

KB

DEC 15 1995

STATEMENT OF NEED AND REASONABLENESS
PERMANENT RULES RELATING TO
PRIVATE BUSINESS, TRADE, AND CORRESPONDENCE SCHOOLS
as administered by
the Minnesota Higher Education Services Office

**In the Matter of the Proposed Adoption of Rules
Governing Private Business, Trade, and Correspondence Schools**

November 15, 1995

STATE OF MINNESOTA
Minnesota Higher Education Services Office

**In the Matter of the Proposed Rule
Governing the Private Business, Trade,
and Correspondence Schools (Minn. Rule
4880.1500-4880.2400).**

**STATEMENT OF NEED
AND REASONABLENESS**

I. INTRODUCTION

Prior to Fiscal Year 1993, the regulatory function for private, for-profit career schools was the responsibility of the Minnesota Department of Education. Since then, the Minnesota Higher Education Services Office (formerly referred to as the Minnesota Higher Education Coordinating Board) has been responsible for the regulatory function for such postsecondary institutions. During the 1994 legislative session, a bill was passed which repealed the agency rule governing Private Business, Trade and Correspondence Schools as of July 1, 1995. The issue of the repeal was not addressed during the 1995 legislative session. Consequently, a new agency rule must be created to deal with this regulatory function.

The proposed language for the permanent rule relates primarily to the following issues as they affect business, trade, and correspondence schools operating in Minnesota: obligations of unlicensed schools, application procedures for licensure, standards for school facilities and student housing, standards for instructors, standards for out-of-state schools, school catalog and brochure content requirements, placement of graduates, school solicitors, and licensure exemptions.

The proposed rule language was reviewed by agency legal counsel and an advisory group. Representatives from the Minnesota Association of Private Postsecondary Schools (MAPPS), owners and directors of private business, trade, and correspondence schools affected by this rule, and the Student Advisory Council (SAC) representative for students attending such types of post-secondary institutions were invited to serve on the advisory group. The Notice of Solicitation of Outside Information or Opinions was published in the *State Register* on August 7, 1995 to secure additional public comment or opinions prior to preparation of the proposed rule for publication in the *State Register* with the Notice of Intent to Adopt these permanent rules.

II. STATEMENT OF OFFICE'S STATUTORY AUTHORITY

The authority of the Minnesota Higher Education Services Office to adopt the rule is set forth in *Minnesota Statutes* 141.23 and the authority to establish fees pertinent to this rule is set forth in *Laws of Minnesota for 1995*, Chapter 212, Article 3, Section 43.

III. STATEMENT OF NEED

Minnesota Statutes Chapter 14 requires the Office to make an affirmative presentation of facts establishing the need for and reasonableness of the rules as proposed. In general terms, this means that the Office must set forth the reasons for its proposal, and the reasons must not be arbitrary or capricious. However, to the extent that need and reasonableness are separate, need has come to mean that a problem exists which requires administrative attention, and reasonableness means that the solution proposed by the Office is appropriate. The need for the rule amendments is discussed below.

PRIVATE BUSINESS, TRADE, AND CORRESPONDENCE SCHOOLS.

A new permanent rule relating to the licensing of business, trade, and correspondence schools operating in Minnesota is being proposed due to the repeal of the applicable rule effective July 1, 1995.

The *Laws of Minnesota for 1993*, Chapter 224, Article 12, Sections 39 and 41 repealed the rules effective August 1, 1994. This action was part of a general mandate to purge several Minnesota Department of Education (MDE) rules. The Minnesota Higher Education Coordinating Board (the name of this agency at that time) rule relating to licensure of Private Business, Trade and Correspondence Schools was still in the MDE section of rules since the licensure process had only been transferred to the Coordinating Board by the 1992 Legislature.

The legislature was amenable to a one year extension to the repeal date, which would give agency staff time to determine what amendments to the current rule through the rulemaking could be made and what amendments would require statutory changes. The agency had intended to propose a revision of *Minnesota Statutes* Chapter 141 which would require changes to the existing rule governing the program; however, the agency was not able to accomplish this prior to the 1994 legislative session. The 1994 higher education law, *Laws of Minnesota for 1994*, Chapter 532, Article 2, Section 14 nullified the repeal. This was not controversial.

However, the 1994 school finance law [*Laws of Minnesota for 1994*, Chapter 647, Article 8,

Section 32], nullified the repeal in paragraph b of the 1993 school finance law, but then added the repeal to paragraph c, with an effective date of July 1, 1995.

The higher education bill was signed May 5, 1994, and the K-12 bill on May 10, 1994. Since the K-12 bill was signed last, it superseded the repeal of the rule in the higher education bill. Unaware of the 1994 K-12 bill repeal of the rule, the agency did not address the issue during the 1995 legislative session, and therefore the rule for Private Business, Trade and Correspondence Schools was repealed effective July 1, 1995. The language of the proposed permanent rule is based on the repealed rule, but sections of the rule have been changed to reflect current operating procedures and to address problems encountered with the licensure process.

IV. STATEMENT OF REASONABLENESS

The Office is required by *Minnesota Statutes* Chapter 14 to make an affirmative presentation of facts establishing the reasonableness of the proposed rules. Reasonableness is the opposite of arbitrariness or capriciousness. It means that there is a rational basis for the Office's proposed action. The reasonableness of the proposed rules is discussed below.

A. Reasonableness of the Rules as a Whole

Minnesota Statutes Chapter 141 relates to Private Business, Trade and Correspondence Schools. The proposed permanent rule has been created to assist the agency in fulfilling its responsibilities related to the licensure of such institutions in an effective, efficient and equitable manner. To ensure compliance with the statutory language governing this process, individuals and schools affected by *Minnesota Statutes* Chapter 141 must be provided with specific information related to the licensure process, institutional responsibilities required under the licensure process, and the consequences of non-compliance. The proposed permanent rule clarifies the specific steps a school must take to secure and maintain licensure, ensures current and prospective students equitable and fair treatment from schools licensed (or seeking licensure) under this process, and seeks to explain specific regulatory requirements related to the licensing process.

B. Reasonableness of Individual Rules

The following discussion addresses specific provisions of the proposed rules.

4880.1500 SCOPE. This section specifies the rule section numbering that pertains to this rule relating to Private Business, Trade, and Correspondence Schools. This is to conform with the format for agency rules.

4880.1600 CONTRACTS BY UNLICENSED SCHOOLS. The language in this section specifies the action a school must take once it has been notified by the Higher Education Services Office it is in violation of *Minnesota Statutes* Chapter 141 by virtue of operating without a license. The section is to protect students and to ensure the timely refund of monies by an unlicensed school. The section is to ensure the equitable treatment of students, and for clarity and completeness.

4880.1700. APPLICATION FOR LICENSURE.

Subpart 1. Name of school. This subpart indicates that the institution must use the name indicated on its licensure application on all documents, including correspondence and advertising materials. This language is to ensure that the Office can respond effectively to student inquiries concerning a particular institution and its educational program, and to ensure that the student receives information about the correct institution. The subpart is designed to avoid confusion and misunderstanding, and for efficiency and consistency in licensure operations.

Subp. 2. Schools at more than one location. The language in this subpart specifies that institutions with more than one geographic location must provide application information specified in statute for each location. This language is necessary for the Office to know where particular courses are being offered and if appropriate measures have been taken by the school to offer that course or program at each location. This subpart is to ensure that the Office receives adequate information to determine whether the school has made adequate arrangements to offer a course at each specific location. The subpart is for clarity and completeness as well as to permit expediency and effectiveness in the application review process.

Subp. 3. Instructor and program administrator qualifications. This subpart clarifies what information must be provided by the school for each instructor and program administrator. This language is to ensure the equitable evaluation of all instructor and program administrator qualifications as they affect school licensure, and to ensure that qualified instructors and program administrators are secured for courses and programs offered by a school licensed under this process.

Subp. 4. Program. The language in this subpart specifies the information schools must submit to the Office for licensure review. *Minnesota Statutes* 141.25, Subd. 7 indicates that the Office must determine whether the school meets minimum standards for licensure. As part of that determination, the Office must have adequate information relating to each program offered by the school. This subpart clarifies what program information schools

must provide to the Office. The language is for clarity, to ensure that all schools are treated equitably in the licensure review process, and to protect students pursuing educational programs at any of the schools subject to this licensure process.

Subp. 5. Licensure Application Fees. During the 1995 legislative session, statutory language relating to licensure fees was modified to require the Office to set fees sufficient to recover its administrative costs related to this licensure process [*Laws of Minnesota for 1995*, Chapter 212, Article 3, Section 43]. The fees specified in this subpart were determined by taking into consideration the actual Office expenses incurred for the two most current fiscal years as they relate to the licensure process.

The initial licensure fee (Item A of this subpart) is higher than that for renewal licenses due to more time being spent by Office staff reviewing materials submitted by a new school seeking licensure: a complete review of instructors employed by the school must be done, all programs offered by the school must be reviewed and approved, and an initial site visit must be conducted.

The renewal fees specified in items B and C are less than the initial licensure fee because less new information and documentation must be reviewed. There are two different renewal fee rates -- one for schools offering one program and one for schools offering more than one program. Renewal schools offering only one program take less staff time to review than schools offering more than one program because fewer materials are submitted for review, fewer changes occur in the curriculum, fewer new programs are developed, and the Office receives fewer complaints from students attending institutions with only one program. On the other hand, schools offering multiple programs have a larger volume of materials to review, the qualifications of more instructors must be reviewed, often there is a higher turnover of instructors from one year to the next, and the Office typically receives more complaints from students attending schools with more than one program.

The language in item D of this subpart attempts to address the problem experienced by Office staff when schools renewing their licenses submit renewal materials late. Since licenses expire on a specific date and schools must be licensed by this Office in order to operate in Minnesota, reviews must be completed in a timely manner. A late fee should ensure that schools renewing their licenses submit materials to allow enough time for staff to perform the license review process efficiently, effectively and in accordance with the statutes governing this program, as well as to protect the integrity of the license renewal review process. The Solicitor fee continues to be specified in *Minnesota Statutes* 141.26, Subd. 5.

The language in Item E of this subpart is for completeness and consistency relating to fees charged by the Office for purposes of fulfilling the responsibilities specified in *Minnesota Statutes*, Chapter 141.

Subp. 6. Changes after issuance of license. Sometimes changes occur at a school during the licensure year. The Office needs to be notified of such changes so that the licensure information for that school remains current throughout the licensure year. In addition, individuals interested in attending institutions sometimes contact the Office for answers to questions relating to the operation of a particular institution and the programs offered at that institution. Occasionally students call to complain about the situations they

are experiencing at a licensed school. Office staff must have current information to respond to inquiries and concerns. The language in this subpart is for clarity and completeness, and to ensure that the rights of students attending such institutions are protected.

Subp. 7. Change of ownership. Change in ownership can affect the financial integrity of the school and sometimes affects the manner in which the school operates. Such a change can be significant and thus requires submission of a new renewal licensure application in a timely manner so Office staff can determine the effect of the change in ownership, and to ensure that the new owner(s) comply with licensure requirements. The language in this subpart is to avoid misunderstanding, to ensure the continued integrity of the licensure process, to make sure all schools affected by this rule are treated in a fair and equitable manner, and to protect students attending such schools.

Subp. 8. New program. The language in this subpart requires a licensed school to submit information on a new program to the Office for review and approval, and to ensure that all new programs meet the requirements specified in *Minnesota Statutes 141.25*, Subd. 7(e). The language is to clarify the enforcement of the statutory requirements related to programs and to avoid confusion by schools licensed under this process related to the offering of new programs.

4880.1800. STANDARDS FOR SCHOOL FACILITIES AND STUDENT HOUSING.

Subpart 1. Sanitation and safety. The language in this subpart expands upon the statutory requirement specified in *Minnesota Statutes 141.25*, Subdivisions 7(d) and 7(f) regarding facilities owned or approved by the school for student use. The language clarifies the standards for facilities a school must adhere to in order to receive and maintain licensure from this Office, and to ensure adequate facilities are provided for students.

Subp. 2. Inspection reports. The Office must be kept informed of any situations that may affect a school's license eligibility. If compliance-related reports are provided to the school, that information should be available to the Office. The language is to ensure that schools licensed by this Office continue to comply with sanitation and health standards as monitored by local and state agencies and to maintain the integrity of the review performed by this Office.

Subp. 3. Clinical, internship, practicum, or externship sites. Some educational programs require clinical, internship, practicum or externship experience. It is the responsibility of the school offering the program to make sure adequate arrangements for such experiences are made to that students receive all required preparation for completion of their educational programs in a timely manner. This language ensures equitable treatment of students in the completion of their educational programs no matter which institution they attend, and clarifies school responsibilities regarding the securing of sites.

Subp. 4. Library and information services. Schools must provide access to adequate library and information services in order to comply with the statutory requirements relating to program quality and content [*Minnesota Statutes* 141.25, Subd. 7(e)]. The language in this subpart clarifies and ensures adequate support resources are provided for students to complete and succeed in their educational programs.

4880.1900. STANDARDS FOR INSTRUCTORS. The language in this section specifies the qualifications that instructors must possess for a school to be licensed. As part of the review process for licensure, the Office must collect adequate information about the educational credentials and/or trade experience of instructors to ensure that all students receive instruction from individuals who possess adequate educational background and experience in the field for which they are providing instruction. The language is for clarity, completeness and to avoid misunderstanding regarding instructor qualifications.

4880.2000. STANDARDS FOR OUT-OF-STATE SCHOOLS. The language in this subpart makes it clear that out-of-state schools will be held to the same licensure standards expected of in-state schools. This section is to ensure the equitable treatment of all schools seeking licensure and to avoid any misunderstanding by schools located outside Minnesota.

4880.2100. CONTENTS OF CATALOG OR BROCHURE.

Subpart 1. Refund policy. Most students review a school's catalogs or brochures to find information relating to school policies. It is important for current and prospective students to understand the school's refund policy. Therefore, it is reasonable that the school's refund policy be explained in the school's catalog or brochure. The policy must include (at a minimum) all the statutory requirements specified in *Minnesota Statutes* 141.271. This subpart is included to ensure the equitable treatment of all students no matter which school they attend, to protect students from arbitrary actions by schools relating to refunds, to provide schools with specific requirements relating to how their refund policies must be communicated to students, and to provide consistency in the required content of school catalogs and brochures.

Subp. 2. Clinical, internship, practicum or externship sites. The language in this subpart is related to the statutory requirement relating to information about "available facilities and equipment" [*Minnesota Statutes* 141.25, Subd. 9(10)]. For programs requiring clinical, internship, practicum or externship experience, students must be informed of pertinent information relating to such experiences. The language is included to make sure students are informed about current arrangements schools have made to accommodate such

educational experiences for their students. The language is for clarity, completeness and to protect students.

Subp. 3. Supplementary pages. Schools may use supplementary pages to update school catalogs or brochures. While this may be a cost-efficient way to handle changes in catalog or brochure information, it can cause confusion by students or others seeking information about a particular school. The language in this subpart specifies how schools must handle supplementary catalog or brochure information to avoid misunderstanding. The language is for clarity, completeness, accuracy, and seeks to protect the integrity of schools affected by this licensing procedure.

Subp. 4. Submitting changes. Approval of a school's catalog or brochure is part of the licensure review process performed by the Office. If changes to the catalog or brochure are necessary during the license year, those changes must meet the criteria specified in *Minnesota Statutes* 141.25, Subd. 9. The language in this subpart indicates that such changes must be submitted to the Office for review and approval prior to distribution. The language is to ensure that catalogs and brochures continue to meet statutory requirements throughout the licensing year, to protect the integrity of the licensing process, and to provide clarity and completeness.

4880.2200. PLACEMENT.

Subpart 1. Standards. The language in this subpart relates to the statutory language relating to placement records [*Minnesota Statutes* 141.25, Subd. 10(a)], which requires a licensed school to provide the Office with information relating to their graduates, including job descriptions, names of employers, and other pertinent placement information. Students attending schools covered by the licensure process are pursuing programs specifically to secure employment in particular occupations. Such schools should be preparing students for occupations where at least entry level positions exist. Students should not continue to be prepared for occupations for which no employment is available upon graduation. The language in this subpart is to protect students from being prepared for occupations where no employment opportunities exist and to clarify placement standards specified in *Minnesota Statutes* 141.25, Subd. 10(b).

Subp. 2. Report. The language in this subpart clarifies the statutory requirement specified in *Minnesota Statutes* 141.25, Subd. 10(a) relating to schools' placement reports. The language is for clarity, accuracy and completeness.

4880.2300. SOLICITORS. The language in this section indicates when and how a school may use a solicitor. The language supplements the statutory requirements specified in *Minnesota Statutes* 141.26. In addition, the language clarifies how a school may fulfill the

bonding requirements for solicitors, and allows schools with more than one solicitor to secure a blanket bond to cover all their solicitors rather than requiring individual surety bonds for each solicitor. The language in this section is for clarity, completeness and to avoid confusion by schools using solicitors.

4880.2400. LICENSURE REQUIREMENTS FOR AVOCATIONAL SCHOOLS.

Schools are not considered recreational or avocational if they promise, advertise, or make reference to gainful employment for students upon completion of their program(s). This section is to prevent schools from being considered recreational or avocational in order to be exempt from licensure, if they advertise employment opportunities to prospective students. This section is for clarity, to ensure that all schools are treated equitably, and to ensure that students seeking programs resulting in employable skills are protected through the licensure process.

IV. COSTS TO LOCAL BODIES

It has been determined that *Minnesota Statute* 14.11 is not applicable because there will be no impact or cost to local bodies related to the adoption of this rule. This program relates to the licensing of private business, trade, or correspondence schools. No expenditure of public money by local public bodies is pertinent to this rule.

V. SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

Minnesota Statutes, section 14.115, requires the Higher Education Services Office to consider the effect on small businesses when it adopts rules. The rule governing Private Business, Trade and Correspondence Schools will have a direct affect on small businesses that are private proprietary postsecondary institutions. Such schools are independently owned and operated, are not dominant in their field, employ less than 50 full-time employees, and have gross annual sales of less than \$4 million.

Minnesota Statutes, Section 14.115, Subd. 2, states in part:

When an agency proposes a new rule, or an amendment to an existing rule, which may affect small businesses . . . the agency shall consider each of the following methods for reducing the impact of the rule on small businesses:

(a) the establishment of less stringent compliance or reporting requirements for small businesses;

(b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;

(c) the consolidation or simplification of compliance or reporting requirements for small businesses;

(d) the establishment of performance standards for small businesses to replace design or operational standards required in rule; and

(e) the exemption of small businesses from any or all requirements of the rule.

However, *Minnesota Statutes*, Section 14.115, Subd. 3, also states:

Subd. 3. Feasibility. *The agency shall incorporate into the proposed rule or amendment any of the methods specified under subdivision 2 that it finds to be feasible, unless doing so would be contrary to the statutory objectives that are the basis of the proposed rulemaking.*

The Minnesota Higher Education Services Office feels it would be contrary to the statutory objectives of *Minnesota Statutes* Chapter 141 to incorporate any of the methods specified in subdivision 2 above in the proposed permanent rule related to licensure of Private Business, Trade, and Correspondence Schools. Certain standards and procedures must be fulfilled for all schools seeking licensure in Minnesota to meet the intent of *Minnesota Statutes* Chapter 141.

Also, the Minnesota Higher Education Services Office sought the advice of affected small businesses during the drafting of the rule. Representatives of schools affected by the rule were invited to participate in an advisory group to discuss this proposed rule. Agency staff distributed a copy of the proposed rule, and then met with the advisory group to discuss each portion of the proposed rule with them. Advisory group members provided advice regarding the rule language, which was considered in drafting the proposed permanent rule for publication in the *State Register*. Prior to publication in the *State Register*, all schools currently licensed under *Minnesota Statutes* Chapter 141 were sent copies of the proposed permanent rule with the Notice of Intent to Adopt Rules Without a Public Hearing and of Intent to Adopt Rules With a Public Hearing if 25 or More Persons Request a Hearing.

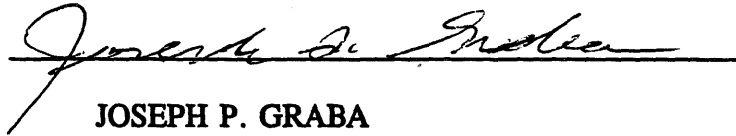
VI. DEPARTMENTAL CHARGES IMPOSED BY THE RULE

In accordance with *Minnesota Statutes*, section 16A.1285, pertaining to departmental earnings from charges for goods and services, licenses, or regulation, the rule was submitted to the Commissioner of Finance for the Commissioner's review and comment on the charges established or adjusted in these rules. The Commissioner of Finance's comments are attached to this Statement of Need and Reasonableness.

VI. CONCLUSION

Based on the foregoing, the proposed Minnesota Rule pt. 4880.1500 - 4880.2400 is both needed and reasonable.

Dated: November 15, 1995

A handwritten signature in cursive script, reading "Joseph P. Graba", is written over a solid horizontal line.

JOSEPH P. GRABA
Interim Director

Office Memorandum

Department: of Finance

Date: November 1, 1995

To: Mary Lou Dresbach, Administrative Associate
MN Higher Education Services Office

From: Michelle Harper 
Budget Operations

Phone: 296-7838

Subject: Departmental Earnings Rate Change Response- School License Fees and Private
Institution Registration Fees

Pursuant to provisions of M.S. 16A.1285, the Department of Finance has reviewed and approved the attached departmental earnings proposal submitted by the MN Higher Education Services Office on 10/27/95. If you have any questions or concerns, please call me at the above number.

cc Bruce Reddemann
Lisa Griskey

Department of Finance
Departmental Earnings: Reporting/Approval


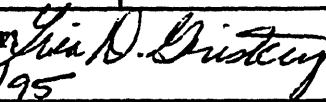
Part A: Explanation

Earnings Title: License Fees--Business, Trade & Correspon. Schools	Statutory Authority: Laws of MN 1995, Chp 212, Art 3, Sec. 43	Date: 10/27/95
Brief Description of Item: The Higher Education Services Office (HESO) is responsible for issuing licenses to Private Business, Trade & Correspondence Schools. Such schools must have a license to operate in MN. The statutory language governing the licensing fees was changed in the 1995 legislative session, requiring the HESO to establish fees to cover its administrative costs related to this program. The agency permanent rule specifies the applicable license fees that will be charged by the HESO. [See attached proposed permanent rule.]		
Earnings Classification (check one): 1. <input type="checkbox"/> Service/User 2. <input checked="" type="checkbox"/> Business/Industry Regulating 3. <input type="checkbox"/> Occupational Licensure 4. <input type="checkbox"/> Special Tax/Assessment 5. <input type="checkbox"/> Other (specify):		
Submission Purpose (check one): 1. <input checked="" type="checkbox"/> Chap. 14 Review and Comment 2. <input type="checkbox"/> Approval of Allowable Inflationary Adjustment 3. <input type="checkbox"/> Reporting of Agency Initiated Change in Departmental Earnings Rate 4. <input type="checkbox"/> Other (specify):		
If reporting an agency initiated action (option 3 above), does agency have explicit authority to retain and spend receipts? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Impact of Proposed Change (For rate changes included in the biennial budget, reference page number. For rate changes not included in the biennial budget, reference authority to make such changes.) The statutory authority to set fees for such licensing is <i>Laws of MN for 1995, Chapter 212, Article 3, Sec. 43. Private Business, Trade & Correspondence Schools</i> operating in MN are affected by these fees. There are currently 45 such schools licensed by HESO with 7 additional schools in the process of seeking licensure. The licensing fee was previously specified in <i>MN Statutes 141.25, Subd. 8</i> , however, the 1995 legislature modified the statute requiring the HESO to collect fees sufficient to recover its administrative costs related to this program. The proposed permanent rules specify the following fee rates: \$1,500--initial licensure; \$750--renewal licensure for schools with 1 program; \$1,000--renewal licensure for schools with more than 1 program. A licensure renewal late fee is specified as 20% of the school's renewal licensure fee. The Solicitor permit fee of \$250 continues to be specified in <i>MN Statutes 141.26, Subd. 5</i> . [See attached copy of proposed permanent rule for language on fees and also the attached Statement of Need and Reasonableness for this rule.]		
Current Unit Rate(s): \$650 statutory fee deleted in 1995 legislative session. Agency directed to set fees via agency rule.	Proposed Unit Rate(s): \$1,500--initial licensure; \$750--schools with 1 program renewal licensure; \$1,000--schools with > 1 program renewal lic.	

Renewal late fee--20% of renewal licensure fee.

Department of Finance
Departmental Earnings: Reporting/Approval (Cont.)
 (\$1,000,000 = 1,000)

Part B: Fiscal Detail

APID: E60 96200 021		AID: 2375		Rev. Source Code(s): 4992		<input checked="" type="checkbox"/> Dedicated <input type="checkbox"/> Non-Dedicated <input type="checkbox"/> Both	
Item	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996 As Shown in Biennial Budget	F.Y. 1997 As Shown in Biennial Budget	F.Y. 1996 As Currently Proposed	F.Y. 1997 As Currently Proposed
REVENUES:							
Fee Income	N/A	39,950	42,060	42,060	42,060	56,000	58,250
EXPENDITURES:							
Direct	N/A	45,372	52,232	40,134	40,134	49,134	54,134
Indirect	N/A	2,142	4,150	4,112	4,112	5,782	5,902
Total	N/A	47,514	56,382	44,246	44,246	54,916	60,041
Current Deficit/Excess		-7,564	-14,322	-2,186	-2,186	1,084	(1,791)
Accumulated Excess/Deficit*		-7,564	-21,886	-24,072	-26,258	1,084	(707)
Agency Signature: 					Executive Budget Officer:  Approval Date: 10/31/95		

* F.Y. 1993 beginning accumulated balance to include amount of accumulated excess/deficit (if any) carried forward from F.Y. 1992. As necessary, attach detailed schedule/listing of proposed changes in departmental earnings rates.