000	1,594,928,000
Trunk Highway, Federal Sources	620,852,000	(15,852,000)	605,000,000
Workforce Development	29,998,000	1,827,000	31,825,000
Workers' Compensation	226,788,000	34,310,000	261,098,000
Minnesota Technology, Inc., State Sources	18,300,000	874,000	19,174,000
Minnesota Technology, Inc., Federal Sources	4,200,000	126,000	4,326,000
Agriculture Fund	36,087,000	1,610,000	37,697,000
Cambridge Debt Service	110,280,000	0	110,280,000
IRRRB Fund	61,409,000	2,905,000	64,314,000
Medical Education & Research Fund	37,787,000	(11,155,000)	26,632,000
Tobacco Use Prevention Fund	19,955,000	(1,074,000)	18,881,000
NE Minnesota Economic Protection	21,705,000	(1,261,000)	20,444,000
Gifts	25,983,000	10,000	25,993,000
Endowment Fund	34,000	0	34,000
Debt Service (General Fund & Other Funds)	734,112,000	(52,233,000)	681,879,000
<b>Total State Appropriations (2):</b>	<b>\$ 28,861,372,000</b>	<b>\$ 1,835,314,000</b>	<b>\$ 30,696,686,000</b>
<b>Federal Funds:</b>	<b>\$ 7,882,409,000</b>	<b>\$ 138,940,000</b>	<b>\$ 8,021,349,000</b>
<b>TOTAL APPROPRIATIONS:</b>	<b>\$ 36,743,781,000</b>	<b>\$ 1,974,254,000</b>	<b>\$ 38,718,035,000</b>

NOTES:

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

Table B  
General Fund  
Resources and Uses  
1999-2001 Biennium with 2000 Changes

	1999 Session	2000 Forecast & Legislative Changes	New 1999-2001 Biennium
<b><u>I. RESOURCES</u></b>			
<b>A. Balance Forward</b>	<b>\$ 1,517,719,000</b>	<b>\$ 403,060,000</b>	<b>\$ 1,920,779,000</b>
<b>B. Taxes &amp; Receipts (before 2000 Law Changes)</b>			
Individual Income Taxes	11,896,445,000	994,455,000	12,890,900,000
Corporate Franchise Tax	1,604,290,000	120,910,000	1,725,200,000
Sales Tax	7,712,711,000	274,362,000	7,987,073,000
Motor Vehicle Tax	917,950,000	139,400,000	1,057,350,000
Inheritance & Estate Tax	94,000,000	61,000,000	155,000,000
Liquor, Wine, Beer	115,895,000	3,031,000	118,926,000
Cigarette and Tobacco Products Tax	359,797,000	(7,570,000)	352,227,000
Iron Ore Occupation	300,000	0	300,000
Taconite Occupation & Production	4,000,000	(54,000)	3,946,000
Deed and Mortgage Tax	252,200,000	10,900,000	263,100,000
Insurance Gross Premiums	350,295,000	(995,000)	349,300,000
Telephone, Telegraph, & Other Gross	90,000	0	90,000
Lawful Gambling Tax	120,302,000	7,010,000	127,312,000
Health Care Provider Tax	244,614,000	8,421,000	253,035,000
Controlled Substance	280,000	(85,000)	195,000
Investment Income	171,778,000	64,542,000	236,320,000
Income Tax Reciprocity	81,336,000	3,808,000	85,144,000
Tobacco Settlements	253,458,000	(31,391,000)	222,067,000
Other Non-Dedicated Receipts	163,715,000	17,287,000	181,002,000
<b>Total Taxes &amp; Receipts (Before Law Changes):</b>	<b>\$ 24,343,456,000</b>	<b>\$ 1,665,031,000</b>	<b>\$ 26,008,487,000</b>
<b>C. Revenue Refunds</b>			
Individual Income Tax	(1,368,300,000)	(256,000,000)	(1,624,300,000)
Corporate Franchise Tax	(210,000,000)	(33,800,000)	(243,800,000)
Sales Tax	(372,734,000)	(22,751,000)	(395,485,000)
Other Agencies' Refunds	(200,000)	0	(200,000)
Other Refunds	(46,662,000)	84,000	(46,578,000)
<b>Total Refunds:</b>	<b>\$ (1,997,896,000)</b>	<b>\$ (312,467,000)</b>	<b>\$ (2,310,363,000)</b>
<b>D. Transfers from Other Funds</b>			
Other Special Revenue Funds	10,727,000	(402,000)	10,325,000
Cambridge Bank Special Fund	332,124,000	15,041,000	347,165,000
All Other Transfers	90,289,000	5,286,000	95,575,000
New Legislation Transfers	1,457,000	129,295,000	130,752,000
<b>Total Transfers:</b>	<b>\$ 434,597,000</b>	<b>\$ 149,220,000</b>	<b>\$ 583,817,000</b>
<b>E. 2000 Law Changes</b>			
Individual Income Taxes	0	(237,048,000)	(237,048,000)
Corporate Income Taxes	0	625,000	625,000
Sales Tax	0	(2,792,000)	(2,792,000)
Lawful Gambling Tax	0	(3,110,000)	(3,110,000)
Investment Income	0	8,027,000	8,027,000
Miscellaneous Non-Dedicated Revenues	0	65,986,000	65,986,000
<b>Law Changes:</b>	<b>\$ 0</b>	<b>\$ (168,312,000)</b>	<b>\$ (168,312,000)</b>
<b>F. Prior Year Adjustments</b>	<b>\$ 20,200,000</b>	<b>\$ 0</b>	<b>\$ 20,200,000</b>
<b>G. Total Dedicated Revenues</b>	<b>\$ 252,360,000</b>	<b>\$ 61,211,000</b>	<b>\$ 313,571,000</b>
<b>TOTAL REVENUES</b>	<b>\$ 24,570,436,000</b>	<b>\$ 1,797,743,000</b>	<b>\$ 26,368,179,000</b>



	1999 Session	2000 Forecast & Legislative Changes	New 1999-2001 Biennium
<b>II. APPROPRIATIONS</b>			
<b>A. Budget Divisions</b>			
Elementary and Secondary Education	7,872,749,000	263,484,000	8,136,233,000
Family and Early Childhood Education	459,802,000	(21,496,000)	438,306,000
Higher Education	2,615,500,000	25,902,000	2,641,402,000
Health and Family Security	5,238,750,000	92,629,000	5,331,379,000
Environment and Agriculture	421,587,000	14,693,000	436,280,000
Economic Development	428,276,000	26,442,000	454,718,000
Transportation	162,424,000	369,439,000	531,863,000
Crime Prevention and Judiciary	1,129,923,000	41,510,000	1,171,433,000
State Government and Departments	662,621,000	14,034,000	676,655,000
Capital Projects	0	113,850,000	113,850,000
Tax Rebates, Reductions and other Changes	0	696,312,000	696,312,000
<b>Total Budget Divisions:</b>	<b>\$ 18,991,632,000</b>	<b>\$ 1,636,799,000</b>	<b>\$ 20,628,431,000</b>
<b>B. Open and Standing Appropriations</b>			
Aids and Credits	3,010,008,000	32,395,000	3,042,403,000
Debt Service	585,765,000	(7,084,000)	578,681,000
Other Open and Standing	479,029,000	30,772,000	509,801,000
<b>Total Open and Standing Appropriations:</b>	<b>\$ 4,074,802,000</b>	<b>\$ 56,083,000</b>	<b>\$ 4,130,885,000</b>
<b>C. Transfer to Other Funds</b>	<b>\$ 144,528,000</b>	<b>\$ 182,374,000</b>	<b>\$ 326,902,000</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 23,210,962,000</b>	<b>\$ 1,875,256,000</b>	<b>\$ 25,086,218,000</b>
<b>TOTAL REVENUES AND RECEIPTS</b>	<b>\$ 24,570,436,000</b>	<b>\$ 1,797,743,000</b>	<b>\$ 26,368,179,000</b>
<b>TOTAL APPROPRIATIONS -- GROSS</b>	<b>\$ 23,210,962,000</b>	<b>\$ 1,875,256,000</b>	<b>\$ 25,086,218,000</b>
Dedicated Expenditures	236,591,000	45,755,000	282,346,000
Dept. of Human Services RTC Collections (1)	(42,400,000)	(3,160,000)	(45,560,000)
Indirect Cost Receipts	(42,819,000)	(3,672,000)	(46,491,000)
Less Cancellations	(20,340,000)	(14,000,000)	(34,340,000)
<b>TOTAL APPROPRIATIONS -- NET</b>	<b>\$ 23,341,994,000</b>	<b>\$ 1,900,179,000</b>	<b>\$ 25,242,173,000</b>
<b>Reserves</b>			
Cash Flow Account	350,000,000	0	350,000,000
Budget Reserve	622,000,000	0	622,000,000
Dedicated Reserves	133,105,000	12,167,000	145,272,000
<b>Total Reserves:</b>	<b>\$ 1,105,105,000</b>	<b>\$ 12,167,000</b>	<b>\$ 1,117,272,000</b>
<b>UNRESTRICTED BUDGETARY BALANCE</b>	<b>\$ 123,337,000</b>	<b>\$</b>	<b>\$ 8,734,000</b>

NOTES:

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

**Table C**  
**Detailed Appropriations by Function - All Funds**  
**1999-2001 Biennium with 2000 Changes**

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
<b>Aids and Credits</b>				
Homestead & Agricultural Credit Aid (HACA)				
School Districts	\$ 71,964,000	\$ 25,000	\$ 0	71,989,000
Cities, Towns, Counties	917,964,000	6526,000	0	924,490,000
Tax Incremental Financing	0	0	0	0
Subtotal HACA:	<b>989,928,000</b>	<b>6,551,000</b>	0	<b>996,479,000</b>
Property Tax Refund				
Renters	228,175,000	(6,755,000)	0	221,420,000
Homeowners	157,879,000	(3,014,000)	0	154,865,000
Targeting	3,600,000	1,302,000	0	4,902,000
Political Contribution Refunds	7,903,000	607,000	0	8,510,000
Supplemental Homestead				
Property Tax Relief	1,088,000	(34,000)	0	1,054,000
Education Homestead and Agricultural Credits	718,375,000	954,000	0	719,329,000
Aid to Local Governments	777,640,000	4,181,000	0	781,821,000
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-DNF? Lands	12,000,000	50,000	0	12,050,000
Enterprise Zone Credit				
School Districts	16,000	(8,000)	0	8,000
Cities, Towns, Counties	22,000	(12,000)	0	10,000
Regional Transit Board Levy Reduction	3,524,000	(290,000)	0	3,234,000
Region 3 Occupation Tax Distribution & Taconite Aid	2,458,000	0	0	2,458,000
Disparity Aid				
School Districts	21,206,000	(133,000)	0	21,073,000
Cities, Towns, Counties	26,376,000	(129,000)	0	26,247,000
Border City Disparity Credit				
School Districts	3,379,000	(958,000)	0	2,421,000
Cities, Towns, Counties	7,872,000	(195,000)	0	7,677,000
Disaster & Flood Relief Aid				
School Districts	373,000	(85,000)	0	288,000
Cities, Towns, Counties	462,000	(98,000)	0	364,000
FY1999 Farm Relief Aid-Carryforward & Extension	0	40,234,000	292,000	40,526,000
Family Preservation Aid	23,400,000	0	0	23,400,000
Local Performance Aid	19,536,000	(9,773,000)	0	9,763,000
<b>Total Aids and Credits: \$</b>	<b>3,011,648,000 \$</b>	<b>32,395,000 \$</b>	<b>292,000 \$</b>	<b>3,044,335,000</b>
<b>One-Time Tax Rebates</b>				
Agricultural Disaster Relief	0	0	18,000,000	18,000,000
Sales Tax Rebate	0	9,761,000	637,659,000	647,420,000
<b>Total One-Time Tax Rebates: \$</b>	<b>0 \$</b>	<b>9,761,000 \$</b>	<b>655,659,000 \$</b>	<b>665,420,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
<b>Elementary and Secondary Education</b>				
General Education Aid	\$ 6,217,939,000	\$ 47,648,000	\$ 48,314,000	\$ 6,313,901,000
General Education One-Time Revenue	0	0	32,339,000	32,339,000
Transp. Aid for Post-Sec. Enrollment Options	204,000	(64,000)	0	140,000
School Bus Safety	144,000	0	0	144,000
Endowment Fund	41,581,000	(1,826,000)	0	39,755,000
District Cooperation Revenue	6503,000	(66,000)	0	6,437,000
Subtotal General Education:	<b>6,266,371,000</b>	<b>45,692,000</b>	<b>80,653,000</b>	<b>6,392,716,000</b>
<b>Special Programs</b>				
Special Education Aid	1,072,988,000	18,390,000	26,162,000	1,117,540,000
Integration Aid	80,969,000	12,469,000	0	93,438,000
Indian Education Programs	7,904,000	0	0	7,904,000
Tribal Contract Schools	5,632,000	(1,943,000)	0	3,689,000
School-to-Work Students with Disabilities	17,860,000	0	0	17,860,000
Metro Magnet School Grants	3,500,000	0	0	3,500,000
Integration Grants	2,000,000	0	0	2,000,000
Inter-District Desegregation	1,940,000	0	0	1,940,000
First Grade Preparedness Program	14,000,000	0	0	14,000,000
Center for Torture Victims	150,000	0	0	150,000
New Programs/Dept. Assistance	100,000	374,000	0	474,000
Local Programs & Grants	0	0	530,000	530,000
Magnet School Start-Up Aid	0	0	225,000	225,000
Subtotal Special Programs:	<b>1,207,043,000</b>	<b>29,290,000</b>	<b>26,917,000</b>	<b>1,263,250,000</b>
<b>Lifework Development</b>				
Secondary Vocational Education Aid	12,465,000	1,198,000	11,167,000	24,830,000
Youthworks Program	3,576,000	0	0	3,576,000
Education Employment Transition	6,450,000	89,000	(1,000,000)	5,539,000
MN School-to-Work Student Organizations	1,250,000	0	0	1,250,000
Learn & Earn Program	1,450,000	0	0	1,450,000
Subtotal Lifework Development:	<b>25,191,000</b>	<b>1,287,000</b>	<b>10,167,000</b>	<b>36,645,000</b>
<b>Facilities &amp; Technology</b>				
Debt Service Equalization Aid	65,249,000	(2,708,000)	0	62,541,000
Health and Safety	29,485,000	(1,020,000)	100,000	28,565,000
Alternative Facilities Aid	38,359,000	(305,000)	0	38,054,000
Telecommunication Access Grants	5,000,000	0	0	5,000,000
Interactive Television Levy Aid	7,048,000	(93,000)	0	6,955,000
Disaster Relief Grants & Aid	4,973,000	(357,000)	970,000	5,586,000
Local Legislation & Other Programs	750,000	1,192,000	25,000	1,967,000
Telecommunication Access Revenue	0	0	16,668,000	16,668,000
One-Time Facilities Aid	0	0	23,360,000	23,360,000
Subtotal Facilities & Technology:	<b>150,864,000</b>	<b>(3,291,000)</b>	<b>41,123,000</b>	<b>188,696,000</b>
<b>Education Excellence</b>				
Advanced Placement/IB	3,750,000	0	0	3,750,000
Community-Based Charter School Grant	3,000,000	0	0	3,000,000
Statewide Testing	18,000,000	0	0	18,000,000
Homework Helpline	80,000	0	0	80,000
Charter School Building Lease Aid	6,608,000	10,180,000	0	16,788,000
Charter School Start-Up Grants & Integration Aid	3,765,000	1,216,000	0	4,981,000
Graduation Rule Resource Grants	600,000	0	0	600,000
Special Education Staff Development	1,500,000	0	0	1,500,000
Best Practices	0	0	5,000,000	5,000,000
Magnet School Facility Grants	0	0	1,300,000	1,300,000
Subtotal Education Excellence:	<b>37,303,000</b>	<b>11,396,000</b>	<b>6,300,000</b>	<b>54,999,000</b>

	1999-2001	Forecast &	2000 Legislative	Biennium
	Biennium	Estimate Changes	Changes	Total
<b>Other Education Programs</b>				
Consolidation Transition Aid	\$ 826,000	\$ 192,000	\$ 0	\$ 1,018,000
Abatement Aid	18,057,000	(201,000)	0	17,856,000
Nonpublic Pupil Aid	22,874,000	1,435,000	135,000	24,444,000
Nonpublic Transportation	39,508,000	2,183,000	0	41,691,000
HIV Training Sites	458,000	0	0	458,000
Partners for Quality School Improvement	500,000	0	0	500,000
Local Programs & Fund Transfers	375,000	0	100,000	475,000
Urban Educator Program	2,600,000	0	0	2,600,000
Professional Teaching Standards	400,000	0	150,000	550,000
MN Learning Resource Center/New Visions	450,000	0	0	450,000
Homeless Student Programs	20,000	(5,000)	1,000,000	1,015,000
Educational Demographics-GIS	0	0	156,000	156,000
Sober School Grants	0	0	500,000	500,000
Assistance for Immigrant Families	0	0	500,000	500,000
Special Revenue Fund Open Approps.	540,000	0	0	540,000
<b>Subtotal Other Education Programs:</b>	<b>86,608,000</b>	<b>3,604,000</b>	<b>2,541,000</b>	<b>92,753,000</b>
<b>Nutrition Programs</b>				
School Lunch and Milk Aid	16,400,000	0	506,000	16,906,000
Summer Food Service	300,000	0	0	300,000
School Breakfast Aid	912,000	0	514,000	1,426,000
Fast Break to Learning	5,000,000	0	0	5,000,000
<b>Subtotal Nutrition Programs:</b>	<b>22,612,000</b>	<b>0</b>	<b>1,020,000</b>	<b>23,632,000</b>
<b>Libraries</b>				
Basic Support Grants	17,065,000	0	0	17,065,000
Multicounty, Mutitype Library Grants	1,806,000	0	0	1,806,000
Library for the Blind Technology	212,000	0	0	212,000
Library Technology Grants	2,900,000	0	2,406,000	5,306,000
<b>Subtotal Libraries:</b>	<b>21,983,000</b>	<b>0</b>	<b>2,406,000</b>	<b>24,389,000</b>
<b>Department of Children, Families, &amp; Learning</b>				
State Board of Education	165,000	0	0	165,000
Board of Teaching	1,351,000	0	0	1,351,000
Litigation Costs	2,000,000	0	0	2,000,000
Special Revenue Fund Open/Statutory Approps.	8,151,000	0	0	8,151,000
Appropriations Carried Forward (1)	0	2,098,000	0	2,098,000
<b>Subtotal Dept. of Children, Families, &amp; Learning:</b>	<b>70,468,000</b>	<b>2,098,000</b>	<b>0</b>	<b>72,566,000</b>
<b>Lola &amp; Rudy Perpich Center for Arts Education</b>				
Special Revenue Fund Open/Statutory Approps.	16,200,000	0	0	16,200,000
	696,000	0	0	696,000
<b>Subtotal Perpich Center for Arts Education:</b>	<b>16,896,000</b>	<b>0</b>	<b>0</b>	<b>16,896,000</b>
<b>Faribault Academies</b>				
Special Revenue Fund Open/Statutory Approps.	20,331,000	0	0	20,331,000
	230,000	0	0	230,000
Appropriations Carried Forward (1)	0	455,000	0	455,000
<b>Subtotal Faribault Academies:</b>	<b>20,561,000</b>	<b>455,000</b>	<b>0</b>	<b>21,016,000</b>
<b>State Appropriations: \$</b>	<b>7,925,900,000</b>	<b>\$ 90,531,000</b>	<b>171,127,000</b>	<b>\$ 8,187,558,000</b>
<b>Federal Appropriations: \$</b>	<b>719,316,000</b>	<b>\$ 52,182,000</b>	<b>0</b>	<b>\$ 771,498,000</b>
<b>Total Elementary &amp; Secondary Education: \$</b>	<b>8,645,216,000</b>	<b>\$ 142,713,000</b>	<b>171,127,000</b>	<b>\$ 8,959,056,000</b>

#### Early Childhood & Family Education

##### Children & Family Support Programs

School Readiness	20,790,000	0	0	20,790,000
Early Childhood Family Education (ECFE)	40,825,000	556,000	755,000	42,136,000
Health & Developmental Screening Aid	5,100,000	0	0	5,100,000
Way to Grow - Early Childhood Grants	950,000	0	0	950,000
Head Start	36,750,000	0	0	36,750,000
School-Age/Extended Day Aid	490,000	29,000	0	519,000
Child Care - Basic Sliding Fee	43,998,000	0	0	43,998,000
TANF/MFIP Child Care	174,761,000	(29,631,000)	0	145,130,000
Child Care Development	3,730,000	0	0	3,730,000
<b>Subtotal Children &amp; Family Support Programs:</b>	<b>327,394,000</b>	<b>(29,046,000)</b>	<b>755,000</b>	<b>299,103,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
<b>Community and Systems Change</b>				
Family Collaborative	\$ 7,312,000	\$ 0	(\$100,000)	7,212,000
Community Education Aid	28,832,000	578,000	0	29,410,000
Adults w/Disabilities Program Aid	1,480,000	0	40,000	1,520,000
First Call Minnesota	50,000	0	0	50,000
Subtotal Community & Systems Change:	37,674,000	578,000	(60,000)	38,192,000
<b>Prevention and Intervention Programs</b>				
Violence Prevention Education Grants	2,900,000	0	0	2,900,000
Male Responsibility & Fathering Grants	500,000	0	0	500,000
Abused Children Programs	1,890,000	0	0	1,890,000
Children's Trust Fund	450,000	0	0	450,000
After School Enrichment Grants	10,520,000	0	0	10,520,000
Alcohol-Impaired Driver Education	400,000	0	0	400,000
Adolescent Parenting Grants	1,000,000	0	0	1,000,000
Family Visitation Centers	400,000	0	0	400,000
Meadowbrook Collaborative	0	0	25,000	25,000
Subtotal Prevention & Intervention Programs:	18,060,000	0	25,000	18,085,000
<b>Self-Sufficiency and Life-Long Learning</b>				
MN Economic Opportunity Grants	17,028,000	0	0	17,028,000
Transitional Housing Programs	3,975,000	0	0	3,975,000
Foodshelf Programs	2,556,000	0	0	2,556,000
Adult Education Programs	52,735,000	7,972,000	(2,592,000)	58,115,000
Lead Hazard Reduction	500,000	0	0	500,000
Emergency Services Grants	700,000	0	622,000	1,322,000
Family Assets for Independence	500,000	0	0	500,000
Cooperative Language Instruction	0	0	250,000	250,000
Special Revenue Fund Open/Statutory Approps.	1,728,000	2,564,000	0	4,292,000
Subtotal Self-Sufficiency & Life-Long Learning:	79,722,000	10,536,000	(1,720,000)	88,538,000
<b>State Appropriations:</b>	<b>\$ 462,850,000</b>	<b>\$ (17,932,000)</b>	<b>(\$1,000,000)</b>	<b>443,918,000</b>
<b>Federal Appropriations:</b>	<b>\$ 342,686,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>342,686,000</b>
<b>Total Early Childhood &amp; Family Education:</b>	<b>\$ 805,536,000</b>	<b>\$ (17,932,000)</b>	<b>(\$1,000,000)</b>	<b>786,604,000</b>

### Higher Education

<b>Higher Education Services Office</b>				
Agency Administration	6,978,000	0	0	6,978,000
State Scholarships and Grants	246,274,000	0	0	246,274,000
Interstate Tuition	9,000,000	0	0	9,000,000
State Work-Study	24,888,000	0	0	24,888,000
Minitex Library Program	9,916,000	0	0	9,916,000
Learning Network of MN	10,357,000	0	0	10,357,000
Edvest	3,040,000	0	0	3,040,000
Special Revenue Fund Open/Statutory Approps.	370,000	0	0	370,000
Appropriations Carried Forward (1)	60,000	11,461,000	0	11,521,000
Subtotal Higher Education Services Office:	310,883,000	11,461,000	0	322,344,000
<b>MN State Colleges &amp; Universities</b>				
MN State Colleges & Universities	1,115,807,000	0	13,180,000	1,128,987,000
Special Revenue Fund Open/Statutory Approps.	9,914,000	0	0	9,914,000
Gift Fund	17,234,000	0	0	17,234,000
Appropriations Carried Forward (1)	0	441,000	0	441,000
Subtotal MN State Colleges & Universities:	1,142,955,000	441,000	13,180,000	1,156,576,000
<b>University of Minnesota</b>				
Operations and Maintenance	1,041,225,000	0	0	1,041,225,000
Health Sciences	11,635,000	0	0	11,635,000
Institute of Technology	3,245,000	0	0	3,245,000
System Specials	14,732,000	0	0	14,732,000
Agriculture and Extension Service	115,176,000	0	600,000	115,776,000
Medical Education & Research Fund	16,014,000	(623,000)	0	15,391,000
Duluth Child Care Start-Up	0	0	220,000	220,000
Subtotal University of Minnesota:	1,202,027,000	(623,000)	820,000	1,202,224,000

	1999-2001	Forecast &	2000	Legislative	Biennium
	Biennium	Estimate	Changes	Changes	Total
Mavo Medical Foundation	3,183,000	0	0	0	3,183,000
<b>State Appropriations: \$</b>	<b>2,659,048,000 \$</b>	<b>11,279,000 \$</b>	<b>14,000,000 \$</b>	<b>14,000,000 \$</b>	<b>2,684,327,000</b>
<b>Federal Appropriations: \$</b>	<b>82,114,000 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>82,114,000</b>
<b>Total Higher Education: \$</b>	<b>2,741,162,000 \$</b>	<b>11,279,000 \$</b>	<b>14,000,000 \$</b>	<b>14,000,000 \$</b>	<b>2,766,441,000</b>

### Health & Family Security

#### Department of Human Services

Financial & Management Administration	57,419,000	0	0	0	57,419,000
Children Grants & Services	115,683,000	0	4,437,000	4,437,000	120,120,000
<b>Health Care Programs</b>					
Medical Assistance Grants	1,513,591,000	55,751,000	669,000	669,000	1,570,011,000
General Assistance Medical Care	269,817,000	3,772,000	938,000	938,000	274,527,000
Health Care Management	46,495,000	0	0	0	46,495,000
Medical Assistance - Long-term Care	1,867,804,000	(54,250,000)	20,468,000	20,468,000	1,834,022,000
State Operated Treatment Centers	418,931,000	0	(1,495,000)	(1,495,000)	417,436,000
<b>Continuing Care &amp; Community Support Grants</b>					
Community Social Services Block Grants	86,095,000	0	901,000	901,000	86,996,000
Community Care & Support Grants	41,876,000	0	432,000	432,000	42,308,000
Mental Health Grants	94,013,000	0	2,078,000	2,078,000	96,091,000
Alternative Care Grants	120,854,000	0	1,633,000	1,633,000	122,487,000
Group Residential Housing Grants	136,867,000	(2,353,000)	204,000	204,000	134,718,000
Chemical Dependency Grants	88,504,000	2,470,000	0	0	90,974,000
Support Management	35,447,000	0	0	0	35,447,000
<b>Economic Support Grants</b>					
Assistance to Families Grants / MFIP	132,414,000	4,615,000	53,442,000	53,442,000	190,471,000
General Assistance Grants	48,900,000	(3,380,000)	803,000	803,000	46,323,000
Work Grants	21,462,000	0	(250,000)	(250,000)	21,212,000
Minnesota Supplemental Aid	52,641,000	647,000	0	0	53,288,000
Child Support Enforcement Administration	10,718,000	0	0	0	10,718,000
Refugee Service	81,307,000	0	0	0	81,307,000
Refugee Service	660,000	0	0	0	660,000
Federal Reimbursement	(58,588,000)	0	0	0	(58,588,000)
Special Revenue Fund Open/Statutory Approps.	96,758,000	(2,470,000)	0	0	94,288,000
State Govt. Special Revenue - Open/Statutory	2,274,000	0	0	0	2,274,000
Appropriations Carried Forward (1)	0	630,000	0	0	630,000
<b>Subtotal Department of Human Services:</b>	<b>5,281,942,000</b>	<b>5,432,000</b>	<b>84,260,000</b>	<b>84,260,000</b>	<b>5,371,634,000</b>
Ombudsman for Mental Health & Retardation	2,716,000	0	0	0	2,716,000
Ombudsman for Families	337,000	0	0	0	337,000
<b>MinnesotaCare/Health Care Access Fund</b>					
Department of Health	20,001,000	0	0	0	20,001,000
Department of Human Services	301,240,000	4,667,000	0	0	305,907,000
Department of Revenue	3,413,000	0	0	0	3,413,000
University of Minnesota	5,674,000	0	0	0	5,674,000
Legislative Coordinating Commission	300,000	0	0	0	300,000
HCAF Open/Statutory Appropriations	55,004,000	4,506,000	0	0	59,510,000
<b>Subtotal MinnesotaCare:</b>	<b>385,632,000</b>	<b>9,173,000</b>	<b>0</b>	<b>0</b>	<b>394,805,000</b>
<b>Department of Health</b>					
Health Protection	54,286,000	0	175,000	175,000	54,461,000
Health Systems	113,591,000	0	865,000	865,000	114,456,000
Health Management & Support Services	11,317,000	0	0	0	11,317,000
Special Revenue Fund Open/Statutory Approps.	1,431,000	(76,000)	0	0	1,355,000
Medical Education & Research Fund	21,773,000	(10,532,000)	0	0	11,241,000
Tobacco Use Prevention Fund Approps.	19,955,000	(1,074,000)	0	0	18,881,000
State Govt. Special Rev. Open/Statutory Approps.	50,927,000	0	0	0	50,927,000
Appropriations Carried Forward (1)	0	66,000	0	0	66,000
<b>Subtotal Department of Health:</b>	<b>273,280,000</b>	<b>(11,616,000)</b>	<b>1,040,000</b>	<b>1,040,000</b>	<b>262,704,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Health-Related Boards	\$ 26,910,000	\$ 0	\$ 150,000	\$ 27,060,000
State Govt. Special Rev. Open/Statutory Approps.	21,445,000	(150,000)	0	21,295,000
Appropriations Carried Forward (1)	0	77,000	0	77,000
Subtotal Health-Related Boards:	48,355,000	(73,000)	150,000	48,432,000
Veterans Nursing Homes Board	54,198,000	0	0	54,198,000
Special Revenue Fund Open/Statutory Approps.	(7,099,000)	0	0	(7,099,000)
Appropriations Carried Forward (1)	0	229,000	0	229,000
Subtotal Veterans Nursing Homes Board:	47,099,000	229,000	0	47,328,000
Council on People with Disabilities	1,320,000	0	0	1,320,000
<b>State Appropriations:</b>	<b>\$ 6,040,681,000</b>	<b>\$ 3,145,000</b>	<b>\$ 85,450,000</b>	<b>\$ 6,129,276,000</b>
<b>Federal Appropriations:</b>	<b>\$ 5,463,365,000</b>	<b>\$ 66,821,000</b>	<b>\$ 0</b>	<b>\$ 5,530,186,000</b>
<b>Total Health &amp; Human Services:</b>	<b>\$ 11,504,046,000</b>	<b>\$ 69,966,000</b>	<b>\$ 85,450,000</b>	<b>\$ 11,659,462,000</b>

### Environment & Agriculture

Department of Agriculture				
Protection Service	22,803,000	0	1,739,000	24,542,000
Agricultural Marketing and Development	11,931,000	0	0	11,931,000
Administration and Financial Assistance	11,489,000	0	50,000	11,539,000
Special Revenue Fund Open/Statutory Approps.	6,711,000	0	0	6,711,000
Agricultural Fund Open/Statutory Approp.	36,087,000	1,610,000	0	37,697,000
Appropriations Carried Forward (1)	0	192,000	0	192,000
Subtotal Department of Agriculture:	89,021,000	1,802,000	1,789,000	92,612,000
Agricultural Utilization Research Institute	8,160,000	0	0	8,160,000
Board of Water & Soil Resources	37,124,000	0	3,050,000	40,174,000
Special Revenue Fund Open/Statutory Approps.	42,000	0	0	42,000
Appropriations Carried Forward (1)	0	324,000	0	324,000
Subtotal Board of Water & Soil Resources:	37,166,000	324,000	3,050,000	40,540,000
Board of Animal Health	5574,000	0	245,000	5819,000
Appropriations Carried Forward (1)	0	675,000	0	675,000
Subtotal Board of Animal Health:	5574,000	675,000	245,000	6,494,000
Ethanol Producer Payments	68,447,000	(1,447,000)	5,106,000	72,106,000
Minnesota Horticultural Society	164,000	0	0	164,000
Department of Natural Resources				
Operations Support	64,424,000	0	0	64,424,000
Water Resources Management	27542,000	0	0	27542,000
Mineral Resources Management	10,218,000	0	0	10,218,000
Forest Management	69,845,000	0	0	69,845,000
Fish and Wildlife Management	92580,000	0	5,156,000	97,736,000
Parks and Recreation Management	61,060,000	0	4,537,000	65,597,000
Enforcement	43,857,000	0	825,000	44,682,000
Trails and Waterways	38,189,000	0	1,000,000	39,189,000
Leech Lake and White Earth Reservation	3,988,000	131,000	0	4,119,000
1854 Indian Treaty Settlement	8,376,000	157,000	0	8,533,000
Wildlife Management Lands in Lieu of Taxes	3,000,000	50,000	0	3,050,000
DNR Firefighting	12,000,000	2,000,000	0	14,000,000
Lifetime Hunting & Fishing Licenses	0	0	60,000	60,000
Additional Walleye Stocking	0	0	500,000	500,000
Game & Fish Projects	0	0	12,304,000	12,304,000
Trail Grants	0	0	6,275,000	6,275,000
Zoo Grants	0	0	328,000	328,000
Mille Lacs Treaty Legal Fees	0	0	4,309,000	4,309,000
North Shore Wildfire Planning	0	0	1,459,000	1,459,000
Game and Fish Fund Open/Statutory Approps.	5246,000	(172,000)	0	5,074,000
Natural Resources Fund Open/Statutory Approps.	2,774,000	820,000	0	3,594,000
Special Revenue Fund Open/Statutory Approps.	25183,000	0	0	25,183,000
Gift Fund	1,950,000	0	0	1,950,000
Appropriations Carried Forward (1)	0	872,000	0	872,000
Subtotal Dept. of Natural Resources:	470,232,000	3,858,000	36,753,000	510,843,000

	1999-2001	Forecast &	2000	Legislative	Biennium
	Biennium	Estimate	Chanaes	Chanaes	Total
Zoological Board	\$ 14,378,000	\$ 0	\$ 164,000	\$ 14542,000	
Special Revenue Fund Open/Statutory Approps.	17,814,000	0	0	17,814,000	
Gift Fund	2,122,000	0	0	2,122,000	
Appropriations Carried Forward (1)	0	60,000	0	60,000	
Subtotal Zoological Board:	<b>34,314,000</b>	60,000	164,000	<b>34538,000</b>	
<b>Minn.-Wisc. Boundary Area Commission</b>	371,000	0	0	371,000	
<b>Minnesota Resources</b>					
LCMR Administration	867,000	0	0	867,000	
Recreation	11,127,000	0	0	11,127,000	
Historic Sites	690,000	0	0	690,000	
Water Quality	3,000,000	0	0	3,000,000	
Ag. & Natural Resources-Based industries	6,100,000	0	0	6,100,000	
Urbanization Impacts	1,373,000	0	0	1,373,000	
Decision-Making Tools	1,355,000	0	0	1,355,000	
Innovations in Energy & Transportation	325,000	0	0	325,000	
Environmental Education	2,655,000	0	0	2,655,000	
Benchmarks and Indicators	4,230,000	0	0	4,230,000	
Native Fisheries	458,000	0	0	458,000	
Critical Lands or Habitats	6,230,000	0	0	6,230,000	
Native Species Planting	1,540,000	0	0	1,540,000	
Exotic Species	550,000	0	0	550,000	
Subtotal Minnesota Resources:	<b>40500,000</b>	<b>0</b>	<b>0</b>	<b>40,500,000</b>	
<b>Pollution Control Agency</b>					
Protection of the Water	31,794,000	0	307,000	32,101,000	
Protection of the Air	16,217,000	0	0	16,217,000	
Protection of the Land	33,887,000	0	0	33,887,000	
General Support	14,132,000	0	0	14,132,000	
Solid Waste Fund Open/Statutory Approps.	74,600,000	(15,397,000)	0	59,203,000	
Special Revenue Fund Open/Statutory Approps.	14,367,000	0	0	14,367,000	
Environmental Fund Open/Statutory Approps.	15,996,000	2,203,000	0	18,199,000	
Subtotal Pollution Control Agency:	<b>200,993,000</b>	<b>(13,194,000)</b>	307,000	<b>188,106,000</b>	
Science Museum of Minnesota	2,328,000	0	0	2,328,000	
Minnesota Academy of Science	82,000	0	0	82,000	
Dept. of Transportation - Environmental Study	200,000	0	0	200,000	
Windom Agriculture Processing Facility	250,000	0	0	250,000	
Office of Environmental Assistance	15,298,000	0	0	15,298,000	
Special Revenue Fund Open/Statutory Approps.	316,000	0	0	316,000	
Subtotal Office of Env. Assistance:	<b>15614,000</b>	<b>0</b>	<b>0</b>	<b>15,614,000</b>	
SCORE County Block Grants	28,016,000	0	0	28,016,000	
<b>State Appropriations: \$</b>	<b>1,001,432,000</b>	<b>(7,922,000)</b>	<b>47,414,000</b>	<b>1,040,924,000</b>	
<b>Federal Appropriations: \$</b>	<b>88,530,000</b>	<b>7,037,000</b>	<b>0</b>	<b>95,567,000</b>	
<b>Total Environment &amp; Agriculture: \$</b>	<b>1,089,962,000</b>	<b>(885,000)</b>	<b>47,414,000</b>	<b>1,136,491,000</b>	

### Economic Development

#### Department of Trade & Economic Development

Tourism	21,715,000	0	221,000	21,936,000
Administration	7,089,000	0	0	7,089,000
Business & Community Development	63,722,000	0	1,750,000	65,472,000
Minnesota Trade Office	4,593,000	0	0	4,593,000
Information & Analysis	2,865,000	0	0	2,865,000
Judy Garland Museum	200,000	0	0	200,000
Special Revenue Fund Open/Statutory Approps.	34,372,000	0	0	34,372,000
IRRRB Fund Open/Statutory Appropriation	61,409,000	2,905,000	0	64,314,000
IRRRB Brd.-NE MN Economic Protection Fund	21,705,000	(1,261,000)	0	20,444,000
Appropriations Carried Forward (1)	0	3,225,000	0	3,225,000
Subtotal Dept. of Trade & Economic Dev.:	<b>217,670,000</b>	<b>4,869,000</b>	<b>1,971,000</b>	<b>224,510,000</b>



	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Minnesota Technology, Incorporated	\$ 25,440,000	\$ 1,000,000	\$ 200,000	\$ 26,640,000
Special Revenue Fund Open/Statutory Approps.	862,000	0	0	862,000
Subtotal Minnesota Technology, Inc.:	<b>26,302,000</b>	1,000,000	200,000	<b>27,502,000</b>
Department of Economic Security				
Workforce Preparation	27,088,000	0	987,000	28,075,000
Youthbuild	1,703,000	0	200,000	1,903,000
Rehabilitation Services	44,023,000	0	0	44,023,000
Services for the Blind	10,931,000	0	0	10,931,000
Workforce Exchange	100,000	0	0	100,000
Special Revenue Fund Open/Statutory Approps.	67,787,000	0	0	67,787,000
Appropriations Carried Forward (1)	0	865,000	0	865,000
Subtotal Department of Economic Security:	<b>151,632,000</b>	865,000	1,187,000	<b>153,684,000</b>
Housing Finance Agency	14,040,000	0	0	14,040,000
Department of Commerce				
Financial Examinations	8,015,000	0	0	8,015,000
Registration and Analysis	9,850,000	0	0	9,850,000
Administrative Services	7,811,000	0	(1,000,000)	6,811,000
Enforcement and Licensing	8,651,000	0	0	8,651,000
Petroleum Tank Release Cleanup Board	2,060,000	0	0	2,060,000
Minnesota Comprehensive Health Association	0	0	15,000,000	15,000,000
Special Revenue Fund Open/Statutory Approps.	5,722,000	0	0	5,722,000
Petro Tank Release Fund Open/Stat. Approps.	69,725,000	(10,734,000)	0	58,991,000
Subtotal Department of Commerce:	<b>111,834,000</b>	(10,734,000)	14,000,000	<b>115,100,000</b>
Non Health-Related Boards	3,172,000	0	195,000	3,367,000
Special Revenue Fund Open/Statutory Approps.	21,145,000	700,000	0	21,845,000
Subtotal Non Health-Related Brds.:	<b>24,317,000</b>	700,000	195,000	<b>25,212,000</b>
Department of Labor & Industry				
Workers' Comp. Regulation & Enforcement	21,419,000	0	0	21,419,000
Workplace Services	15,235,000	0	90,000	15,325,000
General Support	12,916,000	0	0	12,916,000
Workers' Comp. Fund Open/Stat. Approps.	168,149,000	34,220,000	0	202,369,000
Special Revenue Fund Open/Statutory Approps.	2,694,000	0	0	2,694,000
Subtotal Department of Labor & Industry:	<b>220,413,000</b>	<b>34,220,000</b>	90,000	<b>254,723,000</b>
Workers' Compensation Court of Appeals	3,128,000	0	0	3,128,000
Bureau of Mediation Services	4,310,000	0	0	4,310,000
Special Revenue Fund Open/Statutory Approps.	440,000	0	0	440,000
Subtotal Bureau of Mediation Services:	<b>4,750,000</b>	0	0	<b>4,750,000</b>
Public Utilities Commission	7,661,000	0	0	7,661,000
Special Revenue Fund Open/Statutory Approps.	5,094,000	0	0	5,094,000
Subtotal Public Utilities Commission:	<b>12,755,000</b>	0	0	<b>12,755,000</b>
Department of Public Service	19,418,000	0	0	19,418,000
Hydro/Wind Power	1,656,000	0	0	1,656,000
Special Revenue Fund Open/Statutory Approps.	17,602,000	0	0	17,602,000
Subtotal Department of Public Service:	<b>38,676,000</b>	0	0	<b>38,676,000</b>
Minnesota Historical Society	49,728,000	0	850,000	50,578,000
Special Revenue Fund Open/Statutory Approps.	1,202,000	244,000	0	1,446,000
Subtotal MN Historical Society:	<b>50,930,000</b>	244,000	850,000	<b>52,024,000</b>
Indian Affairs Council	1,118,000	0	0	1,118,000
Special Revenue Fund Open/Statutory Approps.	397,000	0	0	397,000
Subtotal Indian Affairs Council:	<b>1,515,000</b>	0	0	<b>1,515,000</b>
Council on Chicano-Latin0 Affairs	700,000	0	0	700,000
Council on Black Minnesotans	669,000	0	0	669,000
Council on Asian-Pacific Minnesotans	583,000	0	0	583,000
Minnesota Municipal Board	162,000	0	0	162,000
Military Affairs: Welfare-to-Work Training	100,000	0	0	100,000

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Office of Strategic & Long-Range Planning:				
Transfer Duties from Municipal Brd.	\$ 488,000	\$ 0	\$ 0	488,000
Historical Society Salary Study	0	0	10,000	10,000
Airport Housing Relocation	0	0	5,000,000	5,000,000
Dept. of Administration: Special Studies	20,000	0	0	20,000
<b>State Appropriations: \$</b>	<b>980,684,000</b>	<b>31,164,000</b>	<b>23,503,000</b>	<b>1,035,351,000</b>
<b>Federal Appropriations: \$</b>	<b>535,478,000</b>	<b>4,455,000</b>	<b>0</b>	<b>539,933,000</b>
<b>Total Economic Development: \$</b>	<b>1,516,162,000</b>	<b>35,619,000</b>	<b>23,503,000</b>	<b>1,575,284,000</b>

### Transportation

#### State Roads

Construction	488,391,000	0	359,000,000	847,391,000
Highway Debt Service	27,124,000	0	0	27,124,000
Operations	425,264,000	0	5,000	425,269,000
Central Engineering Services	139,503,000	0	0	139,503,000
Research & Investment Management	250,470,000	0	0	250,470,000
Design & Engineering	163,838,000	0	0	163,838,000
Electronic Communications	11,227,000	0	0	11,227,000
<b>Subtotal Highway Develop. &amp; Operations:</b>	<b>1,280,394,000</b>	<b>0</b>	<b>359,005,000</b>	<b>1,639,399,000</b>

#### Local Roads

County State Aids	731,687,000	0	23,800,000	755,487,000
Municipal State Aids	212,943,000	0	6,200,000	219,143,000
<b>Subtotal Transp. Aids to Local Gov.:</b>	<b>944,630,000</b>	<b>0</b>	<b>30,000,000</b>	<b>974,630,000</b>

#### Public Transit: Metro & Greater MN

Greater Minnesota Transit Assistance	32,430,000	0	0	32,430,000
Met Council Transit	109,902,000	0	3,700,000	113,602,000
<b>Subtotal Public Transit: Metro &amp; Greater MN:</b>	<b>142,332,000</b>	<b>0</b>	<b>3,700,000</b>	<b>146,032,000</b>

#### General Support & Management

General Management	57,704,000	0	0	57,704,000
General Services	24,473,000	0	0	24,473,000
Motor Carrier Regulation	57,160,000	0	0	5,716,000
Railroads and Waterways	3,188,000	0	0	3,188,000
Buildings & Equipment	7,551,000	0	(1,639,000)	5,912,000
<b>Subtotal General Support &amp; Management:</b>	<b>98,632,000</b>	<b>0</b>	<b>(1,639,000)</b>	<b>96,993,000</b>

#### Aeronautics

Aviation Support	10,446,000	0	0	10,446,000
Airport Development and Assistance	27,896,000	0	0	27,896,000
Air Transportation Services	265,000	100,000	0	365,000
Civil Air Patrol	130,000	0	0	130,000
State Airport Fund Open/Statutory Approps.	3,363,000	(100,000)	0	3,263,000
<b>Subtotal Aeronautics:</b>	<b>42,100,000</b>	<b>0</b>	<b>0</b>	<b>42,100,000</b>

#### Federal Funds Included in Highway Operations, Technical Services & Program Management

	550,000,000	(15,852,000)	0	534,148,000
Transportation Revolving Loan Fund	0	0	15,000,000	15,000,000
MN DOT: Trunk Highway Open/Statutory Approps.	17,060,000	0	0	17,060,000
MN DOT: Special Revenue Open/Statutory Approps.	9,756,000	0	0	9,756,000

#### Capital Projects - Direct Appropriations

Transportation Capital Projects	0	0	72,746,000	72,746,000
Met Council Capital Projects	0	0	16,300,000	16,300,000
<b>Subtotal Capital Projects-Direct Approps.:</b>	<b>0</b>	<b>0</b>	<b>89,046,000</b>	<b>89,046,000</b>

#### Department of Public Safety

Administration and Related Services	22,136,000	10,000	119,000	22,265,000
State Patrol	114,689,000	0	0	114,689,000
Driver and Vehicle Services	77,891,000	0	0	77,891,000
Pipeline Safety	1,912,000	0	0	1,912,000
Traffic Safety	614,000	0	0	614,000
Trunk Highway Open/Statutory Approps.	4,255,000	0	0	4,255,000
Transfer to Trunk Highway Fund	3,660,000	0	0	3,660,000
<b>Subtotal Dept. of Public Safety:</b>	<b>225,157,000</b>	<b>10,000</b>	<b>119,000</b>	<b>225,286,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Minnesota Safety Council	\$ 134,000	\$ 0	\$ 0	134,000
<b>State Appropriations:</b>	<b>\$ 3,310,195,000</b>	<b>\$ (15,842,000)</b>	<b>\$ 495,231,000</b>	<b>3,789,584,000</b>
<b>Federal Appropriations:</b>	<b>\$ 496,276,000</b>	<b>\$ 4,788,000</b>	<b>0</b>	<b>501,064,000</b>
<b>Total Transportation:</b>	<b>\$ 3,806,471,000</b>	<b>\$ (11,054,000)</b>	<b>\$ 495,231,000</b>	<b>4,290,648,000</b>

### Crime Prevention & Judiciary

<b>Supreme Court</b>				
Operations	9,135,000	0	4,000	9,139,000
State Court Administrator	26,093,000	0	0	26,093,000
State Law Library	3,717,000	0	0	3,717,000
Low Income & Family Farm Legal Assistance	11,214,000	0	0	11,214,000
Family Law Legal Assistance	1,754,000	0	0	1,754,000
Special Revenue Fund Open/Statutory Approps.	2,382,000	0	0	2,382,000
Court Information System	0	0	3,512,000	3,512,000
Appropriations Carried Forward (1)	24,000	98,000	0	122,000
Subtotal Supreme Court:	54,319,000	98,000	3516,000	57,933,000
Court of Appeals	12,999,000	0	200,000	13,199,000
<b>District Courts</b>				
Board on Judicial Standards	471,000	0	0	471,000
Board of Public Defense	2,460,000	0	0	2,460,000
State Public Defender	6,463,000	0	0	6,463,000
District Public Defense	82,968,000	0	0	82,968,000
Tax Court	1,331,000	0	0	1,331,000
Special Revenue Fund Open/Statutory Approps.	6,000	0	0	6,000
Appropriations Carried Forward (1)	0	117,000	0	117,000
Subtotal District Courts:	252,643,000	8,834,000	2,879,000	264,356,000
<b>Department of Public Safety</b>				
Emergency Management	7643,000	0	3,813,000	11,656,000
Criminal Apprehension	51,398,000	0	225,000	51,623,000
Fire Marshal	6,302,000	0	0	6,302,000
Alcohol & Gambling Enforcement	3,670,000	0	0	3,670,000
Law Enforcement & Community Grants	17,373,000	0	2,436,000	19,809,000
Special Revenue Fund Open/Statutory Approps.	21,915,000	(20,000)	0	21,895,000
Electronic Fingerprinting/information Access	0	0	9,659,000	9,659,000
Recodification of DWI Laws	0	0	20,000	20,000
Appropriations Carried Forward (1)	67,000	2,532,000	0	2,599,000
Subtotal Department of Public Safety:	108,568,000	2,512,000	16,153,000	127,233,000
Crime Victims Services	45,156,000	0	1,240,000	46,396,000
Special Revenue Fund Open/Statutory Approps.	1,189,000	0	0	1,189,000
Subtotal Crime Victims Services:	46,345,000	0	1,240,000	47,585,000
Crime Victims Ombudsman	793,000	0	(10,000)	783,000
Priv. Detective & Protective Agen. Lic. Board	275,000	0	0	275,000
<b>Department of Corrections</b>				
Management Services	23,935,000	0	0	23,935,000
Community Services	192,923,000	0	(1,942,000)	190,981,000
Correctional Institutions	431,130,000	0	500,000	431,630,000
Corrections Aid	58,894,000	0	0	58,894,000
Juvenile Services	26,909,000	0	0	26,909,000
Special Revenue Fund Open/Statutory Approps.	30,763,000	0	0	30,763,000
Increased Predatory Offender Supervision	0	0	5,162,000	5,162,000
Claims against the State	0	0	27,000	27,000
Appropriations Carried Forward (1)	0	2,301,000	0	2,301,000
Subtotal Department of Corrections:	764,554,000	2,301,000	3,747,000	770,602,000
Sentencing Guidelines Commission	1,095,000	0	0	1,095,000
Ramsey County Pilot Project	0	0	120,000	120,000
Subtotal Sentencing Guidelines Comm.:	1,095,000	0	120,000	1,215,000
Corrections Ombudsman	870,000	0	(90,000)	780,000

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Board of Peace Officers Standards and Training	\$ 9,301,000	\$ 0	\$ 0	9,301,000
Automobile Theft Prevention Board	4,163,000	0	0	2,277,000
Special Revenue Fund Open/Statutory Approps.	0	20,000	(1,886,000)	20,000
Subtotal Automobile Theft Prevention Brd.:	4,163,000	20,000		2,297,000
MN Safety Council: Crosswalk Safety	0	0	200,000	200,000
Department of Human Rights	7,786,000	0	0	7,786,000
Special Revenue Fund Open/Statutory Approps.	108,000	0	0	108,000
Subtotal Department of Human Rights:	7,894,000	0	0	7,894,000
Uniform Laws Commission	75,000	0	0	75,000
Curfew Program	1,000,000	0	0	1,000,000
Univ. of MN: Parent Education Curriculum	0	0	20,000	20,000
Design & Site for Bureau of Criminal App. Building	3,554,000	0	0	3,554,000
<b>State Appropriations: \$</b>	<b>1,268,448,000</b>	<b>\$ 13,765,000</b>	<b>\$ 26,089,000</b>	<b>1,308,302,000</b>
<b>Federal Appropriations: \$</b>	<b>65,017,000</b>	<b>\$ 2,357,000</b>	<b>0</b>	<b>67,374,000</b>
<b>Total Crime Prevention &amp; Judiciary: \$</b>	<b>1,333,465,000</b>	<b>\$ 16,122,000</b>	<b>\$ 26,089,000</b>	<b>1,375,676,000</b>

#### Government Operations

Veterans Affairs	8,675,000	0	0	8,675,000
Gulf War Bonus Payments	1,590,000	0	0	1,590,000
Special Revenue Fund Open/Statutory Approps.	136,000	0	0	136,000
Appropriations Carried Forward (1)	0	10,000	0	10,000
Subtotal Veterans Affairs:	10,401,000	10,000	0	10,411,000
Veterans of Foreign Wars	82,000	0	0	82,000
Disabled American Veterans	26,000	0	0	26,000
Military Order of the Purple Heart	40,000	0	0	40,000
Amateur Sports Commission	1,258,000	0	0	1,258,000
Sports Facility Financing	1,500,000	0	0	1,500,000
Subtotal Amateur Sports Commission:	2,758,000	0	0	2,758,000
Department of Employee Relations				
Administration	16,327,000	0	100,000	16,427,000
Employee Insurance	5,201,000	0	0	5,201,000
Special Revenue Fund Open/Statutory Approps.	46,914,000	0	0	46,914,000
Subtotal Dept. of Employee Relations:	68,442,000	0	100,000	68,542,000
Retirement				
Minneapolis Employees' Retirement Fund	11,784,000	0	(3,226,000)	8,558,000
Pre-1973 Retirement Adjustment	1,100,000	0	0	1,100,000
Local Police and Fire Amortization Aid	9,850,000	(783,000)	0	9,067,000
Police & Fire Supplemental Amortization Aid	2,000,000	(456,000)	0	1,544,000
Aid to Police and Fire Departments	123,244,000	549,000	0	123,793,000
Legislators' Retirement	7,600,000	0	0	7,600,000
Judges' Retirement	3,921,000	0	0	3,921,000
Teachers' Retirement	5,000,000	0	0	5,000,000
Firefighters' Relief Surcharge	748,000	80,000	0	828,000
Constitutional Officers' Retirement	412,000	216,000	0	628,000
Pension Uniformity	32,534,000	0	0	32,534,000
PERAMSRS Chanaes	29,900,000	(324,000)	0	29,576,000
Subtotal Retirement:	228,093,000	(718,000)	(3,226,000)	224,149,000
State Lottery Board	103,895,000	0	0	103,895,000
Lawful Gambling Control Board	4,424,000	0	90,000	4,514,000
Special Revenue Fund Open/Statutory Approps.	28,000	0	0	28,000
Subtotal Lawful Gambling Control Board:	4,452,000	0	90,000	4,542,000

	1999-2001	Forecast &	2000	Legislative	Biennium
	Biennium	Estimate Changes	Changes	Changes	Total
Racing Commission	\$ 792,000	\$ 0	\$ 0	\$ 0	792,000
Special Revenue Fund Open/Statutory Approps.	452,000	0	0	0	452,000
Subtotal Racing Commission:	<b>1,244,000</b>	0	0	0	<b>1,244,000</b>
Military Affairs					
Maintenance of Training Facilities	13,646,000	0	0	0	13,646,000
General Support	3582,000	0	0	0	3582,000
Enlistment Incentives	4,709,000	0	0	0	4,709,000
Special Revenue Fund Open/Statutory Approps.	856,000	0	0	0	858,000
Appropriations Carried Forward (1)	0	295,000	0	0	295,000
Subtotal Department of Military Affairs:	<b>22,793,000</b>	295,000	0	0	<b>23,088,000</b>
Legislature					
Senate	39,661,000	0	0	0	39,661,000
House	53,031,000	0	0	0	53,031,000
Legislative Coordinating Commission	28,465,000	0	100,000	0	28,565,000
Appropriations Carried Forward (1)	0	10,413,000	0	0	10,413,000
Subtotal Legislature:	<b>121,157,000</b>	10,413,000	100,000	0	<b>131,670,000</b>
Governor and Lieutenant Governor	8,223,000	0	0	0	8,223,000
Secretary of State	12,201,000	0	0	0	12,201,000
Sec of State Technology Upgrade	5,803,000	0	0	0	5,803,000
Uniform Commerical Code Filing System	0	0	4,000,000	0	4,000,000
Special Revenue Fund Open/Statutory Approps.	1,463,000	0	0	0	1,463,000
Appropriations Carried Forward (1)	100,000	100,000	0	0	200,000
Subtotal Secretary of State:	<b>19,567,000</b>	100,000	4,000,000	0	<b>23,667,000</b>
State Auditor	18,278,000	0	0	0	18,278,000
Special Revenue Fund Open/Statutory Approps.	36,000	0	0	0	36,000
Appropriations Carried Forward (1)	0	221,000	0	0	221,000
Subtotal State Auditor:	<b>18,314,000</b>	221,000	0	0	<b>18,535,000</b>
State Treasurer	4,846,000	0	278,000	0	5,124,000
Appropriations Carried Forward (1)	0	2,824,000	0	0	2,824,000
Subtotal State Treasurer:	<b>4,846,000</b>	<b>2,824,000</b>	278,000	0	<b>7,948,000</b>
Attorney General	56,030,000	0	0	0	56,030,000
Special Revenue Fund Open/Statutory Approps.	544,000	0	0	0	544,000
Appropriations Carried Forward (1)	0	372,000	0	0	372,000
Subtotal Attorney General:	<b>56,574,000</b>	372,000	0	0	<b>56,946,000</b>
Investment Board	4,686,000	0	0	0	4,686,000
Board of Public Disclosure	1,419,000	0	38,000	0	1,457,000
Special Revenue Fund Open/Statutory Approps.	4,032,000	0	0	0	4,032,000
Subtotal Brd. of Public Disclosure:	<b>5,451,000</b>	0	38,000	0	<b>5,489,000</b>
Office of Administrative Hearings	13,923,000	0	0	0	13,923,000
Department of Administration					
Operations Management	8,354,000	0	0	0	8,354,000
Technology Management	41,733,000	0	0	0	41,733,000
Facilities Management	10,013,000	0	0	0	10,013,000
Management Services	7,292,000	0	249,000	0	7,541,000
Public Broadcasting	6,660,000	0	0	0	6,660,000
Children's Museum	520,000	0	0	0	520,000
Fiscal Agent	1,260,000	0	0	0	1,260,000
Legislative & Veterans Organizations Rent	10,907,000	0	1,268,000	0	12,175,000
Special Revenue Fund Open/Statutory Approps.	5,892,000	0	0	0	5,892,000
State Govt. Special Rev. Open/Stat. Approps.	8,300,000	0	0	0	8,300,000
Appropriations Carried Forward (1)	0	510,000	0	0	510,000
Subtotal Department of Administration:	<b>100,931,000</b>	510,000	1,517,000	0	<b>102,958,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
Capitol Area Architectural and Planning Board	\$ 1,194,000	\$ 0	\$ 0	1,194,000
Appropriations Carried Forward (1)	0	163,000	0	163,000
Subtotal Architectural & Planning Board:	1,194,000	163,000	0	1,357,000
Department of Finance	44,373,000	(2,000,000)	0	42,373,000
Department of Revenue				
Tax System Management	181,047,000	0	0	181,047,000
Accounts Receivable Operations	5,043,000	0	0	5,043,000
Outstanding Collections/Property	3,800,000	0	0	3,800,000
Administration & New Tax Law Changes	7,114,000	(7,014,000)	2,135,000	2,235,000
Other Aids, Credits, and Payments	14,428,000	1,416,000	0	15,844,000
MN Minerals 21 st Century Fund	20,000,000	0	0	20,000,000
Special Revenue Fund Open/Statutory Approps.	2,494,000	0	0	2,494,000
Appropriations Carried Forward (1)	0	1,258,000	0	1,258,000
Subtotal Department of Revenue:	233,926,000	(4,340,000)	2,135,000	231,721,000
Office of Strategic & Long-Range Planning	11,308,000	0	200,000	11,508,000
Special Revenue Fund Open/Statutory Approps.	1,223,000	0	0	1,223,000
Appropriations Carried Forward (1)	0	26,000	0	26,000
Subtotal Strategic & Long-Range Planning:	12,531,000	26,000	200,000	12,757,000
Brd. of Government Innovation and Cooperation	2,032,000	0	0	2,032,000
Arts Board	26,158,000	0	0	26,158,000
Minnesota Humanities Commission	1,806,000	0	0	1,806,000
<b>State Appropriations:</b>	<b>\$ 1,117,918,000</b>	<b>\$ 7,876,000</b>	<b>\$ 5,232,000</b>	<b>\$ 1,131,026,000</b>
<b>Federal Appropriations:</b>	<b>\$ 89,627,000</b>	<b>\$ 1,300,000</b>	<b>\$ 0</b>	<b>\$ 90,927,000</b>
<b>Total Government Operations:</b>	<b>\$ 1,207,545,000</b>	<b>\$ 9,176,000</b>	<b>\$ 5,232,000</b>	<b>\$ 1,221,953,000</b>
<b>Miscellaneous</b>				
Debt Service & Borrowing				
General Fund Debt Service	585,765,000	(8,971,000)	1,887,000	578,681,000
Cambridge Debt Service Fund	110,280,000	0	0	110,280,000
Other Debt Service	148,347,000	(45,149,000)	0	103,198,000
Total Debt Service & Borrowing:	844,392,000	(54,120,000)	1,887,000	792,159,000
General Contingent Accounts				
General Fund	200,000	0	0	200,000
Trunk Highway Fund	400,000	0	0	400,000
Highway User Tax Distribution Fund	250,000	0	0	250,000
State Govt. Special Revenue	800,000	0	0	800,000
Airport Fund	100,000	0	0	100,000
Workers' Compensation	200,000	0	0	200,000
Subtotal General Contingent Accounts:	1,950,000	0	0	1,950,000
Capital Projects - Direct Appropriations	0	0	113,850,000	113,850,000
Dedicated General Fund Appropriations	236,591,000	45,755,000	0	282,346,000
Tort Claims	1,750,000	0	0	1,750,000
Campaign Fund Check-Off	4,104,000	(135,000)	0	3,969,000
Loans to Revolving Fund	12,000,000	200,000	0	12,200,000
Revolving Loan - Year 2000	20,000,000	0	0	20,000,000
Transfer of Lands	0	492,000	0	492,000
Tax Refund Interest	47,000,000	23,000,000	0	70,000,000
Minnesota Minerals 21 st Century Fund	0	0	30,000,000	30,000,000
<b>Total Miscellaneous:</b>	<b>\$ 1,167,787,000</b>	<b>\$ 15,192,000</b>	<b>\$ 145,737,000</b>	<b>\$ 1,328,716,000</b>

	1999-2001 Biennium	Forecast & Estimate Changes	2000 Legislative Changes	Biennium Total
<b>TOTALS</b>				
<b>State Appropriations - Gross</b>	<b>\$ 28,946,591,000</b>	<b>\$ 173,412,000</b>	<b>\$ 1,668,734,000</b>	<b>30,788,737,000</b>
Dept. of Human Services RTC Collections (2)	(42,400,000)	(3,160,000)	0	(45,560,000)
Indirect Cost Receipts	(42,819,000)	(3,672,000)	0	(46,491,000)
Cancellations	(20,340,000)	(1 4,000,000)	0	(34,340,000)
<b>State Appropriations - Net:</b>	<b>\$ 28,841,032,000</b>	<b>\$ 152,580,000</b>	<b>\$ 1,668,734,000</b>	<b>30,662,346,000</b>
<b>Federal Funds Appropriations:</b>	<b>\$ 7,882,409,000</b>	<b>\$ 138,940,000</b>	<b>\$ 0</b>	<b>8,021,349,000</b>
<b>Total Appropriations:</b>	<b>\$ 36,723,441,000</b>	<b>\$ 291,520,000</b>	<b>\$ 1,668,734,000</b>	<b>38,683,695,000</b>
<b>General Fund</b>				
Cash Flow Account	\$ 350,000,000	\$ 0	0	350,000,000
Budget Reserves	622,000,000	0	0	622,000,000
Property Tax Reserve	0	1,017,780,000	(1,017,780,000)	0
Dedicated Reserves	133,105,000	12,167,000	0	145,272,000
	\$ 1,105,105,000	\$ 1,029,947,000	\$ (1,017,780,000)	\$ 1,117,272,000

NOTES:

- (1) Appropriations carried forward are unused funds appropriated in a previous year that did not cancel but were carried forward into the next fiscal year.
- (2) Dept. of Human Services RTC receipts already counted in the appropriation for MA and GAMC federal funds.
- (3) Open and statutory appropriations from non-General Fund sources are included and are based on the Consolidated Fund Statement prepared by the Department of Finance with some minor adjustments. The amounts represent the difference between the direct appropriations in law and the level of estimated expenditures from that fund. Previous issues of the Fiscal Review did not include these non-General Fund open and statutory appropriations and comparisons of overall appropriation levels with previous biennia must be adjusted to reflect this change in reporting of open and statutory appropriations.

**Table D**  
**2000 & 2001 Direct Appropriations**  
**by Fund, by Chapter**

		FY 2000	FY 2001	2000 Biennium
<b>County-State Highway Fund</b>				
Chpt. 479	Transportation	\$ 0	\$ 23,800,000	\$ 23,800,000
<b>Total County-State Highway Fund:</b>		<b>\$ 0</b>	<b>\$ 23,800,000</b>	<b>\$ 23,800,000</b>
<b>Game and Fish Fund</b>				
Chpt. 341	Lifetime Hunting & Fishing Licenses	\$ 0	\$ 60,000	\$ 60,000
Chpt. 463	License Fee increase/Walleye Stocking	0	16,720,000	16,720,000
<b>Total Game and Fish Fund:</b>		<b>\$ 0</b>	<b>\$ 16,780,000</b>	<b>\$ 16,780,000</b>
<b>General Fund</b>				
Chpt. 311	Poirier Bill: Predatory Offenders	\$ 0	\$ 18,433,000	\$ 18,433,000
Chpt. 365	Claims Against the State	27,000	0	27,000
Chpt. 463	License Fee Increase/Walleye Stocking	0	2,065,000	2,065,000
Chpt. 479	Transportation	63,372,000	310,901,000	374,273,000
Chpt. 484	Minnesota-Ontario Commission	0	100,000	100,000
Chpt. 488	State Government Appropriations	26,558,000	100,436,000	126,994,000
Chpt. 489	Omnibus Education	7,771,000	245,664,000	253,435,000
Chpt. 490	Omnibus Tax Bill	20,205,000	672,855,000	693,060,000
Chpt. 492	Capital Projects	88,850,000	25,000,000	113,850,000
Chpt. 493	Public Finance	0	354,000	354,000
<b>Total General Fund:</b>		<b>\$ 206,783,000</b>	<b>\$ 1,375,808,000</b>	<b>\$ 1,582,591,000</b>
<b>Health Care Access Fund</b>				
Chpt. 488	State Government Appropriations	\$ 1,266,000	\$ 3,401,000	\$ 4,667,000
<b>Total Health Care Access Fund:</b>		<b>\$ 1,266,000</b>	<b>\$ 3,401,000</b>	<b>\$ 4,667,000</b>
<b>Municipal State Aid Street Fund</b>				
Chpt. 479	Transportation	\$ 0	\$ 6,200,000	\$ 6,200,000
<b>Total Municipal State Aid Street Fund:</b>		<b>\$ 0</b>	<b>\$ 6,200,000</b>	<b>\$ 6,200,000</b>
<b>Natural Resources Fund</b>				
Chpt. 463	License Fee Increase/Walleye Stocking	\$ 0	\$ 12,304,000	\$ 12,304,000
<b>Total Natural Resources Fund:</b>		<b>\$ 0</b>	<b>\$ 12,304,000</b>	<b>\$ 12,304,000</b>
<b>petroleum Tank Release Cleanup Fund</b>				
Chpt. 488	State Government Appropriations	\$ 0	\$ 300,000	\$ 300,000
<b>Total Petroleum Tank Release Cleanup Fund:</b>		<b>\$ 0</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>
<b>Special Revenue Fund</b>				
Chpt. 488	State Government Appropriations	\$ 0	\$ 2,719,000	\$ 2,719,000
<b>Total Special Revenue Fund:</b>		<b>\$ 0</b>	<b>\$ 2,719,000</b>	<b>\$ 2,719,000</b>
<b>State Government Special Revenue Fund</b>				
Chpt. 488	State Government Appropriations	\$ 150,000	\$ 0	\$ 150,000
<b>Total State Government Special Revenue Fund:</b>		<b>\$ 150,000</b>	<b>\$ 0</b>	<b>\$ 150,000</b>
<b>State Lottery Fund</b>				
Chpt. 488	State Government Appropriations	\$ 0	\$ 248,000	\$ 248,000
<b>Total State Lottery Fund:</b>		<b>\$ 0</b>	<b>\$ 248,000</b>	<b>\$ 248,000</b>
<b>Trunk Highway Fund</b>				
Chpt. 479	Transportation	\$ 0	\$ 90,958,000	\$ 90,958,000
<b>Total Trunk Highway Fund:</b>		<b>\$ 0</b>	<b>\$ 90,958,000</b>	<b>\$ 90,958,000</b>
<b>Workers' Compensation Fund</b>				
Chpt. 488	State Government Appropriations	\$ 0	\$ 90,000	\$ 90,000
<b>Total Workers Compensation Fund:</b>		<b>\$ 0</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>
<b>Workforce Development</b>				
Chpt. 488	State Government Appropriations	\$ 0	\$ 1,827,000	\$ 1,827,000
<b>Total Workforce Development Fund:</b>		<b>\$ 0</b>	<b>\$ 1,827,000</b>	<b>\$ 1,827,000</b>
<b>Grand Total Direct Appropriations:</b>		<b>\$ 208,199,000</b>	<b>\$ 1,534,435,000</b>	<b>\$ 1,742,634,000</b>



**Table E**  
**Open and Statutory Appropriations**  
**Fiscal Years 2000 and 2001**

	FY 2000	FY 2001	2000 Biennium
<b>General Fund</b>			
<b>Aids &amp; Credits</b>			
Property Tax Refund	\$ 188,595,000	\$ 192,592,000	\$ 381,187,000
Homestead Credit and Agricultural Credit	495,292,000	501,187,000	996,479,000
Political Contribution Refunds	4,027,000	4,483,000	8510,000
Disparity Aid	23,918,000	23,402,000	47,320,000
Border City Disparity Credit	6,390,000	3,708,000	10,098,000
Disaster & Flood Relief Aid	<b>534,000</b>	118,000	652,000
Local Government Aid	386,562,000	394,955,000	781,517,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Suppl. Homestead Prop. Tax Relief	<b>523,000</b>	531,000	1,054,000
Education Homestead Credit	291,537,000	427,792,000	719,329,000
In Lieu of Taxes Payments on DNR Lands	6,000,000	6,050,000	12,050,000
Enterprise Zone Credit	<b>9,000</b>	9,000	18,000
Regional Transit Board Levy Reduction	1,791,000	1,443,000	3,234,000
Region 3 • Occupation Tax	561,000	561,000	1,122,000
FY 1999 Farm Relief Aid-Carryforward & Extension	40,234,000	0	40,234,000
Local Performance Aid	9,763,000	0	9,763,000
Family Preservation Aid	1,679,000	21,721,000	23,400,000
<b>Total Aids and Credits:</b>	<b>\$ 1,460,633,000</b>	<b>\$ 1,581,770,000</b>	<b>\$ 3,042,403,000</b>
<b>Other General Fund Open and Statutory Appropriations</b>			
Corrections Aid	\$ 29,085,000	\$ 29,809,000	\$ 58,894,000
Minneapolis Employees' Retirement Fund	5,892,000	5,892,000	11,784,000
Local Police & Fire Amortization Aid	4,686,000	5,925,000	10,611,000
Aid to Police & Fire Departments	61,342,000	62,451,000	123,793,000
Judges' Retirement	1,885,000	2,036,000	3,921,000
Legislators' & Constitutional Officers' Retirement	4,114,000	4,114,000	8,228,000
Teachers' Retirement	2,500,000	2,500,000	5,000,000
Other Pension	32,019,000	32,019,000	64,038,000
Ethanol Producer Payments	36,036,000	36,070,000	72,106,000
1854 Indian Treaty Settlement	4,240,000	4,293,000	8,533,000
DNR Firefighting	8,000,000	6,000,000	14,000,000
Leach Lake & White Earth Indian Reservation	2,082,000	2,037,000	4,119,000
Non-game Wildlife Checkoff	1,500,000	1,550,000	3,050,000
Mille Lacs Treaty Legal Fees	100,000	254,000	354,000
Tax Refund interest	40,000,000	30,000,000	70,000,000
Revolving Loans	26,200,000	6,000,000	32,200,000
Debt Service and Borrowing	263,205,000	315,476,000	578,681,000
Other General Fund Open and Statutory	7,235,000	11,935,000	19,170,000
<b>Total Other Open &amp; Statutory Approps.:</b>	<b>\$ 530,121,000</b>	<b>\$ 558,361,000</b>	<b>\$ 1,088,482,000</b>
<b>Total General Fund Open and Statutory Appropriations:</b>	<b>\$ 1,990,754,000</b>	<b>\$ 2,140,131,000</b>	<b>\$ 4,130,885,000</b>

	2000		
	FY 2000	FY 2001	Biennium
<b>Non-General Fund Open and Statutory Appropriations (1)</b>			
School Endowment Fund	\$ 19,681,000	\$ 20,074,000	\$ 39,755,000
State Lottery Board	51,892,000	51,893,000	103,785,000
Environmental Fund	9,099,000	9,100,000	18,199,000
Game and Fish Fund	2,537,000	2,537,000	5,074,000
Landfill Cleanup-Solid Waste	29,601,000	29,602,000	59,203,000
Natural Resources	1,797,000	1,797,000	3,594,000
Petroleum Tank Release Cleanup	29,495,000	29,496,000	58,991,000
Special Revenue	229,754,000	236,170,000	465,924,000
State Government Special Revenue Fund	41,816,000	41,817,000	83,633,000
Health Care Access Fund	29,755,000	29,755,000	59,510,000
Minnesota Technology Fund	6,395,000	6,395,000	12,790,000
Agricultural Fund	19,106,000	18,591,000	37,697,000
Cambridge Debt Service Fund	55,202,000	55,078,000	110,280,000
iron Range Resources & Rehabilitation Fund	32,072,000	32,242,000	64,314,000
State Airports	1,631,000	1,632,000	3,263,000
Trunk Highway Fund	10,657,000	10,658,000	21,315,000
Medical Education & Research Fund	11,149,000	15,483,000	26,632,000
Tobacco Use Prevention Fund	7,475,000	11,406,000	18,881,000
NE MN Economic Protection Fund	19,215,000	1,229,000	20,444,000
Workers' Compensation Fund	101,184,000	101,185,000	202,369,000
Gift Fund	13,055,000	12,938,000	25,993,000
Endowment Fund	17,000	17,000	34,000
Other Open and Statutory	70,826,000	32,372,000	103,198,000
<b>Total Non-General Fund Open and Statutory:</b>	<b>\$ 793,411,000</b>	<b>\$ 751,467,000</b>	<b>\$ 1,544,878,000</b>
<b>Grand Total: All Open and Statutory:</b>	<b>\$ 2,784,165,000</b>	<b>\$ 2,891,598,000</b>	<b>\$ 5,675,763,000</b>

NOTES:

- (1) Open and statutory appropriations from non-General Fund sources are included and are based on the Consolidated Fund Statement prepared by the Department of Finance with some minor adjustments. The amounts represent the difference between the direct appropriations in law and the level of estimated expenditures from that fund. Previous issues of the Fiscal Review did not include these non-General Fund open and statutory appropriations and comparisons of overall appropriation levels with previous biennia must be adjusted to reflect this change in reporting of open and statutory appropriations.

Table F

**Biennial Appropriations of Federal Funds  
Fiscal Years 2000 and 2001**

	FY 2000	FY 2001	1999-2001 Biennium
Elementary and Secondary Education	\$ 390,131,000	\$ 381,367,000	771,498,000
Early Childhood & Family Education	170,793,000	171,893,000	342,686,000
Higher Education	41,007,000	41,107,000	82,114,000
Human Services	2,603,477,000	2,698,169,000	5,301,646,000
Health	112,936,000	114,955,000	227,891,000
Veterans Homes	322,000	327,000	649,000
Agriculture	4,832,000	3,401,000	8,233,000
Natural Resources	17,830,000	18,490,000	36,320,000
Pollution Control	29,672,000	21,342,000	51,014,000
Trade & Economic Development	87,714,000	80,506,000	168,220,000
Housing Finance Agency	4,500,000	2,700,000	7,200,000
Economic Security	180,874,000	180,361,000	361,235,000
Historical Society & Indian Affairs	300,000	298,000	598,000
Industry Regulation	1,390,000	1,290,000	2,680,000
Transportation	240,164,000	244,049,000	484,213,000
Public Safety-Transportation	8,386,000	8,465,000	16,851,000
Criminal Justice	35,463,000	30,989,000	66,452,000
<b>Courts</b>	461,000	461,000	922,000
Military Affairs	37,721,000	37,971,000	75,692,000
Attorney General	2,331,000	2,357,000	4,688,000
Other	4,801,000	5,746,000	10,547,000
<b>Total Federal Funds:</b>	<b>\$ 3,975,105,000</b>	<b>\$ 4,046,244,000</b>	<b>\$ 8,021,349,000</b>

## APPENDIX A

# AUTHORIZATION OF FUNDS

The following is the statutory or Constitutional authorization of funds that are listed in the Fiscal Review.

### CAMBRIDGE DEPOSIT AND DEBT SERVICE FUNDS

#### 16A.67 JUDGMENT BONDS.

Subdivision 1. **Authorization.** The commissioner of finance, upon request of the governor, is authorized to sell and issue state bonds to fund the judgment rendered against the state by the Minnesota supreme court in Cambridge State Bank et al. v. James, 5 14 N. W. 2d 565, on April 1, 1994, and related claims, and interest accrued on the judgment and related claims, to fund any bond reserve determined to be necessary, and to pay costs of issuance of the bonds. The proceeds of the bonds are appropriated for these purposes. The principal amount of the bonds shall not exceed \$400,000,000. The bonds shall be sold and issued upon such terms and in such manner as the commissioner shall determine to be in the best interests of the state. The final maturity of the bonds shall be not later than June 30, 2005.

Subd. 2. **Security; bonds not public debt.** The bonds and the interest thereon shall be payable solely from and secured by the revenues appropriated and transferred to the debt service fund established for this purpose in subdivision 4 and investment income thereon, and any bond reserve established for the bonds. The bonds are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds and the interest thereon shall not be paid, directly or indirectly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege.

Subd. 3. **Special revenue fund.** There is established in the state treasury a separate and special revenue fund for deposit of the revenues from net proceeds of the lottery in accordance with section 349A. 10, subdivision 5, money received for payment or reimbursement of health care costs in accordance with section 246.18, subdivision 7, state license and service fees as defined in section 16A.670 1, and investment income thereon.

Subd. 4. **Debt service fund.** There is established in the state treasury a separate and special debt service fund. Money transferred or appropriated to the fund and investment income thereon on hand or required to be transferred to the fund shall be used and are irrevocably appropriated for the payment of the principal of and interest on the bonds authorized in this section when due.

Subd. 5. **Covenants; agreements.** The commissioner may, for and on behalf of the state, enter into such covenants and agreements not inconsistent with subdivisions 1 to 4 and sections 246.18, subdivisions 4 and 6; and 349A. 10, subdivision 5, as may be necessary or desirable to facilitate the sale and issuance of the bonds on terms favorable to the state, including, but not limited to, covenants and agreements relating to the payment of and security for the bonds, tax-exemption, and disclosure of information required by federal and state securities laws. Such covenants and agreements of the commissioner constitute an enforceable contract of the state and the state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any such covenants or agreements made with the holders of the bonds, or in any way impair the rights and remedies of the holders until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The commissioner is authorized to include this pledge and agreement of the state in any covenant or agreement with the holders of such bonds. Such covenants may not include covenants to continue to operate the state lottery but may include covenants to continue to seek payment by and reimbursement from nonstate sources of health care costs so long as any bonds issued pursuant to this section are outstanding. The provisions of sections 16A.672 and 16A.675 are applicable to the bonds.

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## **16A.6701 DEPOSIT OF CERTAIN STATE LICENSE FEES, SERVICE FEES, AND CHARGES.**

Subdivision 1. **State license and service fees.** For purposes of section 16A.67, subdivision 3, and this section, the term “state license and service fees” means, and refers to, all license fees, service fees, and charges imposed by law and collected by any state officer, agency, or employee, which are listed below or which are defined as departmental earnings under section 16A.1285, subdivision 1, and the use of which is not otherwise restricted by law, and which are not required to be credited or transferred to a fund other than the general fund:

Minnesota Statutes 1994, sections 3.9221; 5.12; 5.14; 5.16; 5A.04; 6.58; 13.03, subdivision 10; 16A.155; 16A.48; 16A.54; 16A.72; 16B.59; 16B.70; 17A.04; 18.5 1, subdivision 2; 18.53; 18.54; 18C.55 1; 19.58; 19.64; 27.041, subdivision 2, clauses (d) and (e); 27.07, subdivision 5; 28A.08; 32.071; 32.075; 32.392; 35.71; 35.824; 35.95; 41C.12; 45.027, subdivisions 3 and 6; 46.041, subdivision 1; 46.131, subdivisions 2, 7, 8, 9, and 10; 47.101, subdivision 2; 47.54, subdivisions 1 and 4; 47.62, subdivision 4; 47.65; 48.61, subdivision 7; 48.93; 48A.16; 49.36, subdivision 1; 52.01; 52.203; 53.03, subdivisions 1, 5, and 6; 53.09, subdivision 1; 53A.03; 53A.05, subdivision 1; 53A.08 1, subdivision 3; 54.294, subdivision 1; 55.04, subdivision 2; 55.095; 56.02; 56.04; 56.10; 59A.03, subdivision 2; 59A.06, subdivision 3; 60A.14, subdivisions 1 and 2; 60A.23, subdivision 8; 60K.19, subdivision 5; 65B.48, subdivision 3; 70A.14, subdivision 4; 72B.04, subdivision 10; 79.25 1, subdivision 5; 80A.28, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, and 9; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 80C.16, subdivisions 2 and 3; 80C.18, subdivision 2; 82.20, subdivision 8 and 9; 82A.04, subdivision 1; 82A.08, subdivision 2; 82A.16, subdivisions 2 and 6; 82B.09, subdivision 1; 83.23, subdivisions 2, 3, and 4; 83.25, subdivisions 1 and 2; 83.26, subdivision 2; 83.30, subdivision 2; 83.3 1, subdivision 2; 83.38, subdivision 2; 85.052; 85.053; 85.055; 88.79, subdivision 2; 89.035; 89.21; 115.073; 115.77, subdivisions 1 and 2; 116.41, subdivision 2; 116C.69; 116C.712; 116S.9673; 125.08; 136C.04, subdivision 9; 155A.045; 155A.16; 168.27, subdivision 11; 168.33, subdivisions 3 and 7; 168.54; 168.67; 168.705; 168A.152; 168A.29; 169.345; 171.06, subdivision 2a; 171.29, subdivision 2; 176.102; 176.1351; 176.181, subdivision 2a; 177.30; 181A.12; 183.545; 183.57; 184.28; 184.29; 184A.09; 201.091, subdivision 5; 204B.11; 207A.02; 214.06; 216C.261; 221.0355; 239.101; 240.06; 240.07; 240.08; 240.09; 240.10; 246.51; 270.69, subdivision 2; 270A.07; 272.484; 296A.03; 296A.04; 296A.27; 297F.03; 297.33; 299C.46; 299C.62; 299K.09; 299K.095; 299L.07; 299M.04; 300.49; 318.02; 323.44, subdivision 3; 325D.415; 326.22; 326.333 1; 326.47; 326.50; 326.92, subdivisions 1 and 3; 327.33; 331A.02; 332.15, subdivisions 2 and 3; 332.17; 332.22, subdivision 1; 332.33, subdivisions 3 and 4; 332.54, subdivision 7; 333.055; 333.20; 333.23; 336.9-413; 336A.04; 336A.05; 336A.09; 345.35; 345.43, subdivision 2a; 345.44; 345.55, subdivision 3; 347.33; 349.151; 349.161; 349.162; 349.163; 349.164; 349.165; 349.166; 349.167; 357.08; 359.01, subdivision 3; 360.018; 360.63; 386.68; and 414.01, subdivision 11; Minnesota Statutes 1994, chapters 154; 216B; 237; 302A; 303; 308A; 317A; 322A; and 322B; Laws 1990, chapter 593; Laws 1993, chapter 254, section 7; and Laws 1994, chapter 573, section 4; Minnesota Rules, parts 1800.0500; 1950.1070; 2100.9300; 75.15.0210; and 9545.2000 to 9545.2040.

Subd. 2. **Fees credited to special revenue fund.** All state license and service fees must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund must be transferred to the general fund.

Subd. 3. **Applicability.** If any state license or service fee described in subdivision 1 is determined by the attorney general or a court of competent jurisdiction to be a tax, the provisions of subdivisions 1 and 2 no longer apply to it.

## **DEBT SERVICE FUND**

### **16A.641 STATE BONDS; APPROPRIATIONS.**

Subd. 9. **Special accounts; appropriation.** (a) The commissioner shall establish separate accounts in the state

bond fund for:

(1) state building bonds, and for other state bonds issued for each program of grants to political subdivisions for a particular class of capital expenditures, to record debt service payments and receipts of amounts appropriated from the general fund under subdivision 10;

(2) state highway bonds, to record debt service payments, receipts of amounts appropriated for debt service from the trunk highway fund pursuant to the constitution, article XIV, section 6, and additional receipts, if any, of amounts appropriated from the general fund under subdivision 10;

(3) state bonds issued for each capital loan and for each program of capital loans to agencies or political subdivisions, to record debt service payments, receipts of loan repayments appropriated for debt service or reimbursement of debt service by the law authorizing the loan or program, and any additional receipts of amounts appropriated from the general fund under subdivision 10; and

(4) refunding bonds, as provided in section 16A.66, subdivision 1.

(b) All money credited, transferred, or appropriated to the state bond fund and all income from the investment of that money is appropriated to the commissioner for the payment of principal and interest on state bonds.

**Subd. 10. Appropriation from general fund.** There is annually appropriated to the state bond fund from the general fund the amount that, added to the amount in the state bond fund on November 1 each year for state bonds issued by January 1, 1985, and the amount that added to the amount in the state bond fund on December 1 each year for state bonds issued after January 1, 1985, is needed to pay the principal of and interest on all state bonds due and to become due through July 1 in the second ensuing year. The money appropriated must be available in the state bond fund each year before the tax otherwise required by the constitution, article XI, section 7, is levied.

**Subd. 11. Constitutional tax levy.** Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the state bond fund, to pay all principal and interest on state bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limitation of rate or amount. However, the amount of money appropriated from other sources as provided in subdivision 10, and actually received and on hand prior to the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the state bond fund.

**Subd. 12. Supplemental appropriation from general fund.** If the proceeds of the tax levied under subdivision 11 are ever insufficient to make the principal and interest payments on state bonds when due, the balance must be paid out of the general fund. The amount needed to pay the balance is appropriated from the general fund to the commissioner.

**Subd. 13. Application.** This section applies to all state bonds issued after January 1, 1985, notwithstanding other laws relating to specific bonding programs.

## ENVIRONMENTAL, NATURAL RESOURCES, AND AGRICULTURAL FUNDS

### 16A.531 FUNDS CREATED.

**Subdivision 1. Environmental fund.** There is created in the state treasury an environmental fund as a special revenue fund for deposit of receipts from environmentally related fees and activities conducted by the state.

**Subd. 2. Natural resources fund.** There is created in the state treasury a natural resources fund as a special revenue fund for deposit of certain receipts from fees and services associated with natural resource management by the state.

**Subd. 3. Agricultural fund.** There is created in the state treasury an agricultural fund as a special revenue fund for deposit of receipts from agricultural related fees and activities conducted by the state.

## ENDOWMENT FUND

### 16B.39 PROGRAMS FOR STATE EMPLOYEES.

Subdivision 1. Repealed, 1987 c 365 s 25

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Subd. 1 a. **Endowment fund.** The commissioner of administration may establish an endowment **fund** to reward state agencies and their employees for improving productivity and service quality. The commissioner shall use **gift** money to establish the **fund**. The interest earnings are appropriated to the commissioner to make agency and employee awards.

Subd. 2. Renumbered 43A

## ENDOWMENT SCHOOL

### Minnesota Constitution, Article XI

**Sec. 8. PERMANENT SCHOOL FUND; SOURCE; INVESTMENT; BOARD OF INVESTMENT.** The permanent school **fund** of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school **fund** and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land **fund** and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising from the fund shall be distributed to the different school districts of the state in a manner prescribed by law.

A board of investment consisting of the governor, the state auditor, the secretary of state, and the attorney general is constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent. [Amended, November 6, 1984; November 3, 1998]

*NOTE: The office of the state treasurer will be abolished on the first Monday in January 2003. Laws 1998, chapter 387, article 1, section 2.*

## ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

### 116P.04 TRUST FUND ACCOUNT.

Subdivision 1. **Establishment of account and investment.** A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund the amounts authorized under this section and section 116P. 10. The state board of investment shall ensure that trust fund money is invested under section 11 A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the state board of investment.

Subd. 2. Repealed, 1990 c 6 10 art 1 s 59

Subd. 3. **Revenue.** Nothing in sections 116P.0 1 to 116P. 12 limits the source of contributions to the trust fund.

Subd. 4. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of

for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

## MINNESOTA CONSTITUTION, ARTICLE XI

**Sec. 14. ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

## FEDERAL FUNDS

### 4.07 GOVERNOR AS STATE AGENCY FOR FEDERAL FUNDS.

Subdivision 1. **When no state agency is designated.** Whenever the United States of America, pursuant to federal law or any rule or regulation promulgated thereunder, makes available to the state of Minnesota or any department, agency, governmental subdivision, or other instrumentality thereof funds for any purpose and no state agency has been otherwise designated by law to apply for, receive, and accept such federal funds, the governor is hereby designated as the state agency for such purpose.

Subd. 2. **State agency named to act instead.** The governor may designate a state agency or agencies to act for the governor in applying for, receiving, and accepting federal funds under the provisions of subdivision 1. Such designation of a state department or agency shall be filed in the office of the secretary of state.

Subd. 3. **Federal and state law; appropriation of funds.** The governor or any state department or agency designated by the governor shall comply with any and all requirements of federal law and any rules and regulations promulgated thereunder to enable the application for, the receipt of, and the acceptance of such federal funds. The expenditure of any such funds received shall be governed by the laws of the state except insofar as federal requirements may otherwise provide. All such money received by the governor or any state department or agency designated by the governor for such purpose shall be deposited in the state treasury and, subject to section 3.3005, are hereby appropriated annually in order to enable the governor or the state department or agency designated by the governor for such purpose to carry out the purposes for which the funds are received. None of such federal money so deposited in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law.

## GAME AND FISH FUND

### 97A.055 GAME AND FISH FUND.

Subdivision 1. **Establishment; purposes,** The game and fish fund is established as a fund in the state treasury.

Subd. 2. **Receipts.** The state treasurer shall credit to the game and fish fund all money received under the game and fish laws including receipts from:



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- (1) licenses issued;
  - (2) fines and forfeited bail;
  - (3) sales of contraband, wild animals, and other property under the control of the division;
  - (4) fees from advanced education courses for hunters and trappers;
  - (5) reimbursements of expenditures by the division; and
  - (6) contributions to the division; and
  - (7) revenue credited to the game and fish fund under section 297A.44, subdivision 1, paragraph(e), clause (1).

## **GENERAL FUND**

### **16A.54 GENERAL FUND DEFINED.**

Except as provided in section 16A.671, subdivision 3, the term “general fund” appearing in any existing or hereafter enacted law relating to revenues deposited in or expenditures appropriated from the treasury means such moneys as have been deposited in the treasury for the usual, ordinary, running, and incidental expenses of the state government and does not include moneys deposited in the treasury for a special or dedicated purpose.

## **GIFT FUND**

The gift fund is used by various state agencies for gifts received. The authority derives from specific state statutes that allow agencies to accept monetary gifts and spend the money given.

## **HEALTH CARE ACCESS FUND**

### **16A.724 HEALTH CARE ACCESS FUND.**

A health care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund. Notwithstanding section 11 A.20, after June 30, 1997, all investment income and all investment losses attributable to the investment of the health care access fund not currently needed shall be credited to the health care access fund.

### **295.58 DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS,**

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax imposed by section 2971.05, subdivision 5, on health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations in the health care access fund. There is annually appropriated from the health care access fund to the commissioner of revenue the amount necessary to make refunds under this chapter.

## **HIGHWAY USER FUNDS**

## **MINNESOTA CONSTITUTION, ARTICLE XIV PUBLIC HIGHWAY SYSTEM**

**Sec. 5. HIGHWAY USER TAX DISTRIBUTION FUND.** There is hereby created a highway user tax distribution fund to be used solely for highway purposes as specified in this article. The fund consists of the proceeds of any taxes authorized by sections 9 and 10 of this article. The net proceeds of the taxes shall be apportioned: 62 percent to the trunk highway fund; 29 percent to the county state-aid highway fund; nine percent to the municipal state-aid street fund. Five percent of the net proceeds of the highway user tax distribution fund may be set aside and apportioned by law to one or more of the three foregoing funds. The balance of the highway user tax distribution fund shall be transferred to the trunk highway fund, the county state-aid highway fund, and the municipal state-aid street fund in accordance with the percentages set forth in this section. No change in the apportionment of the five percent may be made within six years of the last previous change.

**Sec. 6. TRUNK HIGHWAY FUND.** There is hereby created a trunk highway fund which shall be used solely for the purposes specified in section 2 of this article and the payment of principal and interest of any bonds issued under the authority of section 11 of this article and any bonds issued for trunk highway purposes prior to July 1, 1957. All payments of principal and interest on bonds issued shall be a first charge on money coming into this fund during the year in which the principal or interest is payable.

**Sec. 7. COUNTY STATE-AID HIGHWAY FUND.** There is hereby created a county state-aid highway fund. The county state-aid highway fund shall be apportioned among the counties as provided by law. The funds apportioned shall be used by the counties as provided by law for aid in the construction, improvement and maintenance of county state-aid highways. The legislature may authorize the counties by law to use a part of the funds apportioned to them to aid in the construction, improvement and maintenance of other county highways, township roads, municipal streets and any other public highways, including but not limited to trunk highways and municipal state-aid streets within the respective counties.

**Sec. 8. MUNICIPAL STATE-AID STREET FUND.** There is hereby created a municipal state-aid street fund to be apportioned as provided by law among municipalities having a population of 5,000 or more. The fund shall be used by municipalities as provided by law for the construction, improvement and maintenance of municipal state-aid streets. The legislature may authorize municipalities to use apart of the fund in the construction, improvement and maintenance of other municipal streets, trunk highways, and county state-aid highways within the counties in which the municipality is located.

**Sec. 9. TAXATION OF MOTORVEHICLES.** The legislature by law may tax motor vehicles using the public streets and highways on a more onerous basis than other personal property. Any such tax on motor vehicles shall be in lieu of all other taxes thereon, except wheelage taxes imposed by political subdivisions solely for highway purposes. The legislature may impose this tax on motor vehicles of companies paying taxes under the gross earnings system of taxation notwithstanding that earnings from the vehicles may be included in the earnings on which gross earnings taxes are computed. The proceeds of the tax shall be paid into the highway user tax distribution fund. The law may exempt from taxation any motor vehicle owned by a nonresident of the state properly licensed in another state and transiently or temporarily using the streets and highways of the state.

**Sec. 10. TAXATION OF MOTOR FUEL.** The legislature may levy an excise tax on any means or substance used for propelling vehicles on the public highways of this state or on the business of selling it. The proceeds of the tax shall be paid into the highway user tax distribution fund.

**Sec. 11. HIGHWAY BONDS.** The legislature may provide by law for the sale of bonds to carry out the provisions of section 2. The proceeds shall be paid into the trunk highway fund. Any bonds shall mature serially over a term not exceeding 20 years and shall not be sold for less than par and accrued interest. If the trunk highway fund is not adequate to pay principal and interest of these bonds when due, the legislature may levy on all taxable property of the state in an amount sufficient to meet the deficiency or it may appropriate to the fund money in the state treasury not otherwise appropriated. [Amended, November 2, 1982]

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## IRON RANGE RESOURCES AND REHABILITATION FUND

### 298.17 OCCUPATION TAXES TO BE APPORTIONED.

All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university. Of the moneys apportioned to the general fund by this section there is annually appropriated and credited to the iron range resources and rehabilitation board account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22. The money appropriated pursuant to this section shall be used ( 1) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134 or (2) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the iron range resources and rehabilitation board regarding the loans. Payment to the iron range resources and rehabilitation board account shall be made by May 15 annually.

Of the money allocated to Koochiching county, one-third must be paid to the small business development center/ economic development office currently located at the Rainy River community college for its operations.

## MEDICAL EDUCATION ENDOWMENT FUND

### 625.694 MEDICAL EDUCATION ENDOWMENT FUND.

Subdivision 1. **Creation.** The medical education endowment fund is created in the state treasury. The state board of investment shall invest the fund under section 11 A.24. All earnings of the fund must be credited to the fund. The principal of the fund must be maintained inviolate.

Subd. 2. **Expenditures.** (a) Earnings of the fund, up to five percent of the fair market value of the fund, are appropriated for medical education activities in the state of Minnesota. The appropriations are to be transferred quarterly for the purposes identified in the following paragraphs. Actual appropriations are not to exceed actual earnings.

(b) For fiscal year 2000, 70 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 30 percent of the appropriation is for transfer to the commissioner of health to be distributed for medical education under section 625.692.

(c) For fiscal year 2001, 49 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 51 percent is for transfer to the commissioner of health to be distributed for medical education under section 625.692.

(d) For fiscal year 2002, and each year thereafter, 42 percent of the appropriation in paragraph (a) may be appropriated by another law for the instructional costs of health professional programs at publicly funded academic health centers and affiliated teaching institutions, and 58 percent is for transfer to the commissioner of health to be distributed for medical education under section 625.692.

(e) A maximum of \$150,000 of each annual appropriation to the commissioner of health in paragraph (d) may be used by the commissioner for administrative expenses associated with implementing section 625.692.

Subd. 3. **Audits required.** The legislative auditor shall audit endowment fund expenditures to ensure that the money is spent for the purposes set out in this section.

Subd. 4. **Sunset.** The medical education endowment fund expires June 30, 2015. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

## MINNESOTA AIRPORTS FUND

### 360.017 STATE AIRPORTS FUND.

Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the department of transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of finance.

Subd. 2. **Investment.** Upon request of the commissioner, money in the state airports fund shall be invested by the state board of investment in the class of securities specified in section 11 A.25 and acts amendatory thereto, except the bonds of any school district, county, city or town of this state. All interest and profits from such investments shall be credited to the state airports fund. The state treasurer shall be custodian of all securities purchased under the provisions of this section.

## MINNESOTA FUTURE RESOURCES FUND

### 116P.13 MINNESOTA FUTURE RESOURCES FUND.

Subdivision 1. **Revenue sources.** The money in the Minnesota future resources fund consists of revenue credited under section 297F. 10, subdivision 1, paragraph (b), clause (1).

Subd. 2. **Interest.** The interest attributable to the investment of the Minnesota future resources fund must be credited to the fund.

Subd. 3. **Revenue purposes.** Revenue in the Minnesota future resources fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.35 1, subdivision 1.

### 2973.10 DEPOSIT OF PROCEEDS.

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund; and

(2) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

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## MINNESOTA TECHNOLOGY, INC. FUND

### 1160.12 MINNESOTA TECHNOLOGY ACCOUNT.

(a) The Minnesota technology account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11 A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(bj) The account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;
- (5) gifts, donations, and bequests made to the corporation; and
- (6) other income credited to the account by law.

## NORTHEAST MINNESOTA ECONOMIC PROTECTION TRUST FUND

### 298.292 POLICY.

Subdivision 1. **Purposes.** The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:

- (1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;
- (2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and
- (3) projects and programs for which technological and economic feasibility have been demonstrated.

Subd. 2. **Use of money,** Money in the northeast Minnesota economic protection trust fund may be used for the following purposes:

- (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;
- (2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.22 11;
- (3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; and
- (4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the northeast Minnesota economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten

percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the northeast Minnesota economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the northeast Minnesota economic protection trust fund.

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

## PETROLEUM TANK FUND

### 115C.08 PETROLEUM TANK FUND.

Subdivision 1. **Revenue sources.** Revenue from the following sources must be deposited in the state treasury and credited to a petroleum tank fund:

- (1) the proceeds of the fee imposed by subdivision 3;
- (2) money recovered by the state under sections 115C.04, 115C.05, and 116.491, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;
- (3) interest attributable to investment of money in the fund;
- (4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund;
- (5) fees charged for the operation of the tank installer certification program established under section 116.491; and

- (6) money obtained from the return of reimbursements, civil penalties, or other board action under this chapter.

Subd. 2. **Imposition of fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within 60 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Subd. 3. **Petroleum tank release cleanup fee.** A petroleum tank release cleanup fee is imposed on the use of tanks that contain petroleum products defined in section 296A.01. On products other than gasoline, the fee must be paid in the manner provided in section 296A.15 by the first licensed distributor receiving the product in Minnesota, as defined in section 296A.01. When the product is gasoline, the distributor responsible for payment of the gasoline tax is also responsible for payment of the petroleum tank cleanup fee. The fee must be imposed as required under subdivision 2, at a rate of \$20 per 1,000 gallons of petroleum products, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296A.22.

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
  - (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
  - (3) for costs of recovering expenses of corrective actions under section 115C.04;
  - (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
  - (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
  - (6) for reimbursement of the harmful substance compensation account under subdivision 5 and section 115B.26, subdivision 4;
  - (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;
  - (8) for corrective action performance audits under section 115C.093; and
  - (9) for contamination cleanup grants, as provided in paragraph (c).
- (b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.
- (c) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development

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for contamination cleanup grants under section 1165.554. ~~Of this~~ amount, the commissioner may spend up to \$120,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn ~~from~~ the fund nor the fund balance reduced until the funds are requested by the commissioner ~~of trade~~ and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

- (1) project costs at a qualifying site if a portion ~~of the~~ cleanup costs are attributable to petroleum contamination; and
- (2) the costs ~~of performing contamination~~ investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum.

**Subd. 5. Account transfer.** The board shall authorize the commissioner of finance to transfer to the harmful substance compensation account the amount requested by the harmful substance compensation board under section 115B.26, subdivision 4. Transfer ~~of the~~ amount must be made at the earliest practical date after authorization by the board. ~~If the~~ unencumbered balance in the account is less than \$2,000,000, the transfer must be made at the earliest practical date after the unencumbered balance in the account exceeds that amount.

## **SOLID WASTE FUND**

### **115B.42 SOLID WASTE FUND.**

Subdivision 1. **Establishment; appropriation; separate accounting.** (a) The solid waste fund is established in the state treasury. The fund consists of money credited to the fund and interest earned on the money in the fund. Except as provided in subdivision 2, clauses (7) and (S), money in the fund is annually appropriated to the **commissioner** for the purposes listed in subdivision 2.

(b) The commissioner of finance shall separately account for revenue deposited in the fund from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

**Subd. 2. Expenditures,** Money in the fund may be spent by the commissioner to:

- (1) inspect permitted mixed municipal solid waste disposal facilities to:
  - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
  - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
  - (iii) determine the boundaries of fill areas;
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.4 12, subdivision 3;
- (4) recover costs under section 115B.39;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.445;
- (6) enforce sections 115B.39 to 115B.445;
- (7) subject to appropriation, administer the agency' s groundwater and solid waste management programs;
- (8) pay for private water supply well monitoring and health assessment costs ~~of the~~ commissioner of health in areas affected by unpermitted mixed municipal solid waste disposal facilities;
- (9) reimburse persons under section 115B.43;
- (10) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B .4 14; and
- (11) perform environmental assessments, up to \$1 ,000,000, at unpermitted mixed municipal solid waste disposal facilities.

## **297H.13 DEPOSIT OF REVENUES; USE OF PROCEEDS; FUNDING SHORTFALLS; REPORT ON RECEIPTS.**

Subdivision 1. **Deposit of revenues.** The revenues derived from the taxes imposed on waste management services under this chapter, less the costs to the department of revenue for administering the tax under this chapter, shall be deposited by the commissioner of revenue in the state treasury.

The amounts retained by the department of revenue shall be deposited in a separate revenue department fund which is hereby created. Money in this fund is hereby appropriated, up to a maximum annual amount of \$200,000, to the commissioner of revenue for the costs incurred in administration of the solid waste management tax under this chapter.

Subd. 2. **Allocation of revenues.** (a) \$22,000,000, or 50 percent, whichever is greater, of the amounts remitted under this chapter must be credited to the solid waste fund established in section 115B.42.

(b) The remainder must be deposited into the general fund.

Subd. 3. **Funding shortfalls.** If less than \$22,000,000 is projected to be available for new encumbrances in any fiscal year after fiscal year 1999 from all existing dedicated revenue sources for landfill cleanup and reimbursement costs under sections 115B.39 to 115B.445, by October 1 before the next fiscal year in which the shortfall is projected, the commissioner of the pollution control agency shall certify to the commissioner of revenue the amount of the shortfall and notify persons required to collect and remit the tax. To provide for the shortfall, the commissioner of revenue shall increase the tax under sections 297H.03, 297H.04, and 297H.05, proportionately for both mixed municipal solid waste and non-mixed-municipal solid waste, by an amount sufficient to generate revenue equal to the amount of the shortfall effective the following January 1 and shall provide notice of the increased assessment by November 1 following certification to persons who are required to collect and remit the tax under this chapter.

## **SPECIAL REVENUE AND STATE GOVERNMENT SPECIAL REVENUE FUNDS**

The special revenue and state government special revenue funds are used by various state agencies for fee revenue. The authority to use the fund derives from specific state statutes that allow agencies to charge specific fees and spend the money raised through fee collection. Some of the accounts require a direct appropriation while most of the money is appropriated by statute.

### **TOBACCO SETTLEMENT FUND**

#### **16A.87 TOBACCO SETTLEMENT FUND.**

Subdivision 1. **Establishment; purpose.** The tobacco settlement fund is established as a clearing account in the state treasury.

Subd. 2. **Deposit of money.** The commissioner shall credit to the tobacco settlement fund the tobacco settlement payments received by the state on September 5, 1998, January 4, 1999, January 3, 2000, and January 2, 2001, as a result of the settlement of the lawsuit styled as State v. Philip Morris Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District).

Subd. 3. **Appropriation.** Of the amounts credited to the fund, 6 1 percent is appropriated for transfer to the tobacco use prevention and local public health endowment fund created in section 144.395 and 39 percent is appropriated for transfer to the medical education endowment fund created in section 625.694.

Subd. 4. **Sunset.** The tobacco settlement fund expires June 30, 20 15.

### **WORKERS' COMPENSATION SPECIAL**

#### **176.129 CREATION OF THE SPECIAL COMPENSATION FUND.**

Subdivision 1. **Deposit of funds.** The special compensation fund is created for the purposes provided for in this chapter and chapter 182. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and



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used to pay the benefits under this chapter and administrative costs pursuant to subdivision 11. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to January 1, 1984 are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to January 1, 1984, continue, subject to the provisions of this section.

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