

2006-07 Departmental Earnings Report

	Page
Statewide Departmental Earnings Summary	1
 <u>Agency Summaries:</u>	
Accountancy Board	3
Accountancy Profession	4
Administration Dept.....	6
State Building Code.....	7
Municipal Board/Municipal Boundary Creation	9
Land Management Information Center Service Bureau	11
Electric Utility Assessment	13
Power Plant Projects	15
Pipeline Routing Program	17
9-1-1 User Fee	19
Agriculture Dept.....	21
Agricultural Liming Materials	22
Agriculture Superfund Account.....	24
Waste Pesticide Collection.....	26
Commercial Feed Inspection.....	28
Fertilizer Inspection Account	30
Pesticide Regulatory Account	32
Agriculture Chemical Response & Reimbursement	34
Seed Inspection Fund	36
Apiaries	38
Nursery Inspection	40
Phytosanitary/Elevator Fee	42
Wholesale Produce Dealers.....	44
Seed Potato Inspection Fund	46
Fruit & Vegetable Inspection-Dedicated	48
Grain Inspection & Weighing Account.....	50
Consolidated Food License.....	52
Food Handler Plan Review.....	54
Commercial Canneries Inspection	56
Egg Law Inspection Fund.....	58
Beverage Inspection Fund	60
Livestock Licenses	62
Milk/Cream Buyers & Tester	64
Dairy Food Licenses.....	66
Livestock Weighing Fund	68
Dairy Services Account	70
Laboratory Services Account	72
Grain Licensing & Audit.....	74
Advertising Revenue	76
Minnesota Grown Account	78
Promotion Councils	80
Alien Farm Registration.....	82
Statistical Services Account	84
Agricultural Development Bond.....	86
Loan Restructuring Administration	88
Agricultural Improvement Loan Administration.....	90
Rural Finance Authority Loan Administration	92
Value Added Agriculture Product	94
Livestock Expansion Administration.....	96

2006-07 Departmental Earnings Report

Agriculture Dept (continued)	
Reinspection Fees.....	98
Ag Best Management Practices Loan Program	100
Animal Health Board	102
Livestock & Poultry Health License.....	103
Chronic Wasting Inspection.....	105
Architecture, Engineering Board	107
Architecture, Engineering Board	108
Attorney General	110
Charitable Organization/Clubs Registration Fees	111
Barbers Board	113
Barbers Examinations & Licensing.....	114
Cosmetology Licensing	116
Behavioral Health & Therapy Board	118
Behavioral Health	119
Alcohol and Drug Counselors.....	121
Chiropractors Board	123
Chiropractic Licensing	124
Commerce Dept	126
Collections.....	127
Financial Institutions.....	129
Currency Exchange.....	131
Franchise.....	133
Insurance Agents	135
Insurance Company	137
Real Estate.....	139
Residential Contractor.....	141
Securities.....	143
Unclaimed Property.....	145
Worker's Comp/Self-Insuring	147
Energy Cost Assessment	149
Telephone Costs Assessment.....	151
Weights & Measures	153
Telephone Access Minnesota (TAM)	155
Petroleum.....	157
Propane.....	159
Auto Theft Prevention.....	161
Telemarketing.....	163
Miscellaneous Commerce	165
Notaries	167
Cosmetology	169
Corrections Dept	171
Fee For Services Juvenile.....	172
Housing Adult Inmates	174
Training Center Usage Fees	176
Aid To Victim of Crime.....	178
Vocational Work Program	180
Staff Visitor Meals	182

2006-07 Departmental Earnings Report

Corrections Dept (continued)	
Lino-Anoka Service Agreement.....	184
Out Of State Juvenile Jail Inspections.....	186
Corrections Staff Rent/Utility	188
County Probation Reimbursement	190
Community Supervision	192
Inmate Confinement.....	194
Shared Services	196
Health Care Co-Pay	199
Charges To Counties	200
Dedicated Receipts Misc.....	202
Dentistry Board.....	204
Dentistry Board.....	205
Dietetics & Nutrition Practice	207
Dietetics & Nutrition Practice Board	208
Education Department.....	210
Teacher Licensure.....	211
Administrator Licensure.....	213
MN Career Information System.....	215
LEA Option Assessment	217
Child Nutrition.....	219
Electricity Board	221
Electrical Inspection Escrow and Licensing	222
Emergency Medical Services Regulatory Board	224
Emergency Medical Services Board Fees	225
Employment and Economic Development Dept.....	227
Services for the Blind	228
Trade	230
Public Facilities Authority	232
Data Practices	234
Tourism	235
Environmental Assistance	237
Pollution Prevention Fees	238
Explore MN Tourism.....	240
Tourism	241
Gambling Control Board.....	243
Lawful Gambling License & Regulation.....	244
Health Dept	246
Community Providers	247
Asbestos Abatement	249
Certified Copies of Vital Records	251
Drinking Water.....	253
Food, Beverage & Lodging License Fee	255
Funeral Establishment & Funeral Director	257
Health Care Facility License.....	259
HMO/APN/CISN	261

2006-07 Departmental Earnings Report

Health Dept (continued)	
Home Care Licenses	263
Laboratory Certification	265
Laboratory Fee Stickers	267
Lead Program.....	269
Mfg Home Park & Recreational	271
Newborn Screening.....	273
Plan Review & Inspection for Public Swimming Pools	275
Plan Review-Water Treatment	277
Plumber & Water Conditioners License/Examinations/Bond	279
Registration of X-Ray & Radium Source	281
Nuclear Regulatory Commission.....	283
Well Management Program.....	285
Adoption Registry	287
Speech Language Pathologists.....	289
Hearing Instrument Dispensers Certification.....	291
Occupational Therapist	293
Food Manager Certification	295
Temporary Nursing.....	297
Adverse Health Event Reporting	299
Alcohol & Drug Counselors	301
Higher Education Services Office.....	303
Private Post Secondary Institutions Regulation	304
Regulation of Private or Professional Career Schools	306
Historical Society	308
Historical Site Admission.....	309
Human Rights Department.....	310
Certificate of Compliance	311
Human Services Dept	313
Licensing Division.....	314
Reg Laundry Depreciation.....	316
Shared Services Revenue.....	318
Work Activity Programs	320
MNCare Premium.....	322
State Facilities Cost of Care.....	324
Alternative Care	326
Rental Income	328
CSE Cost Recovery	330
HIV Premium.....	332
Nursing Home Advisory Council Fee	334
Background Study Fees	336
Iron Range Resources & Rehab	338
Departmental Earnings.....	339
Labor and Industry Dept.....	341
Apprentice Fees	342
Boiler Fees	344
Pipefitting Fees.....	346
Logger Assessments.....	348
Employment Agency Licensure.....	350
Workers Comp Penalties.....	352

2006-07 Departmental Earnings Report

Labor and Industry Dept (continued)	
Data Practices/Cost of Copies	354
Qualified Rehabilitation Consultant Billed Services	356
Rehab & Medical Affairs	358
Legal Profession Boards	360
Reimburse Clients Defrauded By Attorneys.....	361
Certification Legal Specialist	363
Regulating Continuing Legal Education	365
Licensing Attorneys.....	367
Regulation of Attorney Actions & Ethical Practices.....	369
Marriage & Family Therapy Board	371
Marriage & Family Therapy Board	372
Medical Practice Board	374
Medical Practice Board	375
Natural Resources Dept	377
Minerals and Land Earnings.....	378
Waters Earnings.....	381
Timber & Related Earnings	384
Forestry Nursery Account.....	387
Fire Fighting	389
Parks Earnings	391
Working Capital	394
Douglas Lodge	396
Snowmobile.....	398
Cross Country Ski	400
All-Terrain Vehicles	402
Water Recreation	405
Off Highway Motorcycle	408
Off Road Vehicle	410
Game and Fish.....	412
DNR Miscellaneous.....	417
Nursing Board	419
Nursing Board	420
Nursing Home Administration Board.....	422
Nursing Home Administrators Board.....	423
Optometry Board	425
Optometry Board	426
Peace Officers Board (POST).....	428
Peace Officer Licensing	429
Pharmacy Board.....	431
Pharmacy Board.....	432
Physical Therapy Board	434
Physical Therapy Board	435
Podiatry Board.....	437
Professional Licensing & Regulation.....	438

2006-07 Departmental Earnings Report

Pollution Control Agency	440
PCA Income Agreements	441
Land: Underground Storage Tank Contractor Cert Fee	443
Land: Voluntary Petro Investigation & Cleanup	445
Land: Waste Disposal Facility Operators & Inspectors Certification	447
Water: Water Quality Sewage Operator Certification	449
Land: Dry Cleaner Fees	451
Adm. Low Level Radioactive Waste Generator Fees	453
Air: Air Quality Fees	454
Land: Hazardous Waste Fees	455
Water: Individual Sewer Treatment System Licensing	456
Water: Water Quality Fees	457
Water: Individual Sewer Treatment System Tank Fee	458
Pollution Prevention Fee	459
 Private Detective Board	 461
Private Detective & Protective Agent Services Board	462
 Psychology Board	 464
Psychology Board	465
 Public Safety Dept (Transportation Bill)	 467
Security	468
Office of Pipeline Safety	470
Certification	472
Patrol Escorts	474
Vehicle Registration & Title	476
Motor Vehicle Miscellaneous Fee	478
Interstate Regulation & Reciprocity	480
Special Plates	482
Driver's License	484
Vehicle Registration – Special Revenue	486
Licensing DWI Reinstatement	488
Motor Vehicle Dealers	490
Motor Vehicle Transfers	492
Bicycle Registration	494
Licensing-Motorcycle	496
Motor Vehicle Special Lists	498
Photo Processing	500
Fleet Registration	502
Motor Vehicle Filing	504
 Public Safety Dept (Public Safety Bill)	 506
9-1-1 User Fee	507
Gambling Enforcement	509
Emergency Management	511
Criminal Justice Data Network	513
Fire Inspections	515
Fire Safety	517
Liquor Licensing	519
Personal Protection	521
Non-Criminal Justice	523
Auto Theft Prevention	525
Crime Alert	527

2006-07 Departmental Earnings Report

Public Utilities Commission	529
Energy Cost Assessment	530
Telephone Costs Assessment.....	532
Administrative Hearings	534
Extended Area Service Balloting Charges	536
Telephone Assistance Plan (TAP) Surcharge Revenues	538
 Racing Commission	540
Racing Commission Fees	541
 Revenue Department	543
Revenue Recapture Fee	544
 Revenue Dept - Other	546
MN Assessors-Education & License Fees	547
Paper Filing Fee for Commercial Preparer.....	549
Petroleum.....	551
Propane.....	552
Petroleum Tank Cleanup.....	553
Land: Dry Cleaner Fees	554
 Secretary of State.....	555
Uniform Commercial Code Fees	556
Election Fees.....	558
Business Services Fees	560
Computer Info Fees-Direct Access	562
Annual Report Fees (Business Renewals).....	564
Computer Info Fees-Voter Registration.....	566
Notaries	568
 Social Work Board.....	570
Social Work Board.....	571
 State Auditor.....	573
Audit Fees	574
 Supreme Court	576
Data Practices/Cost of Copies	577
Registration of Attorney Actions & Ethical Practices.....	579
Fees From Users of TCIS (State Court) Computer System.....	581
Miscellaneous Court Fees.....	583
Civil Legal Services - Dedicated.....	585
Testing/Training Interpreters	587
 Transportation Dept.....	589
Advertising Permits	590
Airport Commercial Operations & Aircraft Dealer Licensing	592
Laboratory Testing & Inspection.....	594
Motor Carrier Permits & Fees.....	596
Transportation Permits	598
Air Transportation Revolving Acct.....	600
DOT: Miscellaneous	602
 Veterans Affairs Dept	604
Cemetery Develop & Maintenance Acct.....	605
Guardianship Fees	607

2006-07 Departmental Earnings Report

Veterans Home Board.....609
 Veterans Cost of Care.....610

Veterinary Medicine Board.....612
 Veterinary Medicine Board.....613

Zoological Board615

2006-07 Departmental Earnings Report

Definition and Purpose

Departmental earnings is defined in Minnesota Statute 16A.1285, subdivision 1, as any charge for goods and services and any regulatory, licensure, or other similar charges levied by any state agency and paid by individuals, businesses or other nonstate entities. It does not include charges between state agencies.

The purpose of the report is to show whether fees and charges defined as departmental earnings are recovering the costs of the activity for which they are collected.

Cost Recovery Statutory Requirement

The departmental earnings cost recovery requirements stated in Minnesota Statute 16A.1285, subdivision 2, stipulates that departmental earnings must be set at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services, unless otherwise provided by law. In order for agencies to show compliance with the cost recovery statute, departmental earnings are grouped into revenue categories and matched against their related expenditures.

Report Format

The Departmental Earnings Report like other biennial budget documents shows actual receipts and expenditures for fiscal years 2003 and 2004, budgeted receipts and expenditures for fiscal year 2005, forecasted receipts and expenditures for fiscal years 2006 and 2007 and Governor's Recommendations for fiscal years 2006 and 2007. All dollar amounts are expressed to the nearest thousand. The 2006-07 Departmental Earnings report includes three levels of reporting:

- **Statewide Departmental Earnings Summary** shows statewide earnings aggregated into Non-Dedicated and Dedicated receipts by fund.
- **Agency Departmental Earnings Summary** shows earnings aggregated into Non-Dedicated and Dedicated revenues by fund for each agency.
- **Agency Revenue Category Report** for each group of departmental earnings identified and reported by state agencies. The revenue category report consists of three sections: category description, fiscal information and narrative.

Statewide Departmental Earnings Summary

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	243,619	273,166	269,634	281,530	313,348	287,466	299,475
Petroleum Tank Release Cleanup	26,778	25,483	25,008	30,008	30,008	28,264	28,264
State Government Spec Revenue	41,937	46,072	45,857	47,044	50,117	47,133	52,245
Natural Resources	17,897	21,708	24,515	25,586	23,229	26,944	25,119
Special Revenue	10	0	618	618	618	618	618
Game And Fish	67,363	70,325	73,466	75,027	68,207	75,527	68,710
Trunk Highway	30,119	30,623	33,878	33,435	8,804	33,690	9,494
Highway Users Tax Distribution	9,637	12,031	11,760	11,785	0	11,903	0
Workers Compensation	479	543	545	545	545	545	545
Environmental	21,008	18,653	20,539	20,857	21,389	21,039	21,878
Remediation	0	87	92	92	92	92	92
Total Non-Dedicated Receipts	458,847	498,691	505,912	526,527	516,357	533,221	506,440

<u>Dedicated Receipts:</u>							
Minnesota Technology Inc	335	490	0	0	0	0	0
Public Facilities Authority	1,353	2,060	1,300	1,400	1,400	1,500	1,500
Drinking Water Revolving Fund	157	204	258	340	340	350	350
General	4,637	5,225	5,017	4,832	4,832	4,905	4,905
State Government Spec Revenue	27,208	32,620	33,541	34,292	51,501	35,107	42,194
Natural Resources	868	1,449	1,250	1,279	10,490	1,325	10,536
Health Care Access	22,651	25,226	27,992	26,491	26,491	31,386	31,386
Special Revenue	142,064	154,240	154,882	157,196	205,288	157,138	205,049
Agriculture Fund	19,083	18,947	18,836	18,816	19,469	18,701	19,368
State Airports	331	342	500	500	500	500	500
Game And Fish	2,403	2,552	2,512	2,572	9,417	2,572	9,417
Iron Range Resources & Rehab	3,983	298	330	330	330	330	330
Giants Ridge Golf & Ski Resort	124	4,453	5,554	5,554	5,554	5,554	5,554
Trunk Highway	3,390	2,687	2,965	2,965	2,965	2,965	2,965
Transportation Revolving Fund	68	0	0	0	0	0	0
Federal	20,072	15,852	15,701	18,439	18,439	18,938	18,938
Workers Compensation	2,912	3,104	3,110	3,110	3,110	3,110	3,110
Environmental	703	0	0	0	0	0	0
Remediation	0	486	88	101	101	101	101
Rural Finance Administration	0	0	1	1	1	1	1
Reinvest In Minnesota	0	0	0	0	111	0	111
State Employees Insurance	759	376	405	405	405	405	405
Ne Mn Economic Protection	112	34	122	122	122	122	122
Miscellaneous Agency	5,805	5,248	6,222	6,226	5,092	7,508	6,119
Gift	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Permanent School	16,338	17,114	15,465	19,982	18,144	21,797	19,657
Administrative Hearings	1,486	1,273	1,736	1,736	2,045	1,736	2,034
Workers Comp Transcript	9	7	6	6	6	6	6
Mn State Operated Comm Svcs	54,053	62,861	68,060	68,060	68,060	68,060	68,060
Mn Neurorehab Hospital Brainer	15,216	15,740	19,017	19,017	19,017	19,017	19,017
Dhs Chemical Dependency Servs	19,204	18,334	17,864	17,864	17,864	17,864	17,864
Correctional Industries	1,004	943	1,159	1,271	1,271	1,398	1,398
Total Dedicated Receipts	366,326	392,164	403,892	412,906	492,364	422,395	490,996

Statewide Departmental Earnings Summary

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Fund Totals:							
Minnesota Technology Inc	335	490	0	0	0	0	0
Public Facilities Authority	1,353	2,060	1,300	1,400	1,400	1,500	1,500
Drinking Water Revolving Fund	157	204	258	340	340	350	350
General	248,256	278,391	274,651	286,362	318,180	292,371	304,380
Petroleum Tank Release Cleanup	26,778	25,483	25,008	30,008	30,008	28,264	28,264
State Government Spec Revenue	69,145	78,692	79,398	81,336	101,618	82,240	94,439
Natural Resources	18,765	23,157	25,765	26,865	33,719	28,269	35,655
Health Care Access	22,651	25,226	27,992	26,491	26,491	31,386	31,386
Special Revenue	142,074	154,240	155,500	157,814	205,906	157,756	205,667
Agriculture Fund	19,083	18,947	18,836	18,816	19,469	18,701	19,368
State Airports	331	342	500	500	500	500	500
Game And Fish	69,766	72,877	75,978	77,599	77,624	78,099	78,127
Iron Range Resources & Rehab	3,983	298	330	330	330	330	330
Giants Ridge Golf & Ski Resort	124	4,453	5,554	5,554	5,554	5,554	5,554
Trunk Highway	33,509	33,310	36,843	36,400	11,769	36,655	12,459
Transportation Revolving Fund	68	0	0	0	0	0	0
Highway Users Tax Distribution	9,637	12,031	11,760	11,785	0	11,903	0
Federal	20,072	15,852	15,701	18,439	18,439	18,938	18,938
Workers Compensation	3,391	3,647	3,655	3,655	3,655	3,655	3,655
Environmental	21,711	18,653	20,539	20,857	21,389	21,039	21,878
Remediation	0	573	180	193	193	193	193
Rural Finance Administration	0	0	1	1	1	1	1
Reinvest In Minnesota	0	0	0	0	111	0	111
State Employees Insurance	759	376	405	405	405	405	405
Ne Mn Economic Protection	112	34	122	122	122	122	122
Miscellaneous Agency	5,805	5,248	6,222	6,226	5,092	7,508	6,119
Gift	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Permanent School	16,338	17,114	15,465	19,982	18,144	21,797	19,657
Administrative Hearings	1,486	1,273	1,736	1,736	2,045	1,736	2,034
Workers Comp Transcript	9	7	6	6	6	6	6
Mn State Operated Comm Svcs	54,053	62,861	68,060	68,060	68,060	68,060	68,060
Mn Neurorehab Hospital Brainer	15,216	15,740	19,017	19,017	19,017	19,017	19,017
Dhs Chemical Dependency Servs	19,204	18,334	17,864	17,864	17,864	17,864	17,864
Correctional Industries	1,004	943	1,159	1,271	1,271	1,398	1,398
Departmental Earnings Total	825,173	890,855	909,804	939,433	1,008,721	955,616	997,436

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	695	682	565	990	990	578	578
Total Non-Dedicated Receipts	695	682	565	990	990	578	578

<u>Fund Totals:</u>							
General	695	682	565	990	990	578	578
Departmental Earnings Total	695	682	565	990	990	578	578

ACCOUNTANCY BOARD

ACCOUNTANCY PROFESSION

Fiscal Report

Revenue Category Description: Fees charged for examinations and licensing.

Requesting a Fee Change: No

Purpose: To recover cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 326A and MN Rules 1105

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	695	682	565	990	990	578	578
Total Departmental Earnings	695	682	565	990	990	578	578
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	695	682	565	990	990	578	578
<u>Expenditures:</u>							
Direct Expenditures	680	514	697	577	487	577	487
Indirect Expenditures	49	62	57	67	67	57	57
Total Expenditures	729	576	754	644	554	634	544
Current Difference	(34)	106	(189)	346	436	(56)	34

ACCOUNTANCY BOARD

ACCOUNTANCY PROFESSION

Narrative

Background Information

Description of Revenue Sources

- **Disciplinary Fees**
This revenue is generated as a result of disciplinary action taken against licensees. It includes late filing fees for Continuing Professional Education (CPE), civil penalties, and recovery of administrative fees such as charges assessed by the Attorney General and the Office of Administrative Hearings.
- **Firm Licenses**
This revenue is generated by fees charged to firms for new and renewal licenses, for re-instatement late fee and civil penalties.
- **Professional Accountancy Licenses**
This revenue is generated by fees charged for individual professional licenses, including both new and renewal annual licenses, late fees, and civil penalties.
- **Examinations**
This category represents the fees from the Certified Public Accountant (CPA) examinations

Forecast Basis

The basis for the revenue estimates is historical data for the past three years. A slight drop in revenue is forecast due to slight declines in numbers of CPAs and fewer fines. In April of 2004 the AICPA started to offer the uniform CPA examination through its approved vendor, Prometric. The anticipated cost to the CPA candidate will be considerably higher than what it is at present however; this is expected to be a direct pass thru from candidate to Prometric. The board established a service fee for processing the application, collecting employer work experience, college transcripts etc. The board set this fee at \$40.00 per section which would reduce our current receipts estimates by as much as \$59,000, however cost of operations including facility rent, equipment rent, and labor would be reduced by about \$40,000.

Recent Changes

Several thousand sole proprietors will be newly licensed due to a rule change. Also, about 5,000 new licensees will be added due a rule change.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	0	64	70	70	70	70	70
Total Non-Dedicated Receipts	0	64	70	70	70	70	70

<u>Dedicated Receipts:</u>							
State Government Spec Revenue	27,208	6,782	6,758	6,758	6,758	6,758	6,758
Special Revenue	9	1,574	1,713	1,858	1,858	1,895	1,895
Total Dedicated Receipts	27,217	8,356	8,471	8,616	8,616	8,653	8,653

<u>Fund Totals:</u>							
General	0	64	70	70	70	70	70
State Government Spec Revenue	27,208	6,782	6,758	6,758	6,758	6,758	6,758
Special Revenue	9	1,574	1,713	1,858	1,858	1,895	1,895
Departmental Earnings Total	27,217	8,420	8,541	8,686	8,686	8,723	8,723

ADMINISTRATION DEPT

STATE BUILDING CODE

Fiscal Report

Revenue Category Description: To ensure that building codes and standards are uniformly adopted and administered at the least cost

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: The State Division of Building Codes and Standards adopts and maintains the construction standards for the state known as the State Building Code. The division is also responsible for education programs, consumer compliance assistance, plan review, and site inspection of state-owned buildings, school district buildings, licensed hospitals, nursing homes, and correctional facilities.

Appr Name: STATE BLDG CODE DEDICATED

Legal Citation(s): M.S.16.59-75; 327.31-.35; 327B.01-.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	3,164	3,978	4,848	5,231	5,231	5,172	5,172
<u>Resources:</u>							
Dedicated Receipts	6,416	6,782	6,758	6,758	6,758	6,758	6,758
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	6,416	6,782	6,758	6,758	6,758	6,758	6,758
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	56	66	42	42	42	42	42
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6,472	6,848	6,800	6,800	6,800	6,800	6,800
<u>Expenditures:</u>							
Direct Expenditures	5,511	5,838	6,254	6,693	6,693	6,868	6,868
Indirect Expenditures	147	140	163	166	166	170	170
Total Expenditures	5,658	5,978	6,417	6,859	6,859	7,038	7,038
Current Difference	814	870	383	(59)	(59)	(238)	(238)
Accumulated Ending Balance	3,978	4,848	5,231	5,172	5,172	4,934	4,934

Background Information

Fees collected correlate with the level of general building activity which is expected to level off after a recent period of growth.

Forecast Basis

The National Association of Home Builders' forecast projects a drop of approximately 3% in construction activity in FY05 and FY06.

Recent Changes

FY04 and FY05 budgets projected greater salary inflation than actually occurred, and revenue generated was higher than projected increasing the amount of carry-forward.

Agency Analysis/Requested Changes

Current projected fee revenue will exceed expenditures in FY05 and is projected to be less than expenditures in FY06 and FY07. This will require use of carry-forward funds to meet service demands. Surcharge fees could be lowered 10% for FY06 and FY07 and/or reexamined in the 2007 Legislative Session.

ADMINISTRATION DEPT

MUN. BD/MUN BOUNDARY CREATION

Fiscal Report

Revenue Category Description: Filing fees collected for docketed proceedings regarding municipal boundaries.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Fees charged are similar to court filing fees, showing good faith and evidence of commitment to proceedings. Cases involve administration and adjudication of the uniform system of municipal boundary adjustments required by M.S. 414.

Appr Name:

Legal Citation(s): M.S. 414.01, Subd. 11

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(135)	(372)	(600)	(600)	(828)	(828)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	64	70	70	70	70	70
Total Departmental Earnings	0	64	70	70	70	70	70
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	64	70	70	70	70	70
Expenditures:							
Direct Expenditures	135	299	297	297	297	297	297
Indirect Expenditures	0	2	1	1	1	1	1
Total Expenditures	135	301	298	298	298	298	298
Current Difference	(135)	(237)	(228)	(228)	(228)	(228)	(228)
Accumulated Ending Balance	(135)	(372)	(600)	(828)	(828)	(1,056)	(1,056)

ADMINISTRATION DEPT

MUN. BD/MUN BOUNDARY CREATION

Narrative

Background Information

Filing fees associated with the administration and adjudication of the uniform system of municipal boundary adjustments required by M.S. 414.

Forecast Basis

Anticipating slight increase in receipts for FY05-07 over fees collected in FY04.

Recent Changes

None

Agency Analysis/Requested Changes

Fees cover only part of the costs to administer boundary adjustment requests and proceedings. The purpose of the fee is to discourage frivolous filings, not to cover the costs of the activity. To generate enough receipts to cover costs would require sustaining an increased level of filings, but this is exactly the opposite of what this activity is designed to achieve.

ADMINISTRATION DEPT

LMIC SERVICE BUREAU

Fiscal Report

Revenue Category Description: LMIC Service Bureau fees

Requesting a Fee Change: No

Purpose: To foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development related to geographical information.

Fund: SPECIAL REVENUE

Appr Name: LMIC SERVICE BUREAU

Legal Citation(s): M.S. 4A.05

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	278	135	171	171	154	154
<u>Resources:</u>							
Dedicated Receipts	9	730	638	638	638	638	638
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	9	730	638	638	638	638	638
<u>Other Resources:</u>							
Earnings Transferred In	269	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	278	730	638	638	638	638	638
<u>Expenditures:</u>							
Direct Expenditures	0	870	579	632	632	656	656
Indirect Expenditures	0	3	23	23	23	23	23
Total Expenditures	0	873	602	655	655	679	679
Current Difference	278	(143)	36	(17)	(17)	(41)	(41)
Accumulated Ending Balance	278	135	171	154	154	113	113

Background Information

The Land Management Information Center (LMIC) has been providing services on a cost-recovery basis since it was created in 1978. Rates are periodically adjusted as specified by state policy to ensure that projected expenses can be met by anticipated revenues. The last adjustment and the figures in this report reflect a detailed analysis performed for a comprehensive Business Plan for LMIC prepared in April 2004. The Business Plan describes LMIC's mission, analyzes its customer base, and includes a thorough analysis of strengths, weaknesses and opportunities. State agencies make up 75 to 85 percent of LMIC's client base, with federal agencies as the second largest component.

Forecast Basis

The revenue forecast assumes that the LMIC Service Bureau will be able to bill close to 70 percent of its total hours to projects at the most recently approved rate. This is an ambitious goal, but one that can be met as long as demand for services continues at current levels. Existing contracts for work and those being developed are adequate to sustain those levels through FY06.

Recent Changes

Based on the analysis contained in LMIC's FY05 Business Plan and with the approval of the Department of Finance, rates were adjusted upward at the beginning of FY05.

Agency Analysis/Requested Changes

Current rates are considered adequate to maintain an appropriate balance between LMIC Special Revenue Fund receipts and expenditures unless there is a dramatic change in demand for services or assumptions made about operating expenses in the FY05 Business Plan. Conditions will be reassessed during the next business plan preparation cycle, scheduled to occur in the spring of 2005.

ADMINISTRATION DEPT

ELECTRIC UTILITY ASSESSMENT

Fiscal Report

Revenue Category Description: Power plant siting general, background and oversight funding

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To provide staff expertise in environmental quality issues for baseline studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site and route permits, and all other work not specific to a particular site or route designation.

Appr Name: POWER PLANT ASSESSMENT

Legal Citation(s): M.S. 116C.69, Subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	256	111	54	54	54	54
Resources:							
Dedicated Receipts	0	540	875	1,005	1,005	1,041	1,041
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	540	875	1,005	1,005	1,041	1,041
Other Resources:							
Earnings Transferred In	256	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	256	540	875	1,005	1,005	1,041	1,041
Expenditures:							
Direct Expenditures	0	681	927	1,000	1,000	1,035	1,035
Indirect Expenditures	0	4	5	5	5	6	6
Total Expenditures	0	685	932	1,005	1,005	1,041	1,041
Current Difference	256	(145)	(57)	0	0	0	0
Accumulated Ending Balance	256	111	54	54	54	54	54

Background Information

To finance baseline and general environmental studies, develop criteria, prepare inventories, monitor conditions placed on site and route permits, and all other work not specific to a particular site or route application. The Power Plant and Pipeline projects need to be considered together with this general assessment since staff is maintained to fulfill these combined functions.

Forecast Basis

Anticipating continued relatively high level of requests.

Recent Changes

None

Agency Analysis/Requested Changes

No change to the assessment is recommended.

ADMINISTRATION DEPT

POWER PLANT PROJECTS

Fiscal Report

Revenue Category Description: Power plant siting and transmission line routing permit project fees

Requesting a Fee Change: No

Purpose: To cover all costs incurred in processing site and route permits applied for by utilities.

Fund: SPECIAL REVENUE

Appr Name: PPS APPLICATION FEES, PUBLIC/PRIVATE COOP FUND

Legal Citation(s): M.S. 116C.69, Subd. 2 and 2a

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	41	70	70	70	70	70
Resources:							
Dedicated Receipts	0	294	200	200	200	200	200
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	294	200	200	200	200	200
Other Resources:							
Earnings Transferred In	41	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	41	294	200	200	200	200	200
Expenditures:							
Direct Expenditures	0	265	200	200	200	200	200
Indirect Expenditures							
Total Expenditures	0	265	200	200	200	200	200
Current Difference	41	29	0	0	0	0	0
Accumulated Ending Balance	41	70	70	70	70	70	70

Background Information

Costs to address, investigate, hold hearings, and process permit applications are estimated and compared to funds obtained from the applicants. The Power Plant and Pipeline projects need to be considered together with this general assessment since staff is maintained to fulfill these combined functions.

Forecast Basis

Estimating continued relatively high level of requests.

Recent Changes

None

Agency Analysis/Requested Changes

A Legislative initiative is anticipated to revise the current formula that has been in effect since the early 1970's. Future receipt and expenditure projections shown on the departmental earnings report show a stable cash flow for this revenue category, however there is the possibility that one or more large projects could arise that would result in significantly higher costs than could be covered by receipts collected under current legislation due to the current cap on fee amounts.

ADMINISTRATION DEPT

PIPELINE ROUTING PROGRAM

Fiscal Report

Revenue Category Description: Pipeline Routing Project fees

Requesting a Fee Change: No

Purpose: To cover all expenses incurred in processing pipeline routing permits applied for by utilities.

Fund: SPECIAL REVENUE

Appr Name: PIPELINE ROUTING PROJECT

Legal Citation(s): M.S. 116I.015, subd. 3(b)(6)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	6	14	0	0	0	0
Resources:							
Dedicated Receipts	0	10	0	15	15	16	16
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	10	0	15	15	16	16
Other Resources:							
Earnings Transferred In	6	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6	10	0	15	15	16	16
Expenditures:							
Direct Expenditures	0	2	14	15	15	16	16
Indirect Expenditures							
Total Expenditures	0	2	14	15	15	16	16
Current Difference	6	8	(14)	0	0	0	0
Accumulated Ending Balance	6	14	0	0	0	0	0

ADMINISTRATION DEPT

PIPELINE ROUTING PROGRAM

Narrative

Background Information

Estimated costs to analyze, hold hearings, and process permit requests are collected from applicants. Additional funds are requested as needed and any unused funds are returned to the applicant.

Forecast Basis

Estimating one pipeline project per year.

Recent Changes

None

Agency Analysis/Requested Changes

No changes are recommended.

ADMINISTRATION DEPT

9-1-1 USER FEE

Fiscal Report

Revenue Category Description: To recover costs related to managing the 9-1-1 telephone emergency services network.

Requesting a Fee Change: No

Purpose: The 9-1-1 emergency number system is designed to provide the public with immediate access to emergency services. 9-1-1 saves time for the caller and consequently reduces overall response time for all emergency service providers.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name: 911 EMERGENCY SERVICE, 911 METRO RADIO BOARD, ENHANCED 911 SERVICE

Legal Citation(s): M.S.403.11, Subd.1; 403.113, Subd.1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	5,648	1,628	0	0	0	0	0
Resources:							
Dedicated Receipts	20,792	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	20,792	0	0	0	0	0	0
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	859	1,628	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	19,933	(1,628)	0	0	0	0	0
Expenditures:							
Direct Expenditures	23,882	0	0	0	0	0	0
Indirect Expenditures	71	0	0	0	0	0	0
Total Expenditures	23,953	0	0	0	0	0	0
Current Difference	(4,020)	(1,628)	0	0	0	0	0
Accumulated Ending Balance	1,628	0	0	0	0	0	0

ADMINISTRATION DEPT

9-1-1 USER FEE

Narrative

Background Information

The 9-1-1 activity was moved to the Department of Public Safety in FY04.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	3,230	3,106	3,185	3,185	3,214	3,185	3,214
Remediation	0	0	92	92	92	92	92
Total Non-Dedicated Receipts	3,230	3,106	3,277	3,277	3,306	3,277	3,306

<u>Dedicated Receipts:</u>							
Special Revenue	58	76	128	128	128	128	128
Agriculture Fund	19,083	18,947	18,836	18,816	19,469	18,701	19,368
Rural Finance Administration	0	0	1	1	1	1	1
Total Dedicated Receipts	19,141	19,023	18,965	18,945	19,598	18,830	19,497

<u>Fund Totals:</u>							
General	3,230	3,106	3,185	3,185	3,214	3,185	3,214
Special Revenue	58	76	128	128	128	128	128
Agriculture Fund	19,083	18,947	18,836	18,816	19,469	18,701	19,368
Remediation	0	0	92	92	92	92	92
Rural Finance Administration	0	0	1	1	1	1	1
Departmental Earnings Total	22,371	22,129	22,242	22,222	22,904	22,107	22,803

AGRICULTURE DEPT

AGRICULTURAL LIMING MATERIALS

Fiscal Report

Revenue Category Description: Regulation Of Ag-Liming Products and Distributors

Requesting a Fee Change: No

Fund: GENERAL

Purpose: This program ensures that ag-liming materials meet the claimed neutralizing value content and are effective and suitable for agricultural purposes. It also ensures that ag liming products are stored, handled, distributed and used in a safe and appropriate manner and that ag lime products are not adulterated.

Appr Name:

Legal Citation(s): M.S. 18C.551; M.S. 18C.555

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(18)	(44)	(76)	(76)	(108)	(108)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	46	49	49	49	49	49	49
Total Departmental Earnings	46	49	49	49	49	49	49
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	46	49	49	49	49	49	49
Expenditures:							
Direct Expenditures	38	50	55	55	55	55	55
Indirect Expenditures	26	25	26	26	26	27	27
Total Expenditures	64	75	81	81	81	82	82
Current Difference	(18)	(26)	(32)	(32)	(32)	(33)	(33)
Accumulated Ending Balance	(18)	(44)	(76)	(108)	(108)	(141)	(141)

Background Information

Fees are assessed to producers and distributors of agriculture liming materials to support the regulatory program, which provides economic protection to farmers who purchase and use soil buffering products. Revenues are based on distributor's license fees, inspection fees on tonnage sold and sample/analysis fees.

Forecast Basis

Revenue projections are calculated by taking the average revenue for each revenue source for the last five years, dropping the highest and lowest years and averaging the remaining three years. This value may be further adjusted based on program knowledge of industry or revenue trends.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

AGRIC CHEMICAL SUPERFUND ACCNT

Fiscal Report

Revenue Category Description: Agricultural Chemical Superfund Account

Requesting a Fee Change: No

Fund: REMEDIATION

Purpose: This program ensures that facilities that desire to conduct a voluntary cleanup of agricultural chemical contamination, frequently as a condition of sale for a property, may be cleaned up in a timely manner that is protective of human health and the environment. Costs for state staff time and expenses to oversee the cleanup are reimbursed so the cleanups are conducted at no cost to the state, although there may be a lag time between when the state costs are incurred and when they are reimbursed.

Appr Name:

Legal Citation(s): M.S. 115B.17

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	92	92	92	92	92
Total Departmental Earnings	0	0	92	92	92	92	92
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	92	92	92	92	92
Expenditures:							
Direct Expenditures	0	0	92	92	92	92	92
Indirect Expenditures							
Total Expenditures	0	0	92	92	92	92	92
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

The state provides administrative funding for technical support to review and approve voluntary investigations and cleanups of sites contaminated by agricultural chemical contamination. These voluntary cleanups frequently are conducted as a condition for the sale of a property. The state is reimbursed for the costs for the oversight of these voluntary environmental investigations and cleanups.

Forecast Basis

Revenue projections are calculated by taking the average revenue for each revenue source for the last five years, dropping the highest and lowest years and averaging the remaining three years. This value may be further adjusted based on program knowledge of industry or revenue trends.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

WASTE PESTICIDE COLLECTION

Fiscal Report

Revenue Category Description: Waste Pesticide Collection Program

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Remove very old and dangerous products previously stored in Minnesota. Collections have reduced the occurrence of DDT, mercury-based arsenicals, and other old pesticides. Still, many other waste pesticides possessing hazardous characteristics remain.

Appr Name: WASTE PESTICIDE COLLECTION

Aged containers are susceptible to spilling. Removing waste pesticides eliminates the dangers stored waste pesticides pose.

Legal Citation(s): M.S. 18B.065, Subd. 2; M.R. 159.0030

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	133	291	231	231	231	231	231
Resources:							
Dedicated Receipts	5	7	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	5	7	0	0	0	0	0
Other Resources:							
Earnings Transferred In	600	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	605	7	0	0	0	0	0
Expenditures:							
Direct Expenditures	322	0	0	0	0	0	0
Indirect Expenditures	125	67	0	0	0	0	0
Total Expenditures	447	67	0	0	0	0	0
Current Difference	158	(60)	0	0	0	0	0
Accumulated Ending Balance	291	231	231	231	231	231	231

Background Information

The waste pesticide collection program was established to collect waste pesticides from pesticide end users whose waste generating occurs in this state. Goals of the program include reducing the potential for adverse human health and environmental impacts from waste pesticides.

Forecast Basis

No revenues are anticipated in the account.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

The agency is requesting repeal of the waste pesticide account. If waste pesticide assessments are collected in the future they will be deposited in the pesticide regulatory account, from which waste pesticide activities are funded.

AGRICULTURE DEPT

COMMERICAL FEED INSPECTION

Fiscal Report

Revenue Category Description: Commercial Feed Regulation

Requesting a Fee Change: Yes

Fund: AGRICULTURE FUND

Purpose: Ensure that the feed industry is capable of producing safe feed, that customers receive a uniform quality of feed nutrients and ingredients per the label guarantee, and that adulterated and misbranded feed is removed from the marketplace.

Appr Name: FEED REGULATORY

Legal Citation(s): M.S. 25.39, Subd. 1 - 4 M.S. 25.341, Subd. 1 - 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	799	792	827	783	783	745	755
<u>Resources:</u>							
Dedicated Receipts	815	876	879	879	889	879	889
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	815	876	879	879	889	879	889
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	18	9	9	9	9	9	9
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	833	885	888	888	898	888	898
<u>Expenditures:</u>							
Direct Expenditures	641	662	696	690	690	690	690
Indirect Expenditures	199	188	236	236	236	236	236
Total Expenditures	840	850	932	926	926	926	926
Current Difference	(7)	35	(44)	(38)	(28)	(38)	(28)
Accumulated Ending Balance	792	827	783	745	755	707	727

Background Information

Commercial feed inspection fees are assessed on the basis of tonnage distributed in the state, except lower volume higher value products distributed only in packages of ten pounds or less net weight are assessed an annual fee in lieu of that based on weight sold. The revenues support the regulatory program aimed at reducing the risk of contaminants in human food as a result of adulterated animal feed; providing truthful labeling for purchaser protection and providing fair trade practices protection for the feed manufacturing industry.

Forecast Basis

Revenue projections are calculated by taking the average revenue for each revenue source for the last five years, dropping the highest and lowest years and averaging the remaining three years. This value may be further adjusted based on program knowledge of industry or revenue trends.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

The Governor recommends that this fee be changed to standardize late fees for all late license applications to \$50.

AGRICULTURE DEPT

FERTILIZER INSPECTION ACCOUNT

Fiscal Report

Revenue Category Description: Fertilizer Regulation

Requesting a Fee Change: Yes

Purpose: Regulation of fertilizer nutrients to ensure product quality in the sale of fertilizers as well as assessment and development of management practices. Guide the proper application for economic benefit and environmental protection. Provide funding for fertilizer facility, emergency incident response, and cleanup.

Fund: AGRICULTURE FUND

Appr Name: FERTILIZER REGULATORY

Legal Citation(s): M.S. 13.03, M.S. 18C.131, 141, 205, 305, and 425

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	387	339	492	499	499	532	867
Resources:							
Dedicated Receipts	867	908	834	834	1,169	834	1,181
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	867	908	834	834	1,169	834	1,181
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	58	59	39	39	39	39	39
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	925	967	873	873	1,208	873	1,220
Expenditures:							
Direct Expenditures	725	592	618	592	592	592	592
Indirect Expenditures	248	222	248	248	248	248	248
Total Expenditures	973	814	866	840	840	840	840
Current Difference	(48)	153	7	33	368	33	380
Accumulated Ending Balance	339	492	499	532	867	565	1,247

Background Information

The fertilizer inspection activity provides uniform regulation of fertilizer nutrients and ensures product quality in the sale of fertilizers and the assessment and development of best management practices. Best management practices are designed to promote nutrient management for both economic benefit and environmental protection. Fees collected also support fertilizer facility inspection, emergency incident response, and cleanup costs. Fees are assessed on the basis of tonnage of agricultural fertilizer sold, specialty fertilizer, soil and plant amendment products registered, and fertilizer facility licensing and permitting.

Forecast Basis

Revenue projections are calculated by taking the average revenue for each revenue source for the last five years, dropping the highest and lowest years and averaging the remaining three years. This value may be further adjusted based on program knowledge of industry or revenue trends.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

The Governor recommends changing the fertilizer tonnage inspection fee by \$0.15 per ton, from \$0.15 to \$0.30.

AGRICULTURE DEPT

PESTICIDE REGULATORY ACCOUNT

Fiscal Report

Revenue Category Description: Pesticide Registration, Regulation, Licensing and Environmental Protection

Requesting a Fee Change: Yes

Fund: AGRICULTURE FUND

Purpose: Ensures that pesticide products can be used in a safe and environmentally protective manner and respond to unsafe products, misuse and incident situations. Provides for registration of products, licensing and/or certification of dealers and applicators, regulation of bulk storage and handling, investigation of misuse, emergency response, environmental cleanup, development of best management practices and environmental monitoring and assessment.

Appr Name: PESTICIDE REGULATORY

Legal Citation(s): M.S.18B.05, 08, 14, 26, 27, 28, 31, 32, 33, 34, 36

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	3,679	3,410	3,795	2,911	2,911	2,603	2,695
Resources:							
Dedicated Receipts	4,953	4,899	4,866	4,866	4,958	4,866	4,958
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,953	4,899	4,866	4,866	4,958	4,866	4,958
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	233	238	153	153	153	153	153
Resource Reductions:							
Earnings Transferred Out	800	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	4,386	5,137	5,019	5,019	5,111	5,019	5,111
Expenditures:							
Direct Expenditures	3,424	3,656	4,066	3,545	3,545	3,545	3,545
Indirect Expenditures	1,231	1,096	1,837	1,782	1,782	1,782	1,782
Total Expenditures	4,655	4,752	5,903	5,327	5,327	5,327	5,327
Current Difference	(269)	385	(884)	(308)	(216)	(308)	(216)
Accumulated Ending Balance	3,410	3,795	2,911	2,603	2,695	2,295	2,479

Background Information

The pesticide regulatory activity provides protection of the public, the environment and facilitates commerce through the registration of pesticide products, licensing and certification of pesticide dealers and applicators, regulation of bulk fertilizer storage and handling, and investigating unsafe product use as well as responding to emergency incidents and environmental concerns. Pesticide product registration fees are based on product registration and gross sales. Applicator license certification and dealer license fees are renewed annually.

Forecast Basis

Revenue projections are calculated by taking the average revenue for each revenue source for the last five years, dropping the highest and lowest years and averaging the remaining three years. This value may be further adjusted based on program knowledge of industry or revenue trends.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

The Governor recommends a number of pesticide related fees to cover administrative costs of the program. Recommended fee changes include:

- Increasing the pesticide dealer license fee, last modified in 1987, on 600 dealers from \$50 to \$150 to generate \$60,000.
- Increasing the structural pesticide control company license fee, last modified in 1987, on 85 companies from \$100 to \$200 to generate \$8,500.
- Increasing the aquatic pest control company license fee, last modified in 1996, on 10 companies from \$100 to \$200 to generate \$1,000.
- Increasing the commercial, noncommercial and aquatic late fee, last modified in 1987, on 600 late applications from \$10 to 50% of the cost of the license to generate \$15,000.
- Increasing the pesticide chemigation permit fee, last modified in 1989, on 10 permits from \$50 to \$250 to generate \$2,000.
- Creating a new chemigation reinspection fee on 2 reinspections of \$150 to generate \$300.
- Requiring that fees on pesticide registration gross sales be submitted by March 1st and creating a new late fee on 50 late submittals of \$100 per product to generate \$5,000.

AGRICULTURE DEPT

AGR CHEMICAL RESPONSE & REIMB

Fiscal Report

Revenue Category Description: Agricultural Chemical Response and Reimbursement

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Protects the public health and environment from hazards posed by releases involving agricultural chemicals. Little to no private insurance is currently available for environmental releases. Allows small and critical agricultural businesses to continue serving Minnesota while financing past, current, and future incidents.

Appr Name: AG CHEM RESPONSE AND REIMB ACT

Legal Citation(s): M.S. 18E.03, Subd. 4 and 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	991	1,536	1,764	1,831	1,831	1,698	1,648
Resources:							
Dedicated Receipts	2,362	2,398	2,344	2,344	2,344	2,344	2,344
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,362	2,398	2,344	2,344	2,344	2,344	2,344
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	25	20	20	20	20	20	20
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,387	2,418	2,364	2,364	2,364	2,364	2,364
Expenditures:							
Direct Expenditures	1,680	2,026	2,122	2,322	2,322	2,522	2,522
Indirect Expenditures	162	164	175	175	225	175	225
Total Expenditures	1,842	2,190	2,297	2,497	2,547	2,697	2,747
Current Difference	545	228	67	(133)	(183)	(333)	(383)
Accumulated Ending Balance	1,536	1,764	1,831	1,698	1,648	1,365	1,265

Background Information

Agricultural Chemical Response and Reimbursement Account (ACRRA) provides a formal process to allow reimbursement of cleanup costs incurred by responsible parties, land owners, and prospective landowners attempting to remediate the effects of agricultural chemical releases. Fees, as a surcharge, are collected based on pesticide and fertilizer sales and applicator licenses.

Forecast Basis

Revenue projections are based on the revenues collected in FY2004.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

SEED INSPECTION FUND

Fiscal Report

Revenue Category Description: Seed Regulatory Program

Requesting a Fee Change: No

Purpose: Efficient crop production would not be possible without high quality and truthfully labeled seed. Agricultural, vegetable, flower, tree, and shrub seed sales in Minnesota exceed \$500 million annually. The seed law makes truthful labeling the focus of competition for the seed industry in that they strive to have higher seed quality than competitors and at the same price. Purchasers can rely on the label claims.

Fund: AGRICULTURE FUND

Appr Name: LABORATOR/SERVICES A/ITC, SEED REGULATORY

Legal Citation(s): M.S. 21.80 - 21.92; M.R. 1510.0281

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	404	325	603	802	802	1,036	1,036
Resources:							
Dedicated Receipts	727	1,133	1,130	1,130	1,130	1,015	1,015
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	727	1,133	1,130	1,130	1,130	1,015	1,015
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	8	5	5	5	5	5	5
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	735	1,138	1,135	1,135	1,135	1,020	1,020
Expenditures:							
Direct Expenditures	663	710	693	671	671	627	627
Indirect Expenditures	151	150	243	230	230	202	202
Total Expenditures	814	860	936	901	901	829	829
Current Difference	(79)	278	199	234	234	191	191
Accumulated Ending Balance	325	603	802	1,036	1,036	1,227	1,227

Background Information

The seed program provides inspection and sampling of retail seed to determine label compliance and truthfulness so that purchasers of seed can rely on the label claims. Fees are assessed on seed sold in the State of Minnesota, brand registration, registration of hybrid seed corn varieties, sampling of export seed, and testing of submitted seed samples.

Forecast Basis

Revenue projections are based on the first year's revenue (FY04) using the new fee structure.

Recent Changes

A new fee structure was introduced in FY2004. The requirement for the registration of Hybrid Seed Corn, and associated revenues, will sunset in FY2007 per legislation passed in 2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

APIARIES

Fiscal Report

Revenue Category Description: Registration of bee colonies to reduce the spread of diseases and pests of honeybees.

Requesting a Fee Change: Yes

Fund: GENERAL

Purpose: To provide for a registration and inspection program that assists beekeepers in maintaining healthy honey bee colonies, including regulating the interstate shipment of honey bees.

Appr Name:

Legal Citation(s): MS 19.64, Subd 1; MS 19.64 Subd 4a; MS 19.58

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(87)	(159)	(236)	(236)	(313)	(284)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	6	12	12	12	41	12	41
Total Departmental Earnings	6	12	12	12	41	12	41
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6	12	12	12	41	12	41
<u>Expenditures:</u>							
Direct Expenditures	68	60	61	61	61	61	61
Indirect Expenditures	25	24	28	28	28	29	29
Total Expenditures	93	84	89	89	89	90	90
Current Difference	(87)	(72)	(77)	(77)	(48)	(78)	(49)
Accumulated Ending Balance	(87)	(159)	(236)	(313)	(284)	(391)	(333)

Background Information

All citizens of the state benefit from the pollination activities of honeybees in the production of fruits, vegetables and seeds for consumption by people and wildlife. The Apiary program supports a healthy population of honeybees by providing the following services;

- Registration of honey bee colonies
- Prevention of the spread of diseases, exotic parasites and exotic bee strains
- Certify honey bee colonies for transportation to other states
- Determine if pesticides and/or other medication are being used according to label requirements
- Issuance of import permits for honey bee colonies moving into the State of Minnesota

The fee is established in statute as \$10.00 per colony.

Forecast Basis

Revenue projections are based on the revenues collected in FY2004.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

The Governor recommends an increase in the fees charged to apiarists (beekeepers) in order to continue to provide adequate inspection and protection activities.

AGRICULTURE DEPT

NURSERY INSPECTION

Fiscal Report

Revenue Category Description: Nursery Inspection Program

Requesting a Fee Change: Yes

Fund: GENERAL, AGRICULTURE FUND

Purpose: Interstate shipments of nursery stock have been documented to be one of the most important avenues of spread for exotic plants and plant pests. Through the nursery inspection program, this source of pest migration is monitored annually. The program also helps ensure pest and disease free nursery stock for the direct benefit of consumers.

Appr Name: NURSERY/PHYTOSANITARY

Legal Citation(s): M.S. 18H.07, Subd. 2 & 3; M.S 18H.17

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(4)	101	279	279	457	600
Resources:							
Dedicated Receipts	0	609	609	609	752	609	752
Non-Dedicated Receipts	496	0	0	0	0	0	0
Total Departmental Earnings	496	609	609	609	752	609	752
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	0	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	496	609	610	610	753	610	753
Expenditures:							
Direct Expenditures	371	371	322	322	322	322	322
Indirect Expenditures	129	133	110	110	110	110	110
Total Expenditures	500	504	432	432	432	432	432
Current Difference	(4)	105	178	178	321	178	321
Accumulated Ending Balance	(4)	101	279	457	600	635	921

Background Information

The nursery inspection program ensures that only pest and disease free nursery stock is available for sale in the State of Minnesota through inspection of nursery stock growers, dealers receiving out-of-state plant material, and nursery stock storage facilities. Fees are assessed on production acreage of nursery stock growers, sales of nursery stock by dealers and landscapers, and as a flat rate on greenhouse operations shipping out of state.

Forecast Basis

Revenue projections are based on the first year's revenue (FY04) using the new fee structure.

Recent Changes

A new fee structure and the Nursery and Phytosanitary account was established in the agricultural fund in FY2004.

Agency Analysis/Requested Changes

The Governor recommends increasing nursery fees in order to support the inspection programs associated with Minnesota's growing nursery industry.

AGRICULTURE DEPT

PHOTOSANITARY/ELEVATOR FEE

Fiscal Report

Revenue Category Description: Agricultural Export
(Phyotosanitary) Certification /Elevator Inspections

Requesting a Fee Change: Yes

Fund: GENERAL, AGRICULTURE FUND

Purpose: The USDA currently delegates agricultural export (phytosanitary) certification solely to state agriculture regulatory agencies. Through the certification process, Minnesota agriproducts can quickly move into and through the international market, coordinate grain elevator inspections and issue certificates to expedite corn shipments.

Appr Name: NURSERY/PHYTOSANITARY

Legal Citation(s): M.S. 18G.10; Subd. 2 & 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(91)	(145)	(180)	(180)	(215)	(206)
<u>Resources:</u>							
Dedicated Receipts	0	107	107	107	116	107	116
Non-Dedicated Receipts	76	0	0	0	0	0	0
Total Departmental Earnings	76	107	107	107	116	107	116
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	76	107	107	107	116	107	116
<u>Expenditures:</u>							
Direct Expenditures	123	122	106	106	106	106	106
Indirect Expenditures	44	39	36	36	36	36	36
Total Expenditures	167	161	142	142	142	142	142
Current Difference	(91)	(54)	(35)	(35)	(26)	(35)	(26)
Accumulated Ending Balance	(91)	(145)	(180)	(215)	(206)	(250)	(232)

Background Information

The USDA currently delegates agricultural export (phytosanitary) certification solely to state agriculture regulatory agencies. Through the certification process Minnesota agriproducts can move quickly into and through the international market. Fees are assessed on seed production firms for field inspection and phytosanitary certification; grain handling facilities and exporters for inspection and phytosanitary certification.

Forecast Basis

Revenue projections are based on the first year's revenue (FY04) using the new fee structure.

Recent Changes

A new fee structure and the Nursery and Phytosanitary account was established in the agricultural fund in FY2004.

Agency Analysis/Requested Changes

The Governor recommends increasing phytosanitary fees in order to support the needs of export certification programs.

AGRICULTURE DEPT

WHOLESALE PRODUCE DEALERS

Fiscal Report

Revenue Category Description: Wholesale produce dealers who purchase perishable agricultural produce require license and bonds.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To license wholesale purchasers of farm perishable agricultural products so that farmers are paid for what is purchased or the required bond or financial instrument on file with their license is used.

Appr Name:

Legal Citation(s): MS 27.041, Subd 2.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(18)	(35)	(52)	(52)	(70)	(70)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	112	104	104	104	104	104	104
Total Departmental Earnings	112	104	104	104	104	104	104
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	112	104	104	104	104	104	104
<u>Expenditures:</u>							
Direct Expenditures	112	104	104	104	104	104	104
Indirect Expenditures	18	17	17	18	18	19	19
Total Expenditures	130	121	121	122	122	123	123
Current Difference	(18)	(17)	(17)	(18)	(18)	(19)	(19)
Accumulated Ending Balance	(18)	(35)	(52)	(70)	(70)	(89)	(89)

Background Information

By licensing and monitoring wholesale produce risks are minimized for producers encouraging the continued production and sale of wholesale produce for industrial and consumer use. Fresh produce is a major food source for consumers and a relied upon agricultural product for the state.

Services Provided:

- Licensing
- Setting of required wholesale produce dealer bonds
- Produce market monitoring
- List of licensed wholesale produce dealers
- Investigation of claims against wholesale produce dealers

Services Provided to Whom:

- Minnesota growers of wholesale produce
- Minnesota wholesale produce dealers

Forecast Basis

There is one set of licensing fees that is assessed; all revenue collected goes to the general fund. General funds are allocated to pay for the administration, licensing and inspection functions of this program. The fees from this licensing program are recovering costs.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

SEED POTATO INSPECTION FUND

Fiscal Report

Revenue Category Description: Inspection/Certification of Seed Potatoes

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: To recover the costs of field inspection, post harvest test, seed certification, yield and storage survey, promotion and advertisement, without which the sale as certified seed would not be possible.

Appr Name: SEED POTATO INSPECTION

Legal Citation(s): M.S. 21.115

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	86	125	132	91	91	51	51
<u>Resources:</u>							
Dedicated Receipts	331	289	266	266	266	266	266
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	331	289	266	266	266	266	266
<u>Other Resources:</u>							
Earnings Transferred In	0	25	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts	7	1	1	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out	14	37	36	35	35	34	34
Rev Collected for Other Agency							
Current Year Resources	324	278	231	232	232	233	233
<u>Expenditures:</u>							
Direct Expenditures	239	228	237	237	237	229	229
Indirect Expenditures	46	43	35	35	35	0	0
Total Expenditures	285	271	272	272	272	229	229
Current Difference	39	7	(41)	(40)	(40)	4	4
Accumulated Ending Balance	125	132	91	51	51	55	55

Background Information

The regulation and certification of seed potatoes is a nearly \$20,000,000 business which supports a \$150,000,000 potato growing business in Minnesota. This does not include the value added by in-state processing and sales companies in money or additional employment. Seed stock is shipped from Minnesota to other states and countries. This program ensures a supply of one of the world's most basic foods. The seed growers have noted their clear preference for the state to continue this work due to the high level of skill, assistance and integrity. This is recognized by their customers.

Services provided include field inspection; winter test; laboratory tests; issuance of seed potato tags signifying certified seed stock; issuance of state phytosanitary certificates for export; publication of the Minnesota Certified Seed Potato directory; and promotion and marketing of Minnesota Certified Seed Potatoes.

Services are provided to Minnesota seed potato growers; potato processors and wholesalers; all potato producers for processing and table-stock; Minnesota consumers; and national and international producers, processors and consumers.

Forecast Basis

Acreage fees have been held at \$17.00 per acre due to the depressed market and disease. Program cuts have been used to aid the program. While the market has shown some improvement, disease and virus concerns continue to hold down program enrollment. These problems are affecting seed potato programs nationwide.

Recent Changes

Revenue has declined in recent years due to decreases in acres entered for inspection and certification. Acreage has declined from 19,000 acres in FY 1997 to 11,000 in FY 2000. This is due to market, weather, seed availability and disease pressures in the last five years.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

FRUIT&VEGETABLE INSPECTION DED

Fiscal Report

Revenue Category Description: Fruit/Vegetable Inspection-Dedicated

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: To provide terminal market and processing plant inspections. This activity is voluntary and ensures a free equitable market with appropriate price and end use of these commodities. The Department provides services under agreement with the USDA.

Appr Name: FRUIT & VEG INSPECTION

Legal Citation(s): M.S. 27.07

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	160	(466)	(879)	(1,333)	(1,333)	(1,790)	(1,790)
<u>Resources:</u>							
Dedicated Receipts	657	799	745	745	745	745	745
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	657	799	745	745	745	745	745
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	4	2	2	2	2	2	2
<u>Resource Reductions:</u>							
Earnings Transferred Out	28	25	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	633	776	747	747	747	747	747
<u>Expenditures:</u>							
Direct Expenditures	1,074	1,025	1,038	1,038	1,038	1,038	1,038
Indirect Expenditures	185	164	163	166	166	170	170
Total Expenditures	1,259	1,189	1,201	1,204	1,204	1,208	1,208
Current Difference	(626)	(413)	(454)	(457)	(457)	(461)	(461)
Accumulated Ending Balance	(466)	(879)	(1,333)	(1,790)	(1,790)	(2,251)	(2,251)

Background Information

Fruit and vegetable inspections enhance the movement through commercial channels of highly perishable commodities. Consumers benefit by having a readily available supply of fresh produce. Minnesota growers benefit by having increased opportunities to market their produce throughout the United States and Canada. The customers prefer the credibility and integrity of the state inspection process. It is widely recognized by consumers, processors and other governmental jurisdictions.

Services provided include sampling of fruits and vegetables; inspection of fruits and vegetables; certifying sampling and inspection results; and shipping point inspection of potato stock.

Services are provided to citizens of Minnesota; potato producers and processors; brokers and exporters; fruit and vegetable wholesalers and retailers; fruit and vegetable shippers and domestic consumers.

NOTE: This account has both dedicated and general fund expenditures.

Forecast Basis

No significant changes are anticipated. Revenue for this program fluctuates with customer demand as affected by weather, market, crop condition, and trade policy. These considerations are not subject to advance notice. Projections are based on current fees.

Recent Changes

Fees for the terminal market portion of this program are set by the USDA. A federal appropriation was recently received by the USDA in lieu of fee increases for the next five years. Individual states perform approximately 25% of all USDA inspections. At this point, the USDA has not indicated a plan to share this appropriation with those states.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

GRAIN INSPECTION & WEIGHING AC

Fiscal Report

Revenue Category Description: Grain Inspection & Weighing

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: To recover the costs of consistent, professional grain sampling, inspection, testing, and weighing per the US Grain Standards to facilitate trade and ensure fair market conditions.

Appr Name: GRAIN INSPECTION & WE/ITC

Legal Citation(s): M.S. 17B-17B.29

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	44	94	(527)	(817)	(817)	(1,107)	(1,107)
<u>Resources:</u>							
Dedicated Receipts	4,988	3,758	3,758	3,758	3,758	3,758	3,758
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,988	3,758	3,758	3,758	3,758	3,758	3,758
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	1	0	0	0	0	0
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4,988	3,759	3,758	3,758	3,758	3,758	3,758
<u>Expenditures:</u>							
Direct Expenditures	4,541	3,685	3,520	3,520	3,520	3,520	3,520
Indirect Expenditures	397	695	528	528	528	528	528
Total Expenditures	4,938	4,380	4,048	4,048	4,048	4,048	4,048
Current Difference	50	(621)	(290)	(290)	(290)	(290)	(290)
Accumulated Ending Balance	94	(527)	(817)	(1,107)	(1,107)	(1,397)	(1,397)

Background Information

State grain inspection allows trading parties to utilize a third party of high integrity and skill to arrive at a fair price based on the quality and quantity of the grain. This ensures a fair market price for producers and enhances demand for export. Domestically, grain inspection ensures fair marketing. Producers, traders and consumers benefit by official determinations of grain quality and quantity, which enhances the fair market system. The customers prefer the state to operate as the official inspection agency due to its high quality work product and high level of integrity, as recognized nationally and internationally.

Services provided include (domestic services are voluntary; export loading is required) sampling, inspection, and certification of grain; mycotoxin testing; weighing grain by barge, rail, ship lot, and truck; protein, oil and starch testing; official sample-lot (certificate value applies to all grain in sampled conveyance); official submitted service (results apply to sample provided only); official commercial service (customized service and portions-less than standard size or less than full inspection results based on customer need).

Services are provided to citizens of Minnesota; grain producers; foreign purchasers and consumers; domestic consumers; elevators, exporters, grain processors, grain firms, commission firms, trading firms, barge and rail and ship interests.

NOTE: This account has both dedicated and general fund expenditures.

Forecast Basis

Revenue is controlled by grain trade movement, which is affected by foreign and domestic policy; foreign economies and crop and weather conditions, among other factors. No fee increases are anticipated in these forecasts. The increase in export volume suggests continued revenue improvement despite low commodity prices.

Recent Changes

The majority of the revenue for this program is generated through voluntary inspections and fluctuates with crop, weather, market and transportation issues. Testing to determine the presence of genetically modified organisms in grain will continue, as these crops are moving through the marketing systems.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

CONSOLIDATED FOOD LICENSE

Fiscal Report

Revenue Category Description: License fees paid by retail, wholesale, wholesale manufacturers/processors.

Requesting a Fee Change: No

Fund: GENERAL, AGRICULTURE FUND

Purpose: This program is a comprehensive food inspection program for retail stores, wholesale warehouses, wholesale manufacturers - processors who handle food, and certain food brokers in order to assure safe and wholesome production of food. This law protects the public from health hazards, fraudulent practices, improper labeling claims and misinformation. Facility inspections, special surveys, foodborne outbreaks, recalls, training, consultations and complaint investigations are carried out. Sample collection helps identify food safety trends and supports enforcement and compliance efforts. Certificates of free sale are issued upon request to exporters in compliance with food safety laws and rules (no significant non-compliance). Delegation agreements with eligible local health agencies are administered. State and local staff are standardized for a uniform inspection approach.

Appr Name: EGG LAW INSPECTION

Legal Citation(s): M.S. 28A.01-28A.16; 17.353, Subd.2;

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(1,092)	(1,684)	(2,881)	(2,881)	(4,106)	(4,106)
Resources:							
Dedicated Receipts	0	3	3	3	3	3	3
Non-Dedicated Receipts	2,291	2,706	2,710	2,710	2,710	2,710	2,710
Total Departmental Earnings	2,291	2,709	2,713	2,713	2,713	2,713	2,713
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,291	2,709	2,713	2,713	2,713	2,713	2,713
Expenditures:							
Direct Expenditures	2,917	2,848	3,351	3,351	3,351	3,351	3,351
Indirect Expenditures	466	453	559	587	587	616	616
Total Expenditures	3,383	3,301	3,910	3,938	3,938	3,967	3,967
Current Difference	(1,092)	(592)	(1,197)	(1,225)	(1,225)	(1,254)	(1,254)
Accumulated Ending Balance	(1,092)	(1,684)	(2,881)	(4,106)	(4,106)	(5,360)	(5,360)

Background Information

<u>Benefit to the State</u>	
Consumers are assured a safe food supply. Food handlers are regulated uniformly. Food standards and labeling are regulated to protect the public. Action is taken to prevent fraud and deception in the sale of food. Enables the department to handle weather related and other emergencies and complaints relating to food. Information is provided to clientele and consumers. Providing assistance to food facilities assures that they conform to state laws relating to sanitation, facilities, food labeling and standards.	
<u>Services Provided</u>	
<ul style="list-style-type: none"> Inspect all licensed food facilities Sample foods Inspect vending machines 	<ul style="list-style-type: none"> Inspect unlicensed (exempt) food handlers Investigate complaints Respond to emergencies
<u>Services Provided to Whom</u>	
<ul style="list-style-type: none"> Food handlers and food vendors Fur farmers USDA, FDA, USDC 	<ul style="list-style-type: none"> Food trade associations Other state and local agencies General public

Forecast Basis

No changes are anticipated to the amount of revenue currently generated from fees paid by retail, wholesale, wholesale manufacturers/processors yet the costs of providing the inspection program continue to increase with inflation and other unanticipated costs of doing business.

Recent Changes

License fees were increased in FY03. License fees now cover 98% of the programs direct expenditures.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

FOOD HANDLER PLAN REVIEW

Fiscal Report

Revenue Category Description: Fees paid by retail food handler establishments for building and equipment plan reviews

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Appr Name: FOOD HANDLER PLAN REVIEW

Purpose: Plan reviews for retail food facilities (grocery and convenience stores) are a component of a comprehensive food inspection program and are conducted so that facilities and equipment meet nationally recognized food safety standards for construction and design to ensure safe and sanitary preparation, storage, and sale of food. Facilities must meet minimum standards for utensil and handwashing equipment, for hot and cold storage, for ventilation, for smooth and easily cleanable surfaces which all have an impact on the safety and wholesomeness of food handled there. Properly constructed food facilities reduce the potential for food borne illness. The Minnesota Food Code contains the design and construction standards applicable to the program.

Legal Citation(s): M.S. 31.11; M.S. 28A.082; M.R.1560.9000

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	27	(95)	(220)	(339)	(339)	(459)	(459)
Resources:							
Dedicated Receipts	59	43	50	50	50	50	50
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	59	43	50	50	50	50	50
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	59	43	50	50	50	50	50
Expenditures:							
Direct Expenditures	156	142	145	145	145	145	145
Indirect Expenditures	25	26	24	25	25	25	25
Total Expenditures	181	168	169	170	170	170	170
Current Difference	(122)	(125)	(119)	(120)	(120)	(120)	(120)
Accumulated Ending Balance	(95)	(220)	(339)	(459)	(459)	(579)	(579)

Background Information

<u>Benefit to the State</u> <ul style="list-style-type: none"> • Reduces the potential for foodborne illness due to poor facility design • Eliminates code violations prior to construction • Establishes an organized and efficient flow of food • Creates greater enforcement uniformity • Saves time on routine inspections and on enforcement actions since plan review ensures that food establishments are built or renovated according to current regulations • Provides uniform design and construction standards for food facilities. 	
<u>Services Provided</u> <ul style="list-style-type: none"> • Provide technical assistance on proper construction and installation standards resulting in greater uniformity in enforcing food code requirements. • Act as a “clearinghouse” for questions, clarifications and final approval on the project. • Save money by spotting potential problems in the planning stage before costly purchases, installation and construction have taken place. 	
<u>Services Provided to Whom</u> <ul style="list-style-type: none"> • Owners/operators of retail food establishments • Architects and Design Engineers • Citizens of Minnesota • Equipment manufactures and distributors • Building and equipment contractors 	

Forecast Basis

This program is regulated by M.S. 31.11, Subd. 2, which states in part that the commissioner shall set fees that approximate the cost to the Department.

Recent Changes

Fees were increased in FY2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

COMMERCIAL CANNERIES INSPECTN

Fiscal Report

Revenue Category Description: Fees paid by commercial canneries for inspections and laboratory analysis.

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: The commercial cannery inspection program conducts inspections at all commercial canning and frozen food plants within the state. The Food Inspection Section inspects these facilities several times during the canning season, collects samples of product and containers and reviews records to verify processing methods. Inspections focus on process control, a HACCP style approach which ensures the safety and integrity of hermetically sealed containers. Complaints are investigated and certificates of free sale issued to exporters upon request.

Appr Name: COMMERCIAL CANNERIES INSPECTIO

Legal Citation(s): M.S. 28A.08; M.S. 31.39

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	115	181	242	215	215	183	183
Resources:							
Dedicated Receipts	100	112	112	112	112	112	112
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	100	112	112	112	112	112	112
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	100	112	112	112	112	112	112
Expenditures:							
Direct Expenditures	28	46	119	123	123	128	128
Indirect Expenditures	6	5	20	21	21	21	21
Total Expenditures	34	51	139	144	144	149	149
Current Difference	66	61	(27)	(32)	(32)	(37)	(37)
Accumulated Ending Balance	181	242	215	183	183	146	146

Background InformationBenefit to the State

This inspection program assures that all canned product sold is commercially sterile and that processing plants are operated under sanitary conditions. This ensures that the consumers receive safe food products and increases markets worldwide.

Services Provided

- Inspection Services
- Laboratory Services

Services Provided to Whom

- Commercial Canning Plants
- Commercial Freezing Facilities
- Consumers

Forecast Basis

No further changes are anticipated to the amount of revenue generated from fees paid by commercial canning plants and commercial freezing facilities.

Recent Changes

Fees were increased in FY2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

EGG LAW INSPECTION FUND

Fiscal Report

Revenue Category Description: Fees paid by egg producers, packers and wholesale egg handlers.

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: The Egg Inspection Program ensures that all eggs offered for sale are graded using equal standards. Plant inspections cover sanitation, egg handling practices, candling, grading, special sampling surveys for Salmonella Enteritidis (SE) and additional responsibilities which include cholesterol checks and label checks for dating and accuracy. This helps ensure that all producers have an equal marketing opportunity. The program also provides egg safety information to consumers and processors.

Appr Name: EGG LAW INSPECTION

Legal Citation(s): M.S. 29.22; 28A.08

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	34	57	83	79	79	75	75
Resources:							
Dedicated Receipts	26	38	37	37	37	37	37
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	26	38	37	37	37	37	37
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	3	3	3	3	3	3
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	26	41	40	40	40	40	40
Expenditures:							
Direct Expenditures	1	14	38	38	38	38	38
Indirect Expenditures	2	1	6	6	6	6	6
Total Expenditures	3	15	44	44	44	44	44
Current Difference	23	26	(4)	(4)	(4)	(4)	(4)
Accumulated Ending Balance	57	83	79	75	75	71	71

Background Information

<u>Benefit to the State</u> This inspection program ensures that a uniform grading system is used for all shell eggs that are sold at wholesale and retail in Minnesota. The consumer benefits because all eggs have standardized grades, are wholesome and are handled in a manner designed to maximize safety of the eggs.	
<u>Services Provided</u> <ul style="list-style-type: none"> Egg Grading Services 	
<u>Services Provided to Whom</u> <ul style="list-style-type: none"> Egg Producers Egg Packers 	<ul style="list-style-type: none"> Wholesale Egg Handlers Consumers

Forecast Basis

No further changes are anticipated to the amount of revenue generated from fees paid by egg producers, egg packers and wholesale egg handlers.

Recent Changes

Fees were increased in FY2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

BEVERAGE INSPECTION FUND

Fiscal Report

Revenue Category Description: Fees paid by beverage manufacturing plant licensees

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Beverage inspections focus on sanitation and product inspections at all beverage processing plants. This program ensures that all beverage plants operate under safe and sanitary conditions. Beverages include carbonated or still beverages, natural and mineral waters, apple or fruit ciders, fresh or reconstituted fruit juices, or cereal beverages and other finished beverages.

Appr Name: BEVERAGE INSPECTION

Legal Citation(s): M.S. 28A.08; M.S. 34.07

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	38	41	54	52	52	50	50
<u>Resources:</u>							
Dedicated Receipts	13	24	24	24	24	24	24
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	13	24	24	24	24	24	24
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	13	24	24	24	24	24	24
<u>Expenditures:</u>							
Direct Expenditures	9	10	23	23	23	23	23
Indirect Expenditures	1	1	3	3	3	3	3
Total Expenditures	10	11	26	26	26	26	26
Current Difference	3	13	(2)	(2)	(2)	(2)	(2)
Accumulated Ending Balance	41	54	52	50	50	48	48

AGRICULTURE DEPT

BEVERAGE INSPECTION FUND

Narrative

Background Information

Benefit to the State

This inspection program ensures that all consumable beverages are wholesome and manufactured in facilities that are sanitary. Random samples obtained from firms ensure that the products are safe for consumption.

Services Provided

- Sanitation inspections

Services Provided to Whom

- Beverage Manufacturing Plants
- Consumers

Forecast Basis

No further changes are anticipated to the amount of revenue generated from fees paid by beverage manufacturing plants.

Recent Changes

Fees were increased in FY2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

LIVESTOCK LICENSES

Fiscal Report

Revenue Category Description: License and bond requirements for companies and people to purchase animals from farmers/producers.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To assure that farmers are paid for their livestock, and to recover the costs of the regulation of livestock buyers and their agents.

Appr Name:

Legal Citation(s): MS 17A.04, Subd 5.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(7)	(14)	(17)	(17)	(21)	(21)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	46	47	47	47	47	47	47
Total Departmental Earnings	46	47	47	47	47	47	47
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	46	47	47	47	47	47	47
<u>Expenditures:</u>							
Direct Expenditures	46	47	43	43	43	43	43
Indirect Expenditures	7	7	7	8	8	8	8
Total Expenditures	53	54	50	51	51	51	51
Current Difference	(7)	(7)	(3)	(4)	(4)	(4)	(4)
Accumulated Ending Balance	(7)	(14)	(17)	(21)	(21)	(25)	(25)

Background Information

By licensing and monitoring livestock dealers, markets and their agents risks are minimized for producers encouraging the continued production of livestock for industrial and consumer use. Livestock is a major agricultural product for the state.

Services Provided:

- Licensing
- Trustee of required livestock bonds
- Livestock market monitoring
- List of licensed operators
- Investigation of claims against livestock dealers and markets

Services Provided to Whom:

- Livestock producers
- Livestock markets and dealers

Forecast Basis

There are five licensing fees that are assessed; all revenue collected goes to the general fund. General funds are allocated to pay for the licensing and inspection functions of this program. The fees from this licensing program are recovering costs.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

MILK/CREAM BUYERS & TESTER

Fiscal Report

Revenue Category Description: License fees paid by milk graders & testers

Requesting a Fee Change: No

Fund: GENERAL

Purpose: The Bulk Milk Haulers Inspection program provides a service to both the purchaser and producer of raw milk by ensuring proper equipment is used and procedures are followed by bulk milk haulers moving milk from the dairy farm to the plant. Bulk milk haulers are licensed annually based on these inspections. Licensed haulers can pick milk up from the farms and collect milk samples necessary for quality analysis.

Appr Name:

Legal Citation(s): M.S. 32.075; 32.071

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(142)	(283)	(422)	(422)	(563)	(563)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	30	28	31	31	31	31	31
Total Departmental Earnings	30	28	31	31	31	31	31
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	30	28	31	31	31	31	31
<u>Expenditures:</u>							
Direct Expenditures	148	146	146	146	146	146	146
Indirect Expenditures	24	23	24	26	26	27	27
Total Expenditures	172	169	170	172	172	173	173
Current Difference	(142)	(141)	(139)	(141)	(141)	(142)	(142)
Accumulated Ending Balance	(142)	(283)	(422)	(563)	(563)	(705)	(705)

Background InformationBenefit to the State

This inspection assures dairy farmers that their bulk milk samples have been properly obtained and analyzed. Samples must be handled and analyzed consistently and accurately because dairy producers receive payments based on those results. Plants and facilities are assured of the integrity and quality of the raw milk purchased. This program is necessary to allow Minnesota to freely ship dairy products interstate.

Services Provided

- Bulk Hauler Inspections
- Licenses Verified
- Equipment Calibrated for Accuracy
- Response to Emergencies/Disasters

Services Provided to Whom

- Bulk Milk Haulers
- Dairy Producers
- Domestic Consumers
- Citizens of Minnesota

Forecast Basis

No changes are anticipated to the amount of revenue currently generated from fees paid by milk graders and testers yet the costs of providing the inspection program continue to increase with inflation and other unanticipated costs of doing business.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

DAIRY FOOD LICENSES

Fiscal Report

Revenue Category Description: License fees paid by manufacturers/retailers/wholesalers of dairy products in Minnesota.

Requesting a Fee Change: No

Fund: GENERAL

Appr Name:

Purpose: The purpose of this program is to license dairy processing and distributing plants by conducting thorough inspections that ensure compliance with state and federal laws and regulations. This service enables Minnesota dairy products to move freely in both domestic and international markets and ensures healthy and wholesome dairy foods for Minnesota consumers. This program also ensures dairy producers a market for their products.

Legal Citation(s): M.S. 28A.08; 32.59; 32.392

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(830)	(1,598)	(2,371)	(2,371)	(3,150)	(3,150)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	101	153	154	154	154	154	154
Total Departmental Earnings	101	153	154	154	154	154	154
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	101	153	154	154	154	154	154
Expenditures:							
Direct Expenditures	803	795	794	794	794	794	794
Indirect Expenditures	128	126	133	139	139	146	146
Total Expenditures	931	921	927	933	933	940	940
Current Difference	(830)	(768)	(773)	(779)	(779)	(786)	(786)
Accumulated Ending Balance	(830)	(1,598)	(2,371)	(3,150)	(3,150)	(3,936)	(3,936)

Background Information

Benefit to the State

This program ensures Minnesota manufacturers/retailers/wholesalers are producing safe and wholesome products that meet all state and federal laws and regulations. This program is necessary to maintain and keep Minnesota's leadership in the global market. Minnesota dairy processors can freely market their products and contribute to the state economy, while consumers are assured of the quality and wholesomeness of dairy products produced in Minnesota.

Services Provided

- | | |
|-----------------------------------|---|
| • Facility Inspections | • Laboratory Testing |
| • Promotion of MN Dairy Products) | • Issuance of Certificates of Free Sale |
| • IMS Ratings | |

Services Provided to Whom

- | | |
|---|------------------------|
| • Consumers of Minnesota Dairy Products | • Wholesalers |
| • Brokers and Exporters | • Retailers |
| • FDA/USDA | • Processors/Producers |

Forecast Basis

It is anticipated that the amount of revenue currently generated from fees paid by manufacturers/retailers/wholesalers of dairy products will continue to decline yet the costs of providing the inspection program continue to increase with inflation and other unanticipated costs of doing business.

Recent Changes

Fees were increased in FY2003.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

LIVESTOCK WEIGHING FUND

Fiscal Report

Revenue Category Description: Weighing of livestock at meat packing plants

Requesting a Fee Change: No

Purpose: To provide voluntary state weighing services of livestock sold by farmer/producers at meat packing plants.

Fund: AGRICULTURE FUND

Appr Name: LIVESTOCK WEIGH AG CERT

Legal Citation(s): MS 17A.11; MR 1515.2550

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	905	968	1,080	1,080	1,080	1,080	1,080
Resources:							
Dedicated Receipts	548	556	552	552	552	552	552
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	548	556	552	552	552	552	552
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	548	556	552	552	552	552	552
Expenditures:							
Direct Expenditures	413	371	463	458	458	453	453
Indirect Expenditures	72	73	89	94	94	99	99
Total Expenditures	485	444	552	552	552	552	552
Current Difference	63	112	0	0	0	0	0
Accumulated Ending Balance	968	1,080	1,080	1,080	1,080	1,080	1,080

Background Information

By providing voluntary, official livestock weighing services at meat packing plants the department assures the producer that initial weight of the livestock the producer delivers is accurate. An unbiased weight may encourage in producers the idea that they are getting fairly treated by the packing plant. This assurance may encourage the producer to continue production of livestock for industrial and consumer use. Livestock is a major agricultural product for the state.

Services Provided:

- Official livestock weighing services

Services Provided to Whom:

- Livestock producers
- Livestock packing plants

Forecast Basis

There is a weighing fee for each head of livestock weighed. All revenue collected goes to the livestock weighing account in the agricultural fund. Money is appropriated from this fund to pay for the official livestock weighing services. The fees from this weighing program are recovering costs.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

DAIRY SERVICES ACCOUNT

Fiscal Report

Revenue Category Description: Fees paid by Grade A and Grade B dairy producers and processors

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Dairy Services include routine farm inspection, uniform ratings of farms and dairy processing facilities, inspection of farm to pick-up trucks, testing of farm pick-up haulers to ensure accurate samplings for producer payment and quality, routine sampling of milk and milk products, reviewing plans and blueprints for farm and plant modifications, reviewing product labels for content and claims, maintaining current producer affidavits and producer lists of BST "free" herds and organic farms for segregated processing and package labeling, testing and sealing all pasteurizer units, responding to emergencies and disasters and consultations on equipment and processing. Dairy inspectors also inspect bottled water, juice processing and other food operations in dairy plants.

Appr Name: DAIRY SERVICES D&F, DAIRY SERVICES LAB

Legal Citation(s): M.S. 32.394, Subd 8 & 9

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	160	551	854	801	801	620	620
<u>Resources:</u>							
Dedicated Receipts	1,889	1,700	1,701	1,701	1,701	1,701	1,701
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,889	1,700	1,701	1,701	1,701	1,701	1,701
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	7	7	8	0	0	0	0
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,896	1,707	1,709	1,701	1,701	1,701	1,701
<u>Expenditures:</u>							
Direct Expenditures	1,228	1,180	1,504	1,612	1,612	1,690	1,690
Indirect Expenditures	277	224	258	270	270	282	282
Total Expenditures	1,505	1,404	1,762	1,882	1,882	1,972	1,972
Current Difference	391	303	(53)	(181)	(181)	(271)	(271)
Accumulated Ending Balance	551	854	801	620	620	349	349

Background Information

<u>Benefit to the State</u> These inspections ensure adherence to the Pasteurized Milk Ordinance and confirm Minnesota producers are providing healthy and wholesome dairy foods that can be transported interstate as well as sold in the global market. This allows Minnesota to remain a dairy leader and provide wholesome dairy products that can be marketed domestically and internationally. Those dairy products contribute to a strong economy and a favorable balance of trade.	
<u>Services Provided</u>	
<ul style="list-style-type: none"> • Field Inspections • IMS Surveys 	<ul style="list-style-type: none"> • Laboratory Testing • Serve as consultants in matters of equipment and structure changes
<u>Services Provided to Whom</u>	
<ul style="list-style-type: none"> • Grade A and B dairy producers. • General Public • Domestic Consumers • Industry 	<ul style="list-style-type: none"> • Dairy Processors • Foreign purchasers and consumers • FDA/USDA

Forecast Basis

In an effort to recover costs of providing services and to maintain staffing levels required to make these inspections, we will use the M.S. 32.394, Subd 8d authorization whereby the Commissioner may, by rule, change the fee charged to processors. Currently the fee charged per hundredweight is 7 cents.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

LABORATORY SERVICES ACCOUNT

Fiscal Report

Revenue Category Description: Fees paid by DNR, USDA, EPS and various local and state agencies

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Provides analyses supporting programs for DNR, USDA, EPA and various local and state agencies for a fee. These are cooperative efforts that benefit both parties involved and are in support of state, federal or local laws. Provides legal and scientifically defensible data in a timely manner to the program manager. Provides consultation on analytical issues to the Program Manager, or others involved with the program.

Appr Name: LABORATOR/SERVICES A/ITC

Legal Citation(s): M.S. 17.85; M.S. 21.85; M.S. 32.394

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	51	51	51	51	51	51	51
<u>Resources:</u>							
Dedicated Receipts	77	87	100	80	80	80	80
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	77	87	100	80	80	80	80
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	77	87	100	80	80	80	80
<u>Expenditures:</u>							
Direct Expenditures	65	82	86	65	65	65	65
Indirect Expenditures	12	5	14	15	15	15	15
Total Expenditures	77	87	100	80	80	80	80
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	51	51	51	51	51	51	51

Background Information

Benefit to the State

Scientifically defensible information is generated for contracted work that allows for sound decision making. This data is used to enforce the federal and state laws and is in support of programs that affect a wide spectrum of Minnesota citizens.

Services Provided

- Chemical Analyses
- Analytical Method Development
- Consultation on Technical issues related to program
- Consultation on analytical issues to regulated community.
- Provide additional analyses as requested.

Services Provided to Whom

- Minnesota Department of Natural Resources
- USDA
- Private consultants performing cleanup under MDA direction
- USEPA/Native American Tribes
- Other State Departments of Agriculture
- Minnesota Counties as part of MDA initiatives

Forecast Basis

No changes are anticipated to the amount of revenue generated from fees paid by the DNR, USDA, and other customers.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

GRAIN LICENSING & AUDIT

Fiscal Report

Revenue Category Description: Grain Licensing and auditing earnings include a variety of inspection and licensing fees.

Requesting a Fee Change: Yes

Fund: AGRICULTURE FUND

Purpose: To license general storage, grain storage, and grain buyers and to set bond limits in conjunction with these licenses.

Appr Name: GRAIN BUYERS & STORG

Legal Citation(s): M.S. 223.17 Sub 3; 233.08; 231.16; MR 1562.0800

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	63	54	0	(60)	(60)	(120)	(65)
<u>Resources:</u>							
Dedicated Receipts	552	500	500	500	555	500	555
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	552	500	500	500	555	500	555
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	552	500	500	500	555	500	555
<u>Expenditures:</u>							
Direct Expenditures	485	457	487	487	487	487	487
Indirect Expenditures	76	97	73	73	73	73	73
Total Expenditures	561	554	560	560	560	560	560
Current Difference	(9)	(54)	(60)	(60)	(5)	(60)	(5)
Accumulated Ending Balance	54	0	(60)	(120)	(65)	(180)	(70)

Background Information**Benefits to the State:**

By licensing and auditing grain elevators and grain buyers, up to two-grain marketing risks are minimized for producers encouraging the continued production of grain for industrial and consumer use. Grain is a major agricultural export for the state.

Services Provided:

- Licensing
- Setting of required bond amounts
- Grain inventory measurement
- List of licensed operators
- Approval and measurement of new storage space

Services Provided to Whom:

- Grain producers
- General merchandise storage operators
- Grain elevator operators
- General merchandise storage customers

Forecast Basis

There are six fees that provide revenue to the grain buyer and storage fund. This fund supports the licensing and examination activities for grain buyers, grain storage and general merchandise warehousing. The fees from these licensing programs are not recovering costs. Four of the six fees were recently increased by rule (effective 7/10/2000). Industry changes are unknown but are anticipated in the amount of revenue generated from license fees paid, as there may be movement from state licensed grain warehouses to federally licensed grain warehouses. All revenue generated is from the holders of these grain and merchandise storage licenses.

Recent Changes

Legal expenses relating to grain bond claim cases have affected expenses. Revenue has not been able to keep up with increased legal expenses despite fee increases that were effective July 1, 2001.

Agency Analysis/Requested Changes

The Governor recommends changes to fees for licenses to buy grain, store grain, and store general merchandise to cover the costs of administrative functions and provide for more effective program delivery.

AGRICULTURE DEPT

ADVERTISING REVENUE

Fiscal Report

Revenue Category Description: Advertising revenue from publications, events, and advertising partnerships.

Requesting a Fee Change: No

Purpose: To develop, expand and promote Minnesota's agricultural industries through promotional activities, events, advertising partnerships, and printing and distributing educational and promotional materials.

Fund: SPECIAL REVENUE, AGRICULTURE FUND

Appr Name: ADVERTISING REVENUE, MINN CERTIFICATION ITC

Legal Citation(s): MS 17.03, Subd. 10; Laws 92 Ch. 513.13

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	30	23	15	42	42	69	69
<u>Resources:</u>							
Dedicated Receipts	58	74	130	130	130	130	130
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	58	74	130	130	130	130	130
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	58	74	130	130	130	130	130
<u>Expenditures:</u>							
Direct Expenditures	65	82	103	103	103	103	103
Indirect Expenditures							
Total Expenditures	65	82	103	103	103	103	103
Current Difference	(7)	(8)	27	27	27	27	27
Accumulated Ending Balance	23	15	42	69	69	96	96

Background Information

Advertising revenue is used to coordinate participation in regional and national trade shows, publish directories, and promote Minnesota products through advertising and education.

Forecast Basis

Revenue is based on participation of Minnesota agricultural producers and processors.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

MINNESOTA GROWN ACCOUNT

Fiscal Report

Revenue Category Description: License to use the Minnesota Grown logo or labeling with revenue dedicated to these purposes.

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: To increase producer use of the Minnesota Grown logo, increase consumer awareness of the logo and increase demand for Minnesota Grown agricultural products.

Appr Name: MINN GROWN LABLING

Legal Citation(s): MS 17.102, Subd. 3-4.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	2	2	3	3	4	4
Resources:							
Dedicated Receipts	4	4	4	4	4	4	4
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4	4	4	4	4	4	4
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4	4	4	4	4	4	4
Expenditures:							
Direct Expenditures	1	4	3	3	3	3	3
Indirect Expenditures	1	0	0	0	0	0	0
Total Expenditures	2	4	3	3	3	3	3
Current Difference	2	0	1	1	1	1	1
Accumulated Ending Balance	2	2	3	4	4	5	5

Background Information

The Minnesota Grown Account promotes the Minnesota Grown Program by use of its logo and labeling which helps agricultural production, processing and distribution. The state provides these services in order to create and strengthen markets for existing crops, to increase profitability of producers and agribusinesses, and to encourage the development of new crops and formation of new business and jobs in the state.

Forecast Basis

All revenue is from license fees, which enable growers and producers to use the Minnesota Grown logo and labeling.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

PROMOTION COUNCILS

Fiscal Report

Revenue Category Description: Service fees under contractual agreements with the commodity research and promotion councils.

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: Provide funds by reimbursement to defray the necessary expenses incurred by the commissioner and the council in formulating, submitting to referendum, issuing, administering and enforcing a promotional order.

Appr Name: COMMODITIES RSCH & PR

Legal Citation(s): MS 17.59

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	17	19	34	34	34	34	34
<u>Resources:</u>							
Dedicated Receipts	102	92	112	112	112	112	112
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	102	92	112	112	112	112	112
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	1	1	1	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	103	93	113	113	113	113	113
<u>Expenditures:</u>							
Direct Expenditures	85	63	99	99	99	99	99
Indirect Expenditures	16	15	14	14	14	14	14
Total Expenditures	101	78	113	113	113	113	113
Current Difference	2	15	0	0	0	0	0
Accumulated Ending Balance	19	34	34	34	34	34	34

Background Information

The Minnesota Department of Agriculture provides administrative oversight of Commodity Councils per M.S. 17.54 – 69.

Forecast Basis

Revenue is based on projected costs and is allocated to each promotion council through an annual income contract.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

ALIEN FARM REGISTRATION

Fiscal Report

Revenue Category Description: Alien Farmland Registration

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To regulate ownership of Minnesota farm land by foreign individuals and non-American corporations by enforcing annual registration requirements.

Appr Name:

Legal Citation(s): M.S. 500.221

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1	1	1	1	1	1	1
Total Departmental Earnings	1	1	1	1	1	1	1
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1	1	1	1	1	1	1
<u>Expenditures:</u>							
Direct Expenditures	1	1	1	1	1	1	1
Indirect Expenditures							
Total Expenditures	1	1	1	1	1	1	1
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

All foreign individuals and non-American corporations must register their ownership position in farmland within the State of Minnesota. Fees are set in statute as an annual filing fee of \$50.00 plus \$10.00 for each additional quarter section of land owned.

Forecast Basis

Revenue is based on current filings with no anticipated increase in either number of filers or acreage reported.

Recent Changes

Definition of permanent resident alien changed in Laws of Minnesota 2004, Chapter 254, and sections 38 – 40 to allow foreign dairy operations.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

STATISTICAL SERVICES ACCOUNT

Fiscal Report

Revenue Category Description: Fee to provide statistical data as requested by outside organizations and individuals.

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: To allow Minnesota Agriculture Statistical Services to respond to requests for statistical information and charge for costs incurred in gathering and reporting the information which may cross fiscal years.

Appr Name: AGRICULTURE SATISTICS

Legal Citation(s): M.S. 17.038

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	39	21	15	12	12	9	9
Resources:							
Dedicated Receipts	4	3	2	2	2	2	2
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4	3	2	2	2	2	2
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4	3	2	2	2	2	2
Expenditures:							
Direct Expenditures	19	6	4	4	4	4	4
Indirect Expenditures	3	3	1	1	1	1	1
Total Expenditures	22	9	5	5	5	5	5
Current Difference	(18)	(6)	(3)	(3)	(3)	(3)	(3)
Accumulated Ending Balance	21	15	12	9	9	6	6

Background Information

Minnesota Agricultural Statistics provides collection, analysis and reporting of statistical information concerning the agricultural economy in the State of Minnesota on an individual basis as requested by internal and external customers.

Forecast Basis

Fees are based on the actual costs incurred in gathering and reporting statistical information. Revenue is based on the demand for service from our customers.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

AGRICULTURAL DEVELOPMENT BOND

Fiscal Report

Revenue Category Description: Agricultural Development Bond Program

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Program earnings include loan application and origination fees to defray the administrative cost of providing below market interest rate loans to beginning farmers through the use of tax-exempt, private activity bonds.

Appr Name:

Legal Citation(s): M.S. 41C.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(192)	(293)	(336)	(336)	(380)	(380)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	25	6	77	77	77	77	77
Total Departmental Earnings	25	6	77	77	77	77	77
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	25	6	77	77	77	77	77
<u>Expenditures:</u>							
Direct Expenditures	187	92	103	103	103	103	103
Indirect Expenditures	30	15	17	18	18	19	19
Total Expenditures	217	107	120	121	121	122	122
Current Difference	(192)	(101)	(43)	(44)	(44)	(45)	(45)
Accumulated Ending Balance	(192)	(293)	(336)	(380)	(380)	(425)	(425)

Background Information

- Applications to the Agricultural Development Bond Loan Program were first accepted in October 1991. The program provides first time beginning farmers with lower interest rates on loans through the issuance of tax-exempt private activity bonds under the Internal Revenue Code.
- Departmental earnings are generated by the collection of a \$50 loan application fee and a loan origination fee of 1.5%. Competition for an allocation of private activity bonds is high and it is currently projected that loans issued will not exceed the \$5,000,000 reservation, under law, in the small issue pool. This will provide funding for approximately 40 loans under the program and generate \$77,000 in departmental earnings.
- Services provided: Access to private activity bonds that provide a federal tax exemption for banks on interest income and federal and state tax exemption on interest income to an individual seller.
- Services provided to: Eligible young farmers, lending institutions, and sellers of agricultural land and depreciable assets.
- Benefits to the state: This provides affordable financing to younger, low equity persons who wish to engage in farming as their principal occupation, thus creating agricultural production units that will stimulate economic activity in the local area.

Forecast Basis

Future departmental earnings are forecasted on expected demand for loans.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

LOAN RESTRUCTURING ADMINISTRN

Fiscal Report

Revenue Category Description: Loan Restructuring
Program Administration

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Program earnings include loan application fees to defray the administrative costs of providing below market interest loan participations to assist Minnesota farmers to reorganize their agricultural debt.

Appr Name: RESTRICTED LOAN ADMIN/ITC

Legal Citation(s): M.S. 41B.04, subd. 17

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	194	194	153	135	135	117	117
<u>Resources:</u>							
Dedicated Receipts	0	0	1	1	1	1	1
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	1	1	1	1	1
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	1	1	1	1	1
<u>Expenditures:</u>							
Direct Expenditures	0	41	19	19	19	19	19
Indirect Expenditures							
Total Expenditures	0	41	19	19	19	19	19
Current Difference	0	(41)	(18)	(18)	(18)	(18)	(18)
Accumulated Ending Balance	194	153	135	117	117	99	99

Background Information

- The Loan Restructuring Program was suspended in July 1995 in order to preserve the remaining general obligation bond authorization for the Beginning Farmer Loan Program. Additional bonding authority was granted by the 1996 Legislature. This program began accepting new applications in June 1996.
- Departmental earnings were generated from the collection of a \$50 loan application fee from three loan participants in fiscal year 2004.
- Services provided: Below market interest loan participations in partnership with local lending institutions.
- Services provided to: Minnesota farmers in need of reorganizing their agricultural debt.
- Benefits to the state: Provides the opportunity for farmers who have suffered losses caused by conditions beyond their control to restructure their debt into a viable cash flow and maintain their farming operation as a base economic unit.

Forecast Basis

Future departmental earnings are forecasted on expected demand for loans. Forecast loan principal and interest payments are based upon individual amortization schedules for each loan.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

AGRICULTURAL IMPRVMT LOAN ADM

Fiscal Report

Revenue Category Description: Agricultural Improvement Loan Program Administration

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Program earnings include loan application fees to defray the cost of providing below market interest rate loans to farmers making improvements to a farm.

Appr Name: AG IMPROVMT LOAN RFA

Legal Citation(s): M.S. 41B.043, subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	20	20	20	20	20	20	20
<u>Resources:</u>							
Dedicated Receipts	0	0	1	1	1	1	1
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	1	1	1	1	1
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	1	1	1	1	1
<u>Expenditures:</u>							
Direct Expenditures	0	0	1	1	1	1	1
Indirect Expenditures							
Total Expenditures	0	0	1	1	1	1	1
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	20	20	20	20	20	20	20

Background Information

- The Agricultural Improvement Loan Program was established in 1992. This program was suspended in July 1995 in order to preserve the remaining general obligation bond authorization for the Beginning Farmer Loan Program. Additional bonding authority was granted by the 1996 Legislature. This program began accepting new applications in May 1996.
- Departmental earnings were generated from the collection of a \$50 loan application fee from 7 loan participants in fiscal year 2004.
- Services provided: Below market interest loan participations in partnership with local agricultural lenders.
- Services provided to: Farmers desiring to purchase and construct or install improvements to land, buildings and other permanent structures which are useful for and intended to be used for the purpose of farming.
- Benefits to the state: These improvements contribute to the financial well being and safety of operating farmers, with some improvements also helping to protect the environment.

Forecast Basis

Future departmental earnings are forecasted on expected demand for loans. Forecasted loan principal and interest payments are based upon individual amortization schedules for each loan.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

RFA LOAN ADMIN

Fiscal Report

Revenue Category Description: Beginning Farmer and Seller Sponsored Loan Programs Administration

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Program earnings include loan application fees to defray the cost of providing low interest rate loans to qualifying beginning farmers through the participation in these loans with lending institutions.

Appr Name: RFA LOAN APPLICATION

Legal Citation(s): M.S. 41B.03, subd. 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	48	51	52	52	52	52	52
<u>Resources:</u>							
Dedicated Receipts	3	2	5	5	5	5	5
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	3	2	5	5	5	5	5
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3	2	5	5	5	5	5
<u>Expenditures:</u>							
Direct Expenditures	0	1	5	5	5	5	5
Indirect Expenditures							
Total Expenditures	0	1	5	5	5	5	5
Current Difference	3	1	0	0	0	0	0
Accumulated Ending Balance	51	52	52	52	52	52	52

Background Information

- The Beginning Farmer Loan Program was established in 1987 and the Seller Sponsored Loan Program in 1988. A \$50 non-refundable application fee was collected from 43 participants in both programs in fiscal year 2004. There is no loan origination fee.
- Services provided: Below market interest rate loan participations in partnership with local agricultural lenders.
- Services provided to: Younger, lower equity individuals who intend, over time, to become a full time farmer.
- Benefits to the state: Helps to establish younger families who create considerable economic activity within the local area and promotes stability to rural society.

Forecast Basis

Future departmental earnings are forecasted on expected demand for loans. Forecasted loan principal and interest payments are based upon individual amortization schedules for each loan.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

VALUE ADDED AGRIC PROD

Fiscal Report

Revenue Category Description: Value Added Agricultural Product Revolving Fund

Requesting a Fee Change: No

Fund: RURAL FINANCE ADMINISTRATION

Purpose: To defray the administrative costs of participating in low-interest rate loans to farmers investing in cooperatives proposing to buy, or build, and operate agricultural product processing facilities.

Appr Name: VALUE ADDED AG PD ITC

Legal Citation(s): M.S. 41B.046, subd 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	483	524	515	515	506	506
<u>Resources:</u>							
Dedicated Receipts	0	0	1	1	1	1	1
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	1	1	1	1	1
<u>Other Resources:</u>							
Earnings Transferred In	380	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts	125	70	40	40	40	40	40
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	505	70	41	41	41	41	41
<u>Expenditures:</u>							
Direct Expenditures	22	29	50	50	50	50	50
Indirect Expenditures							
Total Expenditures	22	29	50	50	50	50	50
Current Difference	483	41	(9)	(9)	(9)	(9)	(9)
Accumulated Ending Balance	483	524	515	506	506	497	497

Background Information

- The Legislature appropriated \$250,000 in 1994 and \$200,000 in 1995 to this fund. Since that time, a total of 121 loan participations have been made totaling to \$970,000.
- Services provided: The Value-Added Agricultural Product Loan Program is authorized by Laws of Minnesota for 1994, Chapter 642, Section 4 to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility. The program provides for the participation in a stock loan with an eligible lender to a qualifying farmer.
- Services provided to: Farmers with limited capital who want to buy stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility in Minnesota.
- Benefits to the state: Provides increased economic development for the area of the processing facility and the potential for increased income to farmers because they share in the added value of their production.

Forecast Basis

Future departmental earnings are forecasted on expected demand for value-added agricultural product loans. Forecasted loan principal and interest payments are based upon individual amortization schedules for each loan.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

LIVESTOCK EXPANSION ADMIN

Fiscal Report

Revenue Category Description: Livestock Expansion Loan Program Administration

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Program earnings include loan application fees to defray the administrative cost of providing below market interest rate loan participations to livestock producers as an incentive to adopt and implement up-to-date and efficient livestock systems.

Appr Name: LIVSTK EXPANSN LOAN

Legal Citation(s): M.S. 41B.045, subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	61	61	61	62	62	63	63
<u>Resources:</u>							
Dedicated Receipts	0	0	1	1	1	1	1
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	1	1	1	1	1
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	0	1	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	2	2	2	2	2
<u>Expenditures:</u>							
Direct Expenditures	0	0	1	1	1	1	1
Indirect Expenditures							
Total Expenditures	0	0	1	1	1	1	1
Current Difference	0	0	1	1	1	1	1
Accumulated Ending Balance	61	61	62	63	63	64	64

Background Information

- The 1994 Legislature passed legislation to establish this program with fees initially set at \$50 for application fee and a 1.5% loan origination fee.
- Services provided: Below market rate interest on loan participations in partnership with local lenders.
- Services provided to: Eligible livestock farmers planning to construct state-of-the-art facilities to improve their efficiency and expand total farm production.
- Benefits to the state: Livestock provides a value-added market for the states grain producers. The processing of livestock and livestock products provides a large number of jobs and creates considerable associated economic activity.
- The Rural Finance Authority Board reviewed the fee structure in April 1996. They determined that the loan origination fee could be reduced to 0.5% for Livestock Expansion loans amortized over 10 years or less and to 1.0% for those loans amortized greater than 10 years. In June 2000, the Rural Finance Authority Board reduced the loan origination fee to zero.

Forecast Basis

Future departmental earnings are forecasted on expected demand for loans. Forecasted loan principal and interest payments are based upon individual amortization schedules for each loan.

Recent Changes

There are no recent changes in fees or legislation that would affect revenues for this account.

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

REINSPECTION FEES

Fiscal Report

Revenue Category Description: Fees paid by food handler firms for additional reinspection costs for non-compliance offenses

Requesting a Fee Change: No

Fund: AGRICULTURE FUND

Purpose: This program provides for recovery of expenses for licensed firms that have major violations, foodborne outbreaks, recalls, food safety emergencies, and sanitary notices.

Appr Name: FOOD HANDLER REINSP FEE/ITC

Legal Citation(s): M.S. 28A.05 Subd. 1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	112	112	109	86	86	63	63
<u>Resources:</u>							
Dedicated Receipts	1	2	91	91	91	91	91
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1	2	91	91	91	91	91
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	3	1	1	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4	3	92	92	92	92	92
<u>Expenditures:</u>							
Direct Expenditures	4	6	115	115	115	29	29
Indirect Expenditures							
Total Expenditures	4	6	115	115	115	29	29
Current Difference	0	(3)	(23)	(23)	(23)	63	63
Accumulated Ending Balance	112	109	86	63	63	126	126

Background Information

Benefit to the State

Prompt reinspections are made to correct violation observations and to ensure that Minnesota processors/wholesalers/manufacturers produce safe and sanitary products that meet state and federal laws and regulations. It also allows Minnesota products to compete in the global market.

Services Provided

- | | |
|---|---|
| <ul style="list-style-type: none"> • Facility Reinspections • Warning Letters • Sampling • Education of Customers | <ul style="list-style-type: none"> • Response to emergencies • Compliance Oversight • Regulatory/Administrative Hearings |
|---|---|

Services Provided to Whom

- | | |
|--|--|
| <ul style="list-style-type: none"> • Industry • General Public • Processors | <ul style="list-style-type: none"> • Wholesalers/Retailers • FDA • USDA |
|--|--|

Forecast Basis

No further changes are anticipated to the amount of revenue generated from fees paid by non-compliant Minnesota processors/wholesalers/manufacturers/retailers.

Recent Changes

Revenue fluctuates according to number of compliance violations and severity of violations which may require more re-inspections or costs associated with ensuring the correction of violations

Agency Analysis/Requested Changes

No fee change is recommended at this time.

AGRICULTURE DEPT

AG BMP LOAN PROGRAM

Fiscal Report

Revenue Category Description: Best Management Practices loan application fees

Requesting a Fee Change: Yes

Purpose: Earnings are loan application fees used to defray the cost of providing the Best Management Practices loan program.

Fund: AGRICULTURE FUND

Appr Name: AG BMP ADMIN

Legal Citation(s): M.S. 17.117, Subd. 5(c)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	9	0	11
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	0	0	9	0	11
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	0	0	9	0	11
<u>Expenditures:</u>							
Direct Expenditures	0	0	0	0	9	0	11
Indirect Expenditures							
Total Expenditures	0	0	0	0	9	0	11
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

AG BMP Loan Program

Narrative

Background Information

This is a new fee in the Governor's biennial budget.

Forecast Basis

This fee is new but the loan program is already in existence.

Recent Changes

The fee is being proposed because more administrative work is moving from the county level to the state level.

Agency Analysis/Requested Changes

The Governor recommends the establishment of an application fee for the Agriculture Best Management Practices (BMP) Program. The fee will be set at \$50 to cover the cost of administrative functions and provide for more effective program delivery.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	3	4	4	4	4	4	4
Total Non-Dedicated Receipts	3	4	4	4	4	4	4

<u>Dedicated Receipts:</u>							
Special Revenue	0	45	45	45	45	45	45
Total Dedicated Receipts	0	45	45	45	45	45	45

<u>Fund Totals:</u>							
General	3	4	4	4	4	4	4
Special Revenue	0	45	45	45	45	45	45
Departmental Earnings Total	3	49	49	49	49	49	49

ANIMAL HEALTH BOARD

LIVESTOCK & POULTRY HEALTH LIC

Fiscal Report

Revenue Category Description: Fees and registrations for brands, kennels, and penalties levied against violators.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To enforce health standards relating to kennels and pounds which are used to house companion animals. These standards are set by the Board of Animal Health.

Appr Name:

Legal Citation(s): M.S. 35.824, M.S. 35.95, M.S. 347.33, M.S. 35.71

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(34)	(67)	(102)	(102)	(137)	(137)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	3	4	4	4	4	4	4
Total Departmental Earnings	3	4	4	4	4	4	4
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3	4	4	4	4	4	4
Expenditures:							
Direct Expenditures	37	37	39	39	39	39	39
Indirect Expenditures							
Total Expenditures	37	37	39	39	39	39	39
Current Difference	(34)	(33)	(35)	(35)	(35)	(35)	(35)
Accumulated Ending Balance	(34)	(67)	(102)	(137)	(137)	(172)	(172)

ANIMAL HEALTH BOARD

LIVESTOCK & POULTRY HEALTH LIC

Narrative

Background Information

The Board of Animal Health routinely collects fees and levies penalties as part of its operations. Fees are collected for the following services: registering brands, licensing kennels and licensing institutions. Penalties are levied against violators of board rules. The amounts of fees and the maximum amount of penalties are set in statute.

Forecast Basis

We have reviewed and analyzed the cost factors associated with the employee time and agency assets consumed in issuing licenses and brands. We have also compared the projected costs and cost factors for the coming biennium (FY 2006 – 2007) to those of the current biennium.

Our review and analysis showed no significant changes in either the costs or cost factors between the two biennia. Therefore, we have no proposals to expand, or increase, fees and penalties during the next two years.

Recent Changes

None

Agency Analysis/Requested Changes

None

ANIMAL HEALTH BOARD

CHRONIC WASTING INSPECTION

Fiscal Report

Revenue Category Description: Fees and registrations for farmed cervidae herds.

Requesting a Fee Change: No

Purpose: Fees collected to cover the partial cost of an annual inspection of farmed cervidae, farmed cervidae facilities, and farmed cervidae records.

Fund: SPECIAL REVENUE

Appr Name: CHRONIC WASTING DISEASE RECEIP

Legal Citation(s): MS 17.452

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	45	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	45	45	45	45	45	45
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	45	45	45	45	45	45
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	45	45	45	45	45	45
<u>Expenditures:</u>							
Direct Expenditures	0	0	90	45	45	45	45
Indirect Expenditures							
Total Expenditures	0	0	90	45	45	45	45
Current Difference	0	45	(45)	0	0	0	0
Accumulated Ending Balance	0	45	0	0	0	0	0

Background Information

The Board of Animal Health routinely collects fees for the inspection of farmed cervidae, farmed cervidae facilities, and farmed cervidae records. For each herd, the owner or owners must pay an annual inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent inventory submitted to the Board of Animal Health up to a maximum fee of \$100.

Forecast Basis

We have reviewed and analyzed the cost factors associated with the employee time and agency assets consumed in inspection of farmed cervidae, farmed cervidae facilities, and farmed cervidae records. We have also compared the projected costs and cost factors for the coming biennium (FY 2006 – 2007) to those of the current biennium.

Our review and analysis showed no significant changes in either the costs or cost factors between the two biennia. Therefore, we have no proposals to expand, or increase, fees and penalties during the next two years.

Recent Changes

None

Agency Analysis/Requested Changes

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	1,238	1,627	1,357	1,357	1,357	1,357	1,357
Total Non-Dedicated Receipts	1,238	1,627	1,357	1,357	1,357	1,357	1,357
<u>Fund Totals:</u>							
General	1,238	1,627	1,357	1,357	1,357	1,357	1,357
Departmental Earnings Total	1,238	1,627	1,357	1,357	1,357	1,357	1,357

ARCHITECTURE, ENGINEERING BD

ARCHITECTURE, ENGINEERING BD

Fiscal Report

Revenue Category Description: Fees charged for examinations and licensing.

Requesting a Fee Change: No

Purpose: To recover cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 326.02 and MN Rules 1800

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,238	1,627	1,357	1,357	1,357	1,357	1,357
Total Departmental Earnings	1,238	1,627	1,357	1,357	1,357	1,357	1,357
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,238	1,627	1,357	1,357	1,357	1,357	1,357
<u>Expenditures:</u>							
Direct Expenditures	812	795	1,059	785	785	785	785
Indirect Expenditures	87	80	100	111	111	100	100
Total Expenditures	899	875	1,159	896	896	885	885
Current Difference	339	752	198	461	461	472	472

ARCHITECTURE, ENGINEERING BD

ARCHITECTURE, ENGINEERING BD

Narrative

Background Information

The board generates revenue from license exam fees, (which are a pass through), initial license application fees, license renewal fees, and fines or penalties.

Forecast Basis

The revenue forecast is based on historical data.

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	418	420	415	415	415	415	415
Total Non-Dedicated Receipts	418	420	415	415	415	415	415

<u>Fund Totals:</u>							
General	418	420	415	415	415	415	415
Departmental Earnings Total	418	420	415	415	415	415	415

ATTORNEY GENERAL

ATTORNEY GENERAL

Fiscal Report

Revenue Category Description: Registration fees paid by clubs, charities, charitable trusts and professional fund raisers.

Requesting a Fee Change: No

Purpose: Registration fees.

Fund: GENERAL

Appr Name:

Legal Citation(s): 325G.27, 309.52, 309.53, 309.531, 501B.37, 501B.38

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(2)	20	22	22	24	24
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	418	420	415	415	415	415	415
Total Departmental Earnings	418	420	415	415	415	415	415
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	418	420	415	415	415	415	415
<u>Expenditures:</u>							
Direct Expenditures	420	398	413	413	413	413	413
Indirect Expenditures							
Total Expenditures	420	398	413	413	413	413	413
Current Difference	(2)	22	2	2	2	2	2
Accumulated Ending Balance	(2)	20	22	24	24	26	26

Background Information

The Attorney General has oversight responsibility for charitable assets and has the authority to enforce Minnesota's laws governing nonprofit charitable organizations. The registration function for soliciting charitable organizations and professional fund-raisers was transferred to the Attorney General in 1997, consolidating it with the Attorney General's charitable trust registry. The purpose of the registration function is to make charities' financial information available to the public. In addition, the office conducts public education activities about charitable giving; it serves to protect money dedicated for charitable purposes and is a public resource for information about nonprofit charitable organizations in Minnesota.

Under Minnesota Statutes §§ 309.52 and 309.53, charitable organizations that solicit contributions from the public file registration documents, annual reports, financial statements with a \$25.00 registration and annual fee. There is a \$50.00 late fee for past due filings. Charitable trusts and foundations must also register and file annually pursuant to Minnesota Statutes section 501B.38. These documents and data are made accessible to the public by providing individual photocopies, copies of the computerized database via the office website. More than 7,800 charitable organizations and charitable trusts are currently registered.

Under Minnesota Statutes section 309.531, professional fundraisers must register each year with the Attorney General. The registration fee is \$200. There is a \$300 late fee for past due filings.

Minnesota Statute 325G.27 requires that the Attorney General's Office collect \$250 for a first-time registration fee for new clubs and a \$150 registration renewal fee annually for existing Health Clubs, Social Referral Clubs and Buying Clubs.

Forecast Basis

The number of charitable organizations that register with the Attorney General's Office continues to increase.

Recent Changes

None

Agency Analysis/Requested Changes

No Change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	192	187	764	764	764	764	764
Total Non-Dedicated Receipts	192	187	764	764	764	764	764

<u>Fund Totals:</u>							
General	192	187	764	764	764	764	764
Departmental Earnings Total	192	187	764	764	764	764	764

BARBER/COSMETOLOGIST EXAMRS BD

EXAMINATIONS & LICENSING

Fiscal Report

Revenue Category Description: Fees charged for exams, licenses and permits

Requesting a Fee Change: No

Purpose: To examine and license apprentices, registered barbers, instructors, shops and schools and to enforce the provisions of M.S. 154.08 and Chapter 2100.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 154.08 and MN Rules 2100

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	192	187	226	226	226	226	226
Total Departmental Earnings	192	187	226	226	226	226	226
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	192	187	226	226	226	226	226
<u>Expenditures:</u>							
Direct Expenditures	153	127	127	127	127	127	127
Indirect Expenditures							
Total Expenditures	153	127	127	127	127	127	127
Current Difference	39	60	99	99	99	99	99

BARBER/COSMETOLOGIST EXAMRS BD

EXAMINATIONS & LICENSING

Narrative

Background Information

Earnings come from licensing individuals, shops, and barber schools, as well as fines and penalties.

Forecast Basis

Estimates are based on prior years experience.

Recent Changes

None

BARBER/COSMETOLOGIST EXAMRS BD

COSMETOLOGY

Fiscal Report

Revenue Category Description: Fees for licenses and operating permits.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To protect the public by insuring that cosmetology practitioners comply with established standards of education, training, hygiene, and practice.

Appr Name:

Legal Citation(s): M.S. 155A

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	538	538	538	538	538
Total Departmental Earnings	0	0	538	538	538	538	538
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	538	538	538	538	538
<u>Expenditures:</u>							
Direct Expenditures	0	0	572	572	572	572	572
Indirect Expenditures							
Total Expenditures	0	0	572	572	572	572	572
Current Difference	0	0	(34)	(34)	(34)	(34)	(34)

BARBER/COSMETOLOGIST EXAMRS BD

COSMETOLOGY

Narrative

Background Information

Fees are collected for individual, shop, and school licenses, and for fines and penalties.

Forecast Basis

Estimates are based on prior years experience.

Recent Changes

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	0	32	124	530	530	530	530
Total Non-Dedicated Receipts	0	32	124	530	530	530	530

<u>Fund Totals:</u>							
State Government Spec Revenue	0	32	124	530	530	530	530
Departmental Earnings Total	0	32	124	530	530	530	530

BEHAVIORAL HEALTH & THERAPY BD

BEHAVIORAL HEALTH/THERAPY BD

Fiscal Report

Revenue Category Description: Fees for licensing/regulating professional counselors

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public through effective licensure and enforcement of the statutes overning the practice of professional counseling to ensure a standard of competent and ethical practice in the profession.

Appr Name:

Legal Citation(s): M.S. 148B.53, subd. 3: M.S. 148B.59(b)(7)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	(201)	(635)	(635)	(907)	(907)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	32	124	170	170	160	160
Total Departmental Earnings	0	32	124	170	170	160	160
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	32	124	170	170	160	160
Expenditures:							
Direct Expenditures	0	210	465	355	355	362	362
Indirect Expenditures	0	23	93	87	87	87	87
Total Expenditures	0	233	558	442	442	449	449
Current Difference	0	(201)	(434)	(272)	(272)	(289)	(289)
Accumulated Ending Balance	0	(201)	(635)	(907)	(907)	(1,196)	(1,196)

Background Information

The Board of Behavioral Health and Therapy was established on July 1, 2003, and began licensing professional counselors in June 2004. As of July 1, 2005, the board will take over the licensing and regulation of licensed alcohol and drug counselors from the Department of Health.

The board's goal is to protect the public through effective licensure and enforcement of the statutes and rules governing the practices of professional counselors (and alcohol and drug counselors beginning FY 2006) to ensure a standard of competent and ethical practice.

At the present the Board of Behavioral Health and Therapy is empowered to provide the following services:

- License and renew licenses of qualified professionals.
- Ensure that only applicants who meet the licensure requirements are granted a license to practice professional counseling in Minnesota.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees, including taking disciplinary or corrective action against an applicant or licensee for misconduct.
- Set the standards of practice and professional conduct for licensees.
- Set educational standards for initial licensure and for continuing education requirements for maintaining licensure.
- Provide information about licensure requirements and standards of practice to citizens and other interested persons or agencies in Minnesota and other states.
- Review applicant's education and training to determine compliance with the board's licensure requirements.

Forecast Basis

It is quite difficult to forecast revenues because this is a new board. Assumptions used in making revenue projections include estimating the number of new applicants for licensure in the next two years based on an average of the number of applications received each month for the first six months since the board began accepting applications.

Recent Changes

The Board of Behavioral health and Therapy fees were just set in May of 2004.

Requested Changes

The costs of operating the new Board of Behavior Health and Therapy will understandably be greater than the fees collected in the first two years of operation. It is possible that fee adjustments may be necessary in the next biennial budget process.

BEHAVIORAL HEALTH & THERAPY BD

A & D COUNSELORS

Fiscal Report

Revenue Category Description: License fee for alcohol and drug counselors.

Requesting a Fee Change: No

Purpose: License fee for alcohol and drug counselors. To recover the costs of regulating alcohol and drug counselor profession including enforcement of standards, examination, and investigations.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): M.S. 148C.03, Subd. 1, 148C.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(1,166)	(1,121)	(1,049)	(1,023)	(1,023)	(1,002)	(1,002)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	360	360	370	370
Total Departmental Earnings	0	0	0	360	360	370	370
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	280	328	350	0	0	0	0
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	280	328	350	360	360	370	370
Expenditures:							
Direct Expenditures	235	256	324	323	323	323	323
Indirect Expenditures	0	0	0	16	16	16	16
Total Expenditures	235	256	324	339	339	339	339
Current Difference	45	72	26	21	21	31	31
Accumulated Ending Balance	(1,121)	(1,049)	(1,023)	(1,002)	(1,002)	(971)	(971)

Background Information

The Board of Behavioral Health and Therapy was established on July 1, 2003. Beginning July 1, 2005 the Alcohol and Drug Counselor Licensing Program will be transferred from the MN Dept of Health to the Board of Behavioral Health and Therapy.

The board's goal is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of alcohol and drug counselors beginning FY 2006 to ensure a standard of competent and ethical practice.

At the present the Board of Behavioral Health and Therapy is empowered to provide the following services:

- License and renew licenses of qualified professionals.
- Ensure that only applicants who meet the licensure requirements are granted a license to practice in Minnesota.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees, including taking disciplinary or corrective action against an applicant or licensee for misconduct.
- Set the standards of practice and professional conduct for licensees.
- Set educational standards for initial licensure and for continuing education requirements for maintaining licensure.
- Provide information about licensure requirements and standards of practice to citizens and other interested persons or agencies in Minnesota and other states.
- Review applicant's education and training to determine compliance with the board's licensure requirements.

Forecast Basis

Revenue projections used were from information gathered by the Dept of Health. In the FY 03-04 biennium there was a significant level of attrition in the number of licensed, active practitioners evidenced after each license renewal. The rate of attrition in relation to the number of new and renewing licensees has implications for the projections made in FY 03 for future fee revenues and recovery of the deficit in the account. These projections forecast about 2,000 licensees in FY 2013. If during the FY 2005-06 biennium, a lower estimate of the future number of licensed ADC practitioners in Minnesota is more realistic, amortizing the deficit over the current ten-year schedule may require recalculating and adjusting the surcharge fee.

Recent Changes

The Alcohol and Drug Counselors Licensing Program fees were recently changed. There was a surcharge approved to collect revenue to cover the current deficit.

Requested Changes

The Alcohol and Drug Counselors Licensing Program will continue to collect a surcharge until 2013 to recover the current deficit.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	609	617	592	623	623	623	623
Total Non-Dedicated Receipts	609	617	592	623	623	623	623

<u>Fund Totals:</u>							
State Government Spec Revenue	609	617	592	623	623	623	623
Departmental Earnings Total	609	617	592	623	623	623	623

CHIROPRACTORS BOARD

CHIROPRACTIC LICENSING

Fiscal Report

Revenue Category Description: Fees for licenses, registrations, and exam of chiropractors.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public through effective licensure, enforcement of the statutes and rules governing the practice of chiropractic, to ensure a standard of competent and ethical practice in the profession.

Appr Name:

Legal Citation(s): M.S. 148.07, 148.08, 148.10, 319B & MN Rules 2500

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	88	(214)	(136)	(124)	(124)	(65)	(65)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	595	603	580	609	609	609	609
Total Departmental Earnings	595	603	580	609	609	609	609
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	14	13	12	14	14	14	14
<u>Resource Reductions:</u>							
Earnings Transferred Out	133	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	476	616	592	623	623	623	623
<u>Expenditures:</u>							
Direct Expenditures	467	355	427	391	391	392	392
Indirect Expenditures	311	183	153	173	173	183	183
Total Expenditures	778	538	580	564	564	575	575
Current Difference	(302)	78	12	59	59	48	48
Accumulated Ending Balance	(214)	(136)	(124)	(65)	(65)	(17)	(17)

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No changes are anticipated to the number of professionals licensed.

Recent Changes

None

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	89,878	110,922	100,337	97,840	123,592	97,720	103,472
Total Non-Dedicated Receipts	89,878	110,922	100,337	97,840	123,592	97,720	103,472

<u>Dedicated Receipts:</u>							
Special Revenue	20,143	19,780	16,585	22,487	22,487	21,787	21,787
Total Dedicated Receipts	20,143	19,780	16,585	22,487	22,487	21,787	21,787

<u>Fund Totals:</u>							
General	89,878	110,922	100,337	97,840	123,592	97,720	103,472
Special Revenue	20,143	19,780	16,585	22,487	22,487	21,787	21,787
Departmental Earnings Total	110,021	130,702	116,922	120,327	146,079	119,507	125,259

COMMERCE DEPT

COLLECTIONS

Fiscal Report

Revenue Category Description: Fees paid by collection agencies and debt collectors.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 332

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	475	1,023	1,411	1,411	1,818	1,818
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	783	911	780	780	780	780	780
Total Departmental Earnings	783	911	780	780	780	780	780
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	783	911	780	780	780	780	780
<u>Expenditures:</u>							
Direct Expenditures	239	291	323	304	304	309	309
Indirect Expenditures	69	72	69	69	69	70	70
Total Expenditures	308	363	392	373	373	379	379
Current Difference	475	548	388	407	407	401	401
Accumulated Ending Balance	475	1,023	1,411	1,818	1,818	2,219	2,219

Background Information

Minnesota Statutes require registration of individual debt collectors and licensure of collection agencies. Both individual collectors, and the agencies that employ them, pay license fees. Fee revenues are deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None

Agency Analysis/Requested Changes**Analysis:**

The increase in revenue from FY 2003 to FY 2004 is due to increased in fines against collection agencies.

Requested Changes:

No changes.

FINANCIAL INSTITUTIONS

Revenue Category Description: Fees charged for the regulation of financial institutions.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of banks, trust companies, credit unions, consumer credit companies, mortgage originators and money transmitters.

Fund: GENERAL, SPECIAL REVENUE

Appr Name: MORTGAGE ORIG CONS EDUC-ITC

Legal Citation(s): M.S.

46,47,48,52,53,53A,55,56,58,59,168,332

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	76	399	1,308	1,800	1,800	2,710	2,710
Resources:							
Dedicated Receipts	66	97	66	95	95	66	66
Non-Dedicated Receipts	5,121	5,884	5,407	5,757	5,757	5,407	5,407
Total Departmental Earnings	5,187	5,981	5,473	5,852	5,852	5,473	5,473
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,187	5,981	5,473	5,852	5,852	5,473	5,473
Expenditures:							
Direct Expenditures	4,214	4,358	4,335	4,295	4,295	4,283	4,283
Indirect Expenditures	650	714	646	647	647	649	649
Total Expenditures	4,864	5,072	4,981	4,942	4,942	4,932	4,932
Current Difference	323	909	492	910	910	541	541
Accumulated Ending Balance	399	1,308	1,800	2,710	2,710	3,251	3,251

Background Information

The department, as required by statute, recovers 103% of the cost of examining of financial institutions, including banks, credit unions, trust companies, and consumer credit companies. The department recovers the direct cost of each examination by charging an hourly rate. Institutions also pay transaction fees for services and certifications provided by the department. At the end of each fiscal year, all costs that have not been recovered are assessed to the institutions.

This earnings category also includes revenue and expenses related to mortgage originators and money transmitters.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None

Agency Analysis/Requested Changes

No changes.

COMMERCE DEPT

CURRENCY EXCHANGE

Fiscal Report

Revenue Category Description: Fees collected from currency exchange licensees.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 53A

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	47	170	259	259	349	349
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	66	145	112	112	112	112	112
Total Departmental Earnings	66	145	112	112	112	112	112
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	66	145	112	112	112	112	112
<u>Expenditures:</u>							
Direct Expenditures	15	16	18	17	17	17	17
Indirect Expenditures	4	6	5	5	5	5	5
Total Expenditures	19	22	23	22	22	22	22
Current Difference	47	123	89	90	90	90	90
Accumulated Ending Balance	47	170	259	349	349	439	439

Background Information

The department licenses currency exchanges to operate in Minnesota. Revenue from license fees is deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None.

Analysis

The increase in revenue from FY 2003 to FY 2004 is due to an increase in the number of initial license applications.

Requested Changes

The department recommends no changes.

COMMERCE DEPT

FRANCHISE

Fiscal Report

Revenue Category Description: Fees charged for franchise offerings.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 80C

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	47	129	207	207	275	275
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	301	336	327	327	327	327	327
Total Departmental Earnings	301	336	327	327	327	327	327
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	301	336	327	327	327	327	327
<u>Expenditures:</u>							
Direct Expenditures	198	200	207	215	215	213	213
Indirect Expenditures	56	54	42	44	44	44	44
Total Expenditures	254	254	249	259	259	257	257
Current Difference	47	82	78	68	68	70	70
Accumulated Ending Balance	47	129	207	275	275	345	345

Background Information

Franchisors are required to register with the department to make investment offers in Minnesota. Additionally, registered franchisors are required to file annual reports and amendments with the department. Fee revenue from registrations, filings, and amendments is deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None

Agency Analysis/Requested Changes

The department recommends no changes.

COMMERCE DEPT

INSURANCE AGENTS

Fiscal Report

Revenue Category Description: Fees charged for licensing insurance adjusters, agencies, agents and reinsurance intermediaries.

Requesting a Fee Change: Yes

Fund: GENERAL

Purpose: To recover the cost of regulation of the industry.

Appr Name:

Legal Citation(s): M.S. 60A, 60K, 72B

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	4,555	9,132	13,754	13,754	18,328	19,000
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	5,507	5,553	5,716	5,606	6,278	5,716	6,388
Total Departmental Earnings	5,507	5,553	5,716	5,606	6,278	5,716	6,388
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,507	5,553	5,716	5,606	6,278	5,716	6,388
Expenditures:							
Direct Expenditures	679	785	875	814	814	825	825
Indirect Expenditures	273	191	219	218	218	221	221
Total Expenditures	952	976	1,094	1,032	1,032	1,046	1,046
Current Difference	4,555	4,577	4,622	4,574	5,246	4,670	5,342
Accumulated Ending Balance	4,555	9,132	13,754	18,328	19,000	22,998	24,342

Background Information

- 1) The department licenses insurance agents, adjusters, and agencies to operate in Minnesota. The department also approves continuing education courses for insurance agents. Fee revenue is deposited in the General Fund.
- 2) Historically, surplus revenue from insurance agent licenses is applied against a revenue deficit from fees based on insurance company earnings reports. The overall cost of insurance regulation is recovered.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None

Agency Analysis/Requested Changes

- 1) The department submitted a change item to:
 - a) Adjust insurance agent license fees, and set all fees at a uniform level of \$50.00. Fees are currently set at \$40.00, \$75.00, and \$80.00.
 - b) Increase an insurance agency license fee to \$200.00. The fee is currently set at \$150.00.
 - c) Set fees at \$10.00 for continuing education course and coordinator renewals. Currently, there are no renewal fees.
- 2) The requested change will result in an annual revenue increase of \$672,000 on an annual base of approximately \$5,600,000.

COMMERCE DEPT

INSURANCE COMPANY

Fiscal Report

Revenue Category Description: Fees paid by insurance companies.

Requesting a Fee Change: Yes

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL, SPECIAL REVENUE

Legal Citation(s): M.S. 60A

Appr Name: INS EXAM REV FUND, INSURANCE FRAUD PREVENTION

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	1,814	2,638	674	674	(497)	(479)
<u>Resources:</u>							
Dedicated Receipts	7,498	6,018	5,279	6,000	6,000	6,000	6,000
Non-Dedicated Receipts	7,327	3,340	3,346	3,346	3,364	3,346	3,364
Total Departmental Earnings	14,825	9,358	8,625	9,346	9,364	9,346	9,364
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	14,825	9,358	8,625	9,346	9,364	9,346	9,364
<u>Expenditures:</u>							
Direct Expenditures	11,586	7,432	9,504	9,430	9,430	9,446	9,446
Indirect Expenditures	1,425	1,102	1,085	1,087	1,087	1,098	1,098
Total Expenditures	13,011	8,534	10,589	10,517	10,517	10,544	10,544
Current Difference	1,814	824	(1,964)	(1,171)	(1,153)	(1,198)	(1,180)
Accumulated Ending Balance	1,814	2,638	674	(497)	(479)	(1,695)	(1,659)

Background Information

- 1) The department licenses and audits insurance companies that operate in Minnesota. Revenue from fees for insurance companies, examinations, desk audits, and filings are deposited in either the General Fund or the Special Revenue account.
- 2) Additionally, fines and penalties can be a substantial source of revenue in any given year. It is impossible to accurately forecast the frequency and amount of fines and penalties.
- 3) Normally, revenues from fees, fines, and penalties is not sufficient to recover the full cost of regulation.
- 4) Historically, the department has combined revenues from all insurance-related fees. The combined total yields sufficient revenue to offset the full cost of regulation.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

As required by statute, the department is initiating an insurance fraud prevention unit.

Analysis

Revenue from insurance company examination fees, fines, and penalties increased substantially in FY 2003. Expenditures increased in FY 2003 because most financial examinations were conducted by contract auditors.

Requested Changes

The department submitted a change item to set a new fee for issuance of an insurance certificate of authority. The new fee will be set at \$1,500. The fee will be paid by insurance companies that submit new applications to sell insurance in Minnesota. Companies currently authorized to sell insurance in Minnesota will not be affected.

COMMERCE DEPT

REAL ESTATE

Fiscal Report

Revenue Category Description: Fees paid by the real estate industry.

Requesting a Fee Change: Yes

Fund: GENERAL, SPECIAL REVENUE

Purpose: To recover cost of regulation of the industry, to promote real estate education and research and to provide recovery for those individuals financially harmed by the actions of a real estate licensee.

Appr Name: RE EDUC, RESEARCH, & RECOV ITC

Legal Citation(s): M.S. 82, 82B, 386

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	294	1,422	2,754	3,831	3,831	5,161	5,216
Resources:							
Dedicated Receipts	421	465	455	455	455	455	455
Non-Dedicated Receipts	1,657	1,819	1,857	1,782	1,837	1,857	1,912
Total Departmental Earnings	2,078	2,284	2,312	2,237	2,292	2,312	2,367
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,078	2,284	2,312	2,237	2,292	2,312	2,367
Expenditures:							
Direct Expenditures	768	727	1,053	725	725	731	731
Indirect Expenditures	182	225	182	182	182	184	184
Total Expenditures	950	952	1,235	907	907	915	915
Current Difference	1,128	1,332	1,077	1,330	1,385	1,397	1,452
Accumulated Ending Balance	1,422	2,754	3,831	5,161	5,216	6,558	6,668

Background Information

As required by statute, the department licenses real estate agents and companies to operate in Minnesota. . Although revenue from the actual license fees is paid into the General Fund, each fee also includes an amount paid into the Real Estate Education Research and Recovery Fund (REERF).

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None.

Agency Analysis/Requested Changes

The department submitted a change item to request new fees to register or renew continuing education courses, and to request an increase for real estate appraiser license fees.

RESIDENTIAL CONTRACTOR

Fiscal Report

Revenue Category Description: Fees paid by residential building contractors, remodelers, roofers and manufactured home installers.

Requesting a Fee Change: Yes

Fund: GENERAL, SPECIAL REVENUE

Purpose: To recover the cost of regulation of the industry and to provide recovery from individuals harmed by the actions of a licensee.

Appr Name: BLDG CONT RECOVERY FUND ITC

Legal Citation(s): M.S. 326

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	4,156	4,295	2,616	3,366	3,366	4,160	4,167
Resources:							
Dedicated Receipts	1,400	1,455	1,460	1,460	1,460	1,460	1,460
Non-Dedicated Receipts	1,323	1,415	1,405	1,405	1,412	1,405	1,412
Total Departmental Earnings	2,723	2,870	2,865	2,865	2,872	2,865	2,872
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	0	2,500	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	2,723	370	2,865	2,865	2,872	2,865	2,872
Expenditures:							
Direct Expenditures	2,397	1,799	1,900	1,858	1,858	1,861	1,861
Indirect Expenditures	187	250	215	213	213	215	215
Total Expenditures	2,584	2,049	2,115	2,071	2,071	2,076	2,076
Current Difference	139	(1,679)	750	794	801	789	796
Accumulated Ending Balance	4,295	2,616	3,366	4,160	4,167	4,949	4,963

Background Information

- 1) As required by statute, the department licenses residential building contractors, remodelers, roofers, and manufactured home installers.
 - a) These regulated businesses and individuals pay license fees.
 - b) Revenue from the license fees is paid into the General Fund.
 - c) Additionally, each licensee pays a surcharge that is paid into the Contractor Recovery Fund.
- 2) The department also approves courses and coordinators for the statutorily required continuing education of building contractors. The department proposes to set a new fee to renew its approval of courses and coordinators.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

2.5 million was transferred to the General Fund from the Contractor Recovery Fund in FY 2004.

Agency Analysis/Requested Changes

The department has submitted a change item to establish a \$10.00 fee for continuing education course and coordinator renewals. The fee is expected to generate revenue of \$7,000 per year.

COMMERCE DEPT

SECURITIES

Fiscal Report

Revenue Category Description: Fees paid for investment offering registrations and securities licensing.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 80A, 80B

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	31,746	68,620	99,600	99,600	130,556	130,556
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	32,178	37,340	31,420	31,420	31,420	31,420	31,420
Total Departmental Earnings	32,178	37,340	31,420	31,420	31,420	31,420	31,420
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	32,178	37,340	31,420	31,420	31,420	31,420	31,420
<u>Expenditures:</u>							
Direct Expenditures	328	337	351	370	370	367	367
Indirect Expenditures	104	129	89	94	94	95	95
Total Expenditures	432	466	440	464	464	462	462
Current Difference	31,746	36,874	30,980	30,956	30,956	30,958	30,958
Accumulated Ending Balance	31,746	68,620	99,600	130,556	130,556	161,514	161,514

Background Information

As required by statute, the department licenses securities agents and brokers, and collects registration and amendment fees for all investment offerings in Minnesota. Registration fees are set at 1/20 of 1% of the offering price, with an annual revenue cap of \$25 million. The department also generates revenue from fines and penalties. These revenues are also deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None.

Analysis

Increased in revenue in FY 2004 is due to increased fines and penalties.

Requested Changes

The department recommends no changes.

UNCLAIMED PROPERTY

Revenue Category Description: Unclaimed Property remitted to the state on behalf of Minnesota owners.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover and return abandoned property to rightful owners or heirs.

Appr Name:

Legal Citation(s): M.S. 345

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	43,495	103,860	158,370	158,370	213,025	238,025
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	43,944	60,944	55,175	55,175	80,175	55,175	60,175
Total Departmental Earnings	43,944	60,944	55,175	55,175	80,175	55,175	60,175
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	43,944	60,944	55,175	55,175	80,175	55,175	60,175
Expenditures:							
Direct Expenditures	345	457	563	435	435	359	359
Indirect Expenditures	104	122	102	85	85	83	83
Total Expenditures	449	579	665	520	520	442	442
Current Difference	43,495	60,365	54,510	54,655	79,655	54,733	59,733
Accumulated Ending Balance	43,495	103,860	158,370	213,025	238,025	267,758	297,758

Background Information

Holders of unclaimed property (except real property) are required to remit the abandoned property to the department. Abandonment is defined by statute. The department holds the unclaimed property indefinitely until it is claimed by a rightful owner or heir. Cash and liquidated assets are deposited in the General Fund. The department annually advertises the names of owners of newly received unclaimed property. The department also maintains a database of all unclaimed property. The database is accessible through the department's web site.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None.

Agency Analysis/Requested Changes**Analysis:**

Unclaimed property receipts increased in FY 2004. The increase was the result of improved collection methods, and the demutualization of two large national insurance companies.

Requested Change:

The department submitted a change item to accelerate the sale of securities being held as unclaimed property. The result will be a revenue increase \$25 million in FY 2006 and \$5 million in FY 2007.

COMMERCE DEPT

WC/SI

Fiscal Report

Revenue Category Description: Fees paid by entities interested in self insuring auto and workers compensation liability.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover the cost of regulation of the industry.

Appr Name:

Legal Citation(s): M.S. 65B, 70A, 79, 176

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(182)	(255)	(353)	(353)	(448)	(448)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	619	651	650	650	650	650	650
Total Departmental Earnings	619	651	650	650	650	650	650
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	619	651	650	650	650	650	650
Expenditures:							
Direct Expenditures	722	643	651	648	648	649	649
Indirect Expenditures	79	81	97	97	97	97	97
Total Expenditures	801	724	748	745	745	746	746
Current Difference	(182)	(73)	(98)	(95)	(95)	(96)	(96)
Accumulated Ending Balance	(182)	(255)	(353)	(448)	(448)	(544)	(544)

Background Information

Companies that self insure for workers compensation are required to pay application and filing fees to operate in Minnesota. Normally, revenue from these fees is not sufficient to recover the cost of regulation. However, the department has historically combined revenues from insurance company fees, insurance agent fees, workers compensation fees, and self-insurance fees to yield revenues that are sufficient to recover the total cost of regulation. Revenue from all fees is deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

None

Agency Analysis/Requested Changes

The department recommends no changes.

COMMERCE DEPT

ENERGY COST ASSESSMENT

Fiscal Report

Revenue Category Description: Assessment of Regulatory and Reliability Administrator costs to Gas and Electric Utilities

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: Recover the cost of the Department's analysis, advocacy, and regulatory functions with respect to regulated gas and electric utilities. Reimburse the Department of Commerce for costs associated with the office of the Reliability Administrator and for the transfer to the Department of Administration.

Appr Name: ENERGY PLANNING & SYSTEMS

Legal Citation(s): M.S.216B.62, Subd 2,3,5; 216C.261; 216C.052

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(439)	(61)	(61)	(61)	(61)	(61)
<u>Resources:</u>							
Dedicated Receipts	238	1,037	549	882	882	0	0
Non-Dedicated Receipts	2,790	3,395	3,682	3,670	3,670	3,711	3,711
Total Departmental Earnings	3,028	4,432	4,231	4,552	4,552	3,711	3,711
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,028	4,432	4,231	4,552	4,552	3,711	3,711
<u>Expenditures:</u>							
Direct Expenditures	2,516	3,000	3,353	3,666	3,666	2,825	2,825
Indirect Expenditures	951	1,054	878	886	886	886	886
Total Expenditures	3,467	4,054	4,231	4,552	4,552	3,711	3,711
Current Difference	(439)	378	0	0	0	0	0
Accumulated Ending Balance	(439)	(61)	(61)	(61)	(61)	(61)	(61)

Background Information

As required by statute, the department recovers the cost of regulating gas and electric utilities. The regulated companies are assessed for the following costs:

- a) Five electric investor owned electric utilities, six investor owned gas utilities, and one cooperative company are assessed for the full cost of regulation. Costs assessed to these companies include 100% of the direct and indirect regulatory costs (including statewide indirect costs) incurred by the Department of Commerce and the Attorney General.
- b) Municipal gas and electric services are assessed for service area filings and analysis of integrated resource plans.
- c) Public utilities, cooperatives, and municipalities are assessed for the Department's alternative energy engineering activities.

Assessments are limited by statute. These limitations include:

- a) Direct costs assessments are limited to two-fifths of one percent of each company's annual gross revenue.
- b) Indirect cost assessments are limited to one-sixth of one percent of each company's annual gross revenue.

Typically, regulatory costs incurred against a company do not exceed the direct cost limitation. Revenue is deposited on a cash basis while expenditures are reported on an accrual basis. In any given fiscal year revenues may not equal expenditures because:

- a) The department, as required by statute, bills in advance for indirect costs.
- b) The department completes a make-whole settlement after the close of each fiscal year.
- c) There are statutory assessments limits.
- d) A small amount of accounts receivable may be outstanding.

Additionally, the department assesses regulated public utilities for the full cost of the Reliability Administrator, and for a transfer of up to \$500,000 per year to the Department of Administration. Funds are transferred to the Department of Administration to develop sustainable building design guidelines for Minnesota builders, and to produce and maintain an energy usage database for all public buildings in Minnesota.

Forecast Basis

Forecast is based on requested funding for gas and electric utility regulation and for the Reliability Administrator. The department assumes 100% of the appropriation will be expended and 100% of the cost will be recovered. The Reliability Administrator program sunsets June 30, 2006.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes requested.

COMMERCE DEPT

TELEPHONE COSTS ASSESSMENT

Fiscal Report

Revenue Category Description: Telephone Cost Assessment

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Recover the cost of the Department's analysis, advocacy, and regulatory operations with respect to regulated telephone companies.

Appr Name: TELEPHONE INVESTIGATION

Legal Citation(s): M.S. 237.295; 237.30

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(1,300)	(317)	(512)	(307)	(307)	(307)	(307)
Resources:							
Dedicated Receipts	3,541	1,812	2,118	2,234	2,234	2,214	2,214
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	3,541	1,812	2,118	2,234	2,234	2,214	2,214
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,541	1,812	2,118	2,234	2,234	2,214	2,214
Expenditures:							
Direct Expenditures	1,334	1,032	1,085	1,170	1,170	1,141	1,141
Indirect Expenditures	1,224	975	828	1,064	1,064	1,073	1,073
Total Expenditures	2,558	2,007	1,913	2,234	2,234	2,214	2,214
Current Difference	983	(195)	205	0	0	0	0
Accumulated Ending Balance	(317)	(512)	(307)	(307)	(307)	(307)	(307)

Background Information

The department assesses the full cost of telephone regulation to the regulated companies. Approximately 470 regulated telephone companies are assessed for the following costs:

- a) 100% of the direct and the indirect cost of regulation (including statewide indirect costs) incurred by the Department of Commerce and the Attorney General.

These assessments are limited by statute. The limitations are:

- a) Direct cost assessments are limited to two-fifths of one percent of each company's annual gross revenue.
- b) Indirect cost assessments are limited to one-eighth of one percent of each company's annual gross revenues.

Typically, the assessment to some small telephone companies (70 to 90 companies each year) exceeds the direct cost limit. These cases result in a revenue loss ranging from \$20,000 to \$100,000 per fiscal year. Revenue is deposited on a cash basis while expenditures are reported on an accrual basis.

In a given year, revenues may not equal expenditures because:

- a) The department, as required by statute, bills in advance for indirect costs.
- b) The department completes a make-whole settlement after the close of the fiscal year.
- c) There are statutory limitations on assessments.
- d) A small amount of accounts receivable may be outstanding.

Except for a \$25,000 balance that rolls forward to the next fiscal year, receipts for this account cancel to the general fund at the close of each fiscal year.

Forecast Basis

Forecast is based on requested funding for telephone regulation. The Department assumes 100% of the appropriation will be expended, and 100% of the cost will be recovered.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes requested.

WEIGHTS & MEASURES

Revenue Category Description: Weights and Measures Inspection Fee

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Revenue from the fee recovers the cost of inspecting weighing and measuring equipment, inspecting packaged commodities, and providing metrology laboratory services.

Appr Name:

Legal Citation(s): M.S. 239.101, Subd. 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	92	95	65	65	35	35
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,270	1,405	1,392	1,382	1,382	1,386	1,386
Total Departmental Earnings	1,270	1,405	1,392	1,382	1,382	1,386	1,386
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,270	1,405	1,392	1,382	1,382	1,386	1,386
<u>Expenditures:</u>							
Direct Expenditures	1,170	1,393	1,378	1,368	1,368	1,373	1,373
Indirect Expenditures	8	9	44	44	44	44	44
Total Expenditures	1,178	1,402	1,422	1,412	1,412	1,417	1,417
Current Difference	92	3	(30)	(30)	(30)	(31)	(31)
Accumulated Ending Balance	92	95	65	35	35	4	4

Background Information

The department recovers the full cost of providing weights and measures services. Fees are paid by approximately 5,000 businesses. Costs are recovered by charging cost-based fees for:

- a) Inspecting and testing commercial weighing and measuring equipment.
- b) Inspecting the net contents of prepackaged commodities.
- c) Metrology laboratory calibration services.

Forecast Basis

Earnings forecast is based on the number of inspections and laboratory calibrations projected for each fiscal year, multiplied by the appropriate fee.

Recent Changes

The department requested, and was granted a fee increase in 2004.

Agency Analysis/Requested Changes

No changes requested.

COMMERCE DEPT

TAM

Fiscal Report

Revenue Category Description: Revenue from TAM Surcharge.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Provide funding for systems that make Minnesota's telephone network fully accessible to the deaf and hard of hearing communities.

Appr Name: TAM

Legal Citation(s): M.S. 237.50-237.56

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	3,935	3,494	5,549	3,077	3,077	2,069	2,069
<u>Resources:</u>							
Dedicated Receipts	6,422	8,410	6,258	7,726	7,726	7,957	7,957
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	6,422	8,410	6,258	7,726	7,726	7,957	7,957
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6,422	8,410	6,258	7,726	7,726	7,957	7,957
<u>Expenditures:</u>							
Direct Expenditures	6,707	6,149	8,611	8,611	8,611	8,611	8,611
Indirect Expenditures	156	206	119	123	123	127	127
Total Expenditures	6,863	6,355	8,730	8,734	8,734	8,738	8,738
Current Difference	(441)	2,055	(2,472)	(1,008)	(1,008)	(781)	(781)
Accumulated Ending Balance	3,494	5,549	3,077	2,069	2,069	1,288	1,288

Background Information

- 1) The department contracts through its Telecommunications Access Minnesota (TAM) program, for special telecommunications services for eligible deaf, hard-of-hearing, speech-impaired, and mobility-impaired Minnesotans. These contracts include:
 - a) The Minnesota Relay facilitates communications between persons using specialized telecommunications devices, and persons using standard telephones.
 - b) An Interagency Agreement with the Department of Human Service, Telephone Equipment Distribution Program, to provide a wide variety of assistive listening and telecommunications devices at no charge to eligible persons.
 - c) Outreach services to eligible deaf, hard-of-hearing, speech-impaired, and mobility-impaired communities in Minnesota.
- 2) Revenue to fund these contracts is generated by a surcharge on all wired and wireless telephone access lines.
 - a) Minnesota Statutes set a maximum for the surcharge at \$0.20 per month per access line.
 - b) The Public Utilities Commission sets the actual amount of the surcharge based on recommendations from the Department of Commerce.

Forecast Basis

Due to anticipated increases in CapTel usage, the department anticipates increasing the surcharge to \$0.12 per access line per month in both FY 2006 and FY 2007.

Recent Changes

- 1) In FY 2003, the surcharge was set at \$0.10.
- 2) In FY 2004 the department added Captioned Telephone Service (CapTel) in Minnesota. CapTel is a promising new telecommunications technology utilized by hard-of-hearing individuals who, despite using amplified devices, still have trouble using the telephone.
- 3) In FY 2004, the surcharge was increased to \$0.13 to accommodate the additional costs anticipated for CapTel.
- 4) The department estimates that additional costs associated with CapTel, outreach, and equipment distribution will be \$2,300,600 in FY 2005.
- 5) The surcharge was reduced to \$0.10 per access line per month on October 1, 2004. The department requested this temporary reduction to reduce a surplus in the TAM fund. The fund showed a surplus because CapTel usage increased at a slower than anticipated rate.

Agency Analysis/Requested Changes

No changes requested.

COMMERCE DEPT

PETROLEUM

Fiscal Report

Revenue Category Description: Weights and Measures
Petroleum Inspection Fee and Oil Burner Retrofit Account

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Revenue from the fee recovers the cost of
petroleum equipment inspections and petroleum quality
inspections.

Appr Name: PETROLEUM INSPECTION

Legal Citation(s): M.S. 239.101, Subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	1,665	3,617	6,136	6,136	8,717	8,717
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	0	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In	0	0	618	618	618	618	618
Rev Collected at Other Agency	3,567	3,658	3,719	3,775	3,775	3,832	3,832
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,567	3,658	4,337	4,393	4,393	4,450	4,450
<u>Expenditures:</u>							
Direct Expenditures	1,889	1,694	1,762	1,756	1,756	1,753	1,753
Indirect Expenditures	13	12	56	56	56	56	56
Total Expenditures	1,902	1,706	1,818	1,812	1,812	1,809	1,809
Current Difference	1,665	1,952	2,519	2,581	2,581	2,641	2,641
Accumulated Ending Balance	1,665	3,617	6,136	8,717	8,717	11,358	11,358

Background Information

The Petroleum Inspection Fee is set by statute, at \$1.00 per 1,000 gallons, to recover the following costs:

- a) Inspecting and testing petroleum-related weighing and measuring equipment.
- b) A \$408,000 appropriation to the oil burner retrofit program administered by the Department of Commerce.
- c) Monitoring Minnesota's supply and inventory of petroleum products.

The Petroleum Inspection Fee is collected by the Commissioner of Revenue. Receipts are deposited in both the General Fund and Special Revenue Fund.

The fee is paid by licensed petroleum distributors. Eighty-five percent of the revenue from the fee is deposited in the General Fund. Fifteen percent of the revenue is deposited in a Special Revenue fund to offset the cost of inspecting and testing of petroleum-related weighing and measuring equipment.

Forecast Basis

The earnings forecast is based on the estimated number of gallons of petroleum that will be sold in a fiscal year, multiplied by the fee.

Recent Changes

In FY 2004, the fee was increased to ensure continued funding of petroleum related inspections conducted by the department. The fee had been set at \$0.85 per 1,000 gallons. It was increased to \$1.00 per 1,000 gallons. Revenue from the \$0.15 increase is deposited in a Special Revenue fund. Revenue from the remaining \$0.85 fee is deposited in the General Fund.

Agency Analysis/Requested Changes**Revenue Analysis****\$ in 1,000's**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
Weights and Measures	1,902	1,207	1,818	1,812	1,809
Oil Burner Retrofit	287	388	428	408	408
Petroleum Monitoring	52	4	4	4	4

Requested Changes

No Changes Requested.

COMMERCE DEPT

PROPANE

Fiscal Report

Revenue Category Description: Liquid Petroleum Gas Sales Fee

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Revenue from the fee funds energy efficiency improvements to low-income homes using liquefied petroleum gas heating equipment.

Appr Name: RESIDENTIAL PROPANE

Legal Citation(s): M.S. 239.785

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	669	742	350	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	557	486	400	400	400	400	400
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	557	486	400	400	400	400	400
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	500	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	557	(14)	400	400	400	400	400
<u>Expenditures:</u>							
Direct Expenditures	484	378	750	400	400	400	400
Indirect Expenditures							
Total Expenditures	484	378	750	400	400	400	400
Current Difference	73	(392)	(350)	0	0	0	0
Accumulated Ending Balance	742	350	0	0	0	0	0

Background Information

As required by statute, a fee is charged on all Minnesota sales of liquefied petroleum gas (LPG). Revenue from the fee is collected by the Department of Revenue, and disbursed by the Department of Commerce to non-profit weatherization programs. The weatherization programs work to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income homes. Revenue is generated from a one-cent per gallon fee on LPG when it is sold at a terminal. Thirteen companies paid the fee in FY 2004.

Forecast Basis

None.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes requested.

COMMERCE DEPT

AUTO THEFT PREVENTION

Fiscal Report

Revenue Category Description: Auto theft prevention program.

Requesting a Fee Change: No

Purpose: Implement statewide plans, programs, and strategies to combat automobile theft.

Fund: SPECIAL REVENUE

Appr Name: AUTO THEFT PREVENTION

Legal Citation(s): M.S. 65B.84

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	3,235	3,235	3,235	3,235
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	0	3,235	3,235	3,235	3,235
<u>Other Resources:</u>							
Earnings Transferred In	0	0	0	283	283	0	0
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	0	0	1,300	1,300	1,300	1,300
Rev Collected for Other Agency							
Current Year Resources	0	0	0	2,218	2,218	1,935	1,935
<u>Expenditures:</u>							
Direct Expenditures	0	0	0	2,218	2,218	1,935	1,935
Indirect Expenditures							
Total Expenditures	0	0	0	2,218	2,218	1,935	1,935
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

As required by statute, insurers that write automobile insurance policies collect a surcharge of \$0.50 per vehicle for each six months of coverage. The surcharge is remitted to the department, and deposited in a special revenue account. Of the revenue received each year, the first \$1.3 million is transferred to the General Fund. Revenue in excess of \$1.3 million is used to fund the automobile theft prevention program.

Forecast Basis

The forecast is based on historical data.

Recent Changes

On July 1, 2005 this program will be transferred from the Department of Public Safety to the Department of Commerce.

Agency Analysis/Requested Changes

The department recommends no changes.

COMMERCE DEPT

TELEMARKETING

Fiscal Report

Revenue Category Description: Revenue from sales of Do-Not-Call Lists to Telemarketing Firms

Requesting a Fee Change: No

Fund: GENERAL

Purpose: The purpose of the Minnesota Do-Not-Call program is to reduce the number of unwanted telephone solicitations received by Minnesota residents who register their telephone numbers with the Department of Commerce.

Appr Name:

Legal Citation(s): M.S. 325E.314

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(229)	(455)	(924)	(924)	(1,230)	(1,230)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	107	31	20	20	20	20	20
Total Departmental Earnings	107	31	20	20	20	20	20
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	0	0	100	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	107	31	(80)	20	20	20	20
Expenditures:							
Direct Expenditures	317	200	365	301	301	301	301
Indirect Expenditures	19	57	24	25	25	25	25
Total Expenditures	336	257	389	326	326	326	326
Current Difference	(229)	(226)	(469)	(306)	(306)	(306)	(306)
Accumulated Ending Balance	(229)	(455)	(924)	(1,230)	(1,230)	(1,536)	(1,536)

Background Information

Laws enabling the Minnesota Do-Not-Call program became effective on July 1, 2002. The department began registering residential telephone numbers in the program on January 1, 2003. In accordance with statutory requirements, the department began charging telemarketing firms for each Do-Not-Call list they were required to purchase. Fees were set as follows:

- a) \$125 in FY 2003
- b) \$90 in FY 2004
- c) \$75 in FY 2005 and thereafter

Forecast Basis

The forecast is based on data from the past two years.

Recent Changes

None

Agency Analysis/Requested Changes

Revenue from list sales has dropped significantly due to the implementation of a national Do-Not-Call list.

COMMERCE DEPT

MISCELLANEOUS COMMERCE

Fiscal Report

Revenue Category Description: Commerce combined five small earning categories into this miscellaneous account.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: The recover the cost of regulation of the industries. The five earning categories were campground, subdivided land, athlete agent, cig & tobacco license and fee, and overpayment all fees.

Appr Name:

Legal Citation(s): M.S. 81A, 82A, 83, 325D

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	74	296	399	399	502	502
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	234	276	158	158	158	158	158
Total Departmental Earnings	234	276	158	158	158	158	158
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	234	276	158	158	158	158	158
Expenditures:							
Direct Expenditures	133	47	49	49	49	48	48
Indirect Expenditures	27	7	6	6	6	6	6
Total Expenditures	160	54	55	55	55	54	54
Current Difference	74	222	103	103	103	104	104
Accumulated Ending Balance	74	296	399	502	502	606	606

COMMERCE DEPT**MISCELLANEOUS COMMERCE**

Narrative

Background Information

At the beginning of the last budget cycle, the department combined five small earnings categories into a single miscellaneous account. The five categories include license fee payments for campgrounds, subdivided land, student athlete agents, cigarettes and tobacco, and overpayments from all fees.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

Registration of student athlete agents began on 01/01/2003

Agency Analysis/Requested Changes**Analysis**

\$s in 1,000s

	FY03	FY04	FY05	FY06	FY07
Revenue:					
Campground	1	1	1	1	1
Subdivided Land	68	40	40	40	40
Athlete Agents	1	2	2	2	2
Cigarettes and Tobacco	142	211	105	105	105
Overpayments	22	22	10	10	10
Total	234	276	158	158	158
Expenses:					
Campground	8	8	8	8	8
Subdivided Land	26	26	27	26	26
Athlete Agent	28	0	0	0	0
Cigarettes and Tobacco	98	20	20	20	20
Overpayments	0	0	0	0	0
Total	160	54	55	54	54
Difference:					
Campground	(7)	(7)	(7)	(7)	(7)
Subdivided Land	42	13	13	14	14
Athlete Agent	(27)	2	2	2	2
Cigarettes and Tobacco	44	191	85	85	85
Overpayments	22	22	10	10	10
Total	74	222	103	103	103

Requested Changes:

None

COMMERCE DEPT

NOTARIES

Fiscal Report

Revenue Category Description: Fees paid by notaries public.

Requesting a Fee Change: No

Purpose: To recover cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 359.01

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	373	334	2,640	0	0	0	0
Total Departmental Earnings	373	334	2,640	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	373	334	2,640	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	112	113	156	0	0	0	0
Indirect Expenditures	32	26	30	0	0	0	0
Total Expenditures	144	139	186	0	0	0	0
Current Difference	229	195	2,454	0	0	0	0

Background Information

As required by statute and by the Minnesota Constitution, the department commissions notaries public. The commission fee is set at \$40.00. Revenue from the fee is deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

Commissioning of notaries public will be transferred to the Secretary of State on July 1, 2005.

Agency Analysis/Requested Changes

An historical pattern in notary public commissions will result in a substantial revenue increase in FY 2005.

COMMERCE DEPT

COSMETOLOGY

Fiscal Report

Revenue Category Description: Fees charged to the cosmetology industry.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the industry.

Fund: GENERAL

Legal Citation(s): M.S. 155A

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	612	595	0	0	0	0	0
Total Departmental Earnings	612	595	0	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	612	595	0	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	155	157	0	0	0	0	0
Indirect Expenditures	44	48	0	0	0	0	0
Total Expenditures	199	205	0	0	0	0	0
Current Difference	413	390	0	0	0	0	0

Background Information

The department licenses cosmetology operators, businesses, managers, schools, and salons that operate in Minnesota. License fee revenues are deposited in the General Fund.

Forecast Basis

The forecast is based on data from the past three years.

Recent Changes

Cosmetology licensing was transferred to the Board of Barbers and Cosmetology Examiners, effective July 1, 2004. However, the department continues to provide services until the Board is ready to assume the responsibilities.

Agency Analysis/Requested Changes

No changes.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	9,630	8,008	8,348	8,348	8,348	8,348	8,348
Total Non-Dedicated Receipts	9,630	8,008	8,348	8,348	8,348	8,348	8,348

<u>Dedicated Receipts:</u>							
Special Revenue	8,807	8,069	8,671	8,689	8,689	8,664	8,664
Miscellaneous Agency	0	2	0	0	0	0	0
Correctional Industries	1,004	943	1,159	1,271	1,271	1,398	1,398
Total Dedicated Receipts	9,811	9,014	9,830	9,960	9,960	10,062	10,062

<u>Fund Totals:</u>							
General	9,630	8,008	8,348	8,348	8,348	8,348	8,348
Special Revenue	8,807	8,069	8,671	8,689	8,689	8,664	8,664
Miscellaneous Agency	0	2	0	0	0	0	0
Correctional Industries	1,004	943	1,159	1,271	1,271	1,398	1,398
Departmental Earnings Total	19,441	17,022	18,178	18,308	18,308	18,410	18,410

CORRECTIONS DEPT

FEE FOR SERVICES JUVENILE

Fiscal Report

Revenue Category Description: Department juvenile facilities provide, on a per diem basis, juvenile programming.

Purpose: Costs of operating juvenile programs are recovered by charging counties actual per diems for services provided at Thistledeew Camp.

Legal Citation(s): M.S. 242.192

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Appr Name: TC SPECIAL EDUCATION, TC USE OF FACILITIES, TC WILDERNESS ENDEAVORS EDUC, TC WILDERNESS ENDEAVORS FEMALE, TC WILDERNESS ENDEAVORS PROG

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,283	862	574	419	419	437	437
<u>Resources:</u>							
Dedicated Receipts	3,066	2,589	3,160	3,160	3,160	3,160	3,160
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	3,066	2,589	3,160	3,160	3,160	3,160	3,160
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,066	2,589	3,160	3,160	3,160	3,160	3,160
<u>Expenditures:</u>							
Direct Expenditures	3,196	2,656	3,097	2,924	2,924	2,924	2,924
Indirect Expenditures	291	221	218	218	218	218	218
Total Expenditures	3,487	2,877	3,315	3,142	3,142	3,142	3,142
Current Difference	(421)	(288)	(155)	18	18	18	18
Accumulated Ending Balance	862	574	419	437	437	455	455

CORRECTIONS DEPT

FEE FOR SERVICES JUVENILE

Narrative

Background Information

Counties pay a per diem for utilization of programming at Thistledeew Camp as follows: Residential Program \$154.00, Wilderness Program \$140.00, Education \$82.21,

Forecast Basis

No changes are anticipated in the amount of revenue generated in the upcoming biennium from this fee.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes in the fee structure are recommended at this time.

CORRECTIONS DEPT

HOUSING ADULT INMATES

Fiscal Report

Revenue Category Description: Receipts from housing inmates are generated when the DOC enters into agreements with units of govt.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The purpose of generating these receipts is to allow the department to fund essential correctional projects.

Appr Name: DED REC-SPEC PROJ-CONTROL, HOUSING INMATES-MCF-RUSH CITY

Legal Citation(s): M.S. 243.51

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,527	2,376	2,998	452	452	285	285
<u>Resources:</u>							
Dedicated Receipts	2,171	2,000	1,626	1,626	1,626	1,626	1,626
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,171	2,000	1,626	1,626	1,626	1,626	1,626
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,171	2,000	1,626	1,626	1,626	1,626	1,626
<u>Expenditures:</u>							
Direct Expenditures	2,303	1,365	4,158	1,779	1,779	1,779	1,779
Indirect Expenditures	19	13	14	14	14	14	14
Total Expenditures	2,322	1,378	4,172	1,793	1,793	1,793	1,793
Current Difference	(151)	622	(2,546)	(167)	(167)	(167)	(167)
Accumulated Ending Balance	2,376	2,998	452	285	285	118	118

CORRECTIONS DEPT

HOUSING ADULT INMATES

Narrative

Background Information

Units of government pay the department for housing offenders. The receipts are utilized for correctional purposes.

Forecast Basis

Revenue generated is expected to remain relatively constant in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

TRAINING CENTER USAGE FEES

Fiscal Report

Revenue Category Description: Earnings represent fees for services and materials charged to users of department training.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The Corrections Department provides relevant training to correctional employees from Minnesota and other units of government. The department is recovering a portion of the costs of the training.

Appr Name: TRAINING RECEIPTS

Legal Citation(s): M.S. 241.01, Subd 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	2	0	0	0	0
Resources:							
Dedicated Receipts	0	19	2	2	2	2	2
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	19	2	2	2	2	2
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	19	2	2	2	2	2
Expenditures:							
Direct Expenditures	0	17	4	2	2	2	2
Indirect Expenditures							
Total Expenditures	0	17	4	2	2	2	2
Current Difference	0	2	(2)	0	0	0	0
Accumulated Ending Balance	0	2	0	0	0	0	0

CORRECTIONS DEPT

TRAINING CENTER USAGE FEES

Narrative

Background Information

Earnings represent fees for services and materials charged to users of department training.

Forecast Basis

Sporadic, minimal fee collection indicates a low rate of fee generation in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the agency fee structure.

CORRECTIONS DEPT

AID TO VICTIM OF CRIME

Fiscal Report

Revenue Category Description: Offenders are assessed a portion of their pay to fund a Crime Victims Fund.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The purpose of collecting these receipts is to provide funding to programs established by law to aid victims of crime. Receipts are transferred to the Crime Victim Services Center for disbursement.

Appr Name: AID TO VICTIMS OF CRIME CONTRL

Legal Citation(s): M.S. 243.23, Subd.3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2	0	0	0	0	0	0
Resources:							
Dedicated Receipts	239	221	259	259	259	259	259
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	239	221	259	259	259	259	259
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	241	221	259	259	259	259	259
Rev Collected for Other Agency							
Current Year Resources	(2)	0	0	0	0	0	0
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	(2)	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

CORRECTIONS DEPT

AID TO VICTIM OF CRIME

Narrative

Background Information

A portion of inmate pay is withheld and deposited in the Crime Victims Fund. Receipts collected are transferred to the Crime Victim Services Center.

Forecast Basis

No changes are anticipated in the amount of revenue generated from this earnings deduction.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

VOCATIONAL WORK PROGRAM

Fiscal Report

Revenue Category Description: Fees generated from offender work on various institution and community projects.

Requesting a Fee Change: No

Purpose: Various vocational programs keep offenders productively occupied by providing work opportunities.

Fund: SPECIAL REVENUE

Appr Name: Various

Legal Citation(s): M.S. 16A.72 (8)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	308	538	269	268	268	267	267
Resources:							
Dedicated Receipts	1,699	1,527	1,920	1,920	1,920	1,920	1,920
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,699	1,527	1,920	1,920	1,920	1,920	1,920
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,699	1,527	1,920	1,920	1,920	1,920	1,920
Expenditures:							
Direct Expenditures	1,416	1,729	1,844	1,844	1,844	1,844	1,844
Indirect Expenditures	53	67	77	77	77	77	77
Total Expenditures	1,469	1,796	1,921	1,921	1,921	1,921	1,921
Current Difference	230	(269)	(1)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	538	269	268	267	267	266	266

Background Information

Offenders working on various institution and community projects generate dedicated revenue, which is utilized to support the various vocational work programs. Programs currently exist at MCF-Faribault, MCF-Lino Lakes, MCF-Stillwater, MCF-St Cloud and MCF-Red Wing.

Forecast Basis

No changes are anticipated in the amount of revenue generated from this fee.

Recent Changes

During the current biennium additional ICWC (Institution Community Work Crew) crews have been added at MCF- Lino Lakes, and MCF-Stillwater.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

STAFF VISITOR MEALS

Fiscal Report

Revenue Category Description: Fees for meals provided to staff and visitors at facilities are appropriated to the commissioner.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The commissioner may provide meals for staff and visitors for efficiency of operation and may require the participants to pay all or part of the costs of the meals. Funds collected are appropriated to the commissioner to pay all or part of the costs of the meals.

Appr Name: Various

Legal Citation(s): M.S. 241.01, Subd.7

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	10	9	6	6	6	6	6
<u>Resources:</u>							
Dedicated Receipts	76	72	85	85	85	85	85
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	76	72	85	85	85	85	85
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	76	72	85	85	85	85	85
<u>Expenditures:</u>							
Direct Expenditures	76	72	81	81	81	81	81
Indirect Expenditures	1	3	4	4	4	4	4
Total Expenditures	77	75	85	85	85	85	85
Current Difference	(1)	(3)	0	0	0	0	0
Accumulated Ending Balance	9	6	6	6	6	6	6

CORRECTIONS DEPT

STAFF VISITOR MEALS

Narrative

Background Information

Staff and visitors pay for meals provided at the correctional facilities. Fees collected recover the cost of the meals.

Forecast Basis

No changes are anticipated in the amount of revenue generated from these fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

LINO-ANOKA SERVICE AGREEMENT

Fiscal Report

Revenue Category Description: Agreement with Anoka County for products and services.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: MCF - Lino Lakes provides Anoka County Community Corrections with food services, sewer and water, plant maintenance, electricity, laundry services, and garbage services per a joint powers agreement.

Appr Name: MCF-LL/ANOKA SERVICE AGREEMNT

Legal Citation(s): M.S. 241.01, Subd.7

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	90	66	58	58	58	58	58
<u>Resources:</u>							
Dedicated Receipts	537	548	600	600	600	600	600
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	537	548	600	600	600	600	600
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	537	548	600	600	600	600	600
<u>Expenditures:</u>							
Direct Expenditures	515	514	560	560	560	560	560
Indirect Expenditures	46	42	40	40	40	40	40
Total Expenditures	561	556	600	600	600	600	600
Current Difference	(24)	(8)	0	0	0	0	0
Accumulated Ending Balance	66	58	58	58	58	58	58

Background Information

Anoka County Community Corrections reimburses MCF-Lino Lakes for food services, sewer and water, plant maintenance, electricity, laundry services and garbage services.

Forecast Basis

No changes are anticipated in the amount of revenue generated from this fee.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

OUT OF STATE JUV JAIL INSPEC

Fiscal Report

Revenue Category Description: Guidelines for courts in placing juveniles in a residential or detention facility outside of MN.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To recover the costs incurred in certifying juvenile out-of-state residential or detention facilities .

Appr Name: OUT-OF-STATE JUVENILE INSPECTN

Legal Citation(s): M.S. 260.185

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	95	88	93	78	78	78	78
<u>Resources:</u>							
Dedicated Receipts	45	73	45	70	70	45	45
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	45	73	45	70	70	45	45
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	45	73	45	70	70	45	45
<u>Expenditures:</u>							
Direct Expenditures	49	64	55	65	65	55	55
Indirect Expenditures	3	4	5	5	5	5	5
Total Expenditures	52	68	60	70	70	60	60
Current Difference	(7)	5	(15)	0	0	(15)	(15)
Accumulated Ending Balance	88	93	78	78	78	63	63

Background Information

Out of state juvenile residential or detention facilities, housing Minnesota juveniles, pay a fee for a 2-year certification. The fee, collected by the Facilities Planning and Inspection Unit, is used to support the cost of the certification process.

Forecast Basis

No changes are anticipated to the amount of revenue generated from fees for this certification process.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

CORRECTIONS STAFF RENT/UTILITY

Fiscal Report

Revenue Category Description: Utility and rent charges to persons residing on Thistledeew Camp grounds.

Requesting a Fee Change: No

Purpose: These fees cover the rental costs, including utilities, incurred by those persons residing on grounds at Thistledeew Camp.

Fund: SPECIAL REVENUE

Appr Name: TC UTILITIES & RENT DED RECEIP

Legal Citation(s): M.S. 246.59

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	13	11	15	14	14	13	13
<u>Resources:</u>							
Dedicated Receipts	14	14	13	13	13	13	13
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	14	14	13	13	13	13	13
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	14	14	13	13	13	13	13
<u>Expenditures:</u>							
Direct Expenditures	15	9	13	13	13	13	13
Indirect Expenditures	1	1	1	1	1	1	1
Total Expenditures	16	10	14	14	14	14	14
Current Difference	(2)	4	(1)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	11	15	14	13	13	12	12

CORRECTIONS DEPT

CORRECTIONS STAFF RENT/UTILITY

Narrative

Background Information

Persons residing on the Thistledeew Camp grounds pay rent and utilities. This fee is adjusted annually, reflecting inflationary increases.

Forecast Basis

Revenue generated is expected to remain relatively constant in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

Fees will be adjusted for inflation and reviewed by Real Estate Management.

CORRECTIONS DEPT

COUNTY PROBATION REIMBURSEMENT

Fiscal Report

Revenue Category Description: Counties must reimburse the state for provision of juvenile probation and parole services.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Reimbursement for juvenile probation and parole services provided.

Appr Name:

Legal Citation(s): M.S. 244.19, Subd.5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	3,053	2,992	3,157	3,157	3,157	3,157	3,157
Total Departmental Earnings	3,053	2,992	3,157	3,157	3,157	3,157	3,157
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,053	2,992	3,157	3,157	3,157	3,157	3,157
<u>Expenditures:</u>							
Direct Expenditures	3,053	2,992	3,157	3,157	3,157	3,157	3,157
Indirect Expenditures							
Total Expenditures	3,053	2,992	3,157	3,157	3,157	3,157	3,157
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

CORRECTIONS DEPT

COUNTY PROBATION REIMBURSEMENT

Narrative

Background Information

As defined in statute, counties are billed for juvenile probation and parole services provided by the state.

Forecast Basis

Revenue generated is expected to remain relatively constant in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

COMMUNITY SUPERVISION

Fiscal Report

Revenue Category Description: Persons convicted of a crime and supervised by the commissioner are charged a supervision fee.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Fees collected help defray the costs associated with supervision of persons convicted of a crime and supervised by the commissioner.

Appr Name:

Legal Citation(s): M.S 244.18

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	462	499	560	560	560	560	560
Total Departmental Earnings	462	499	560	560	560	560	560
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	462	499	560	560	560	560	560
<u>Expenditures:</u>							
Direct Expenditures	16,415	16,562	17,653	17,674	17,674	17,674	17,674
Indirect Expenditures							
Total Expenditures	16,415	16,562	17,653	17,674	17,674	17,674	17,674
Current Difference	(15,953)	(16,063)	(17,093)	(17,114)	(17,114)	(17,114)	(17,114)

Background Information

Fees include community service work placement and supervision, restitution collection, supervision, court-ordered investigations or any service provided by a probation office or parole agent for offenders supervised by the commissioner of corrections. Fees must be related to the offender's ability to pay and the actual cost of the correctional service.

Forecast Basis

Expenditures include state costs for state-funded programs that are reimbursed by these fees. Because revenues are collected on an offender's ability to pay, expenditures will always greatly exceed revenues collected. Other related costs are billed to and paid by the counties, although under current law the fee revenue goes to the state.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the fee structure.

CORRECTIONS DEPT

INMATE CONFINEMENT

Fiscal Report

Revenue Category Description: Confinement charges are deducted from offender pay and incoming offender monies.

Purpose: Confinement charges partially fund the MINNCOR program and the cost of offender incarceration.

Legal Citation(s): M.S. 243.23, Subd.2

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE, CORRECTIONAL INDUSTRIES

Appr Name: Various

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	965	1,302	1,734	1,168	1,168	1,155	1,155
Resources:							
Dedicated Receipts	1,671	1,699	1,870	1,982	1,982	2,109	2,109
Non-Dedicated Receipts	3	3	5	5	5	5	5
Total Departmental Earnings	1,674	1,702	1,875	1,987	1,987	2,114	2,114
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,674	1,702	1,875	1,987	1,987	2,114	2,114
Expenditures:							
Direct Expenditures	1,306	1,230	2,396	1,957	1,957	2,087	2,087
Indirect Expenditures	31	40	45	43	43	43	43
Total Expenditures	1,337	1,270	2,441	2,000	2,000	2,130	2,130
Current Difference	337	432	(566)	(13)	(13)	(16)	(16)
Accumulated Ending Balance	1,302	1,734	1,168	1,155	1,155	1,139	1,139

CORRECTIONS DEPT

INMATE CONFINEMENT

Narrative

Background Information

Offenders employed in the MINNCOR interstate programs are assessed confinement charges. These receipts partially fund the MINNCOR program. Offenders housed in department facilities are charged a 10% surcharge on all incoming monies. These receipts partially fund offender incarceration costs.

Forecast Basis

Revenue generated is anticipated to remain relatively constant in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

SHARED SERVICES

Fiscal Report

Revenue Category Description: Fees for the provision of utilities to the Academy for the Blind.

Requesting a Fee Change: No

Purpose: Per agreement with the Minnesota State Academy for the Blind, MCF - Faribault supplies steam and water to the Academy campus.

Fund: SPECIAL REVENUE

Appr Name: MCF-FRB/RTC SHARED SERV AGENT

Legal Citation(s): M.S. 241.01, Subd.7

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	43	3	12	12	12	12	12
<u>Resources:</u>							
Dedicated Receipts	105	79	90	90	90	90	90
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	105	79	90	90	90	90	90
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	105	79	90	90	90	90	90
<u>Expenditures:</u>							
Direct Expenditures	138	65	83	83	83	83	83
Indirect Expenditures	7	5	7	7	7	7	7
Total Expenditures	145	70	90	90	90	90	90
Current Difference	(40)	9	0	0	0	0	0
Accumulated Ending Balance	3	12	12	12	12	12	12

CORRECTIONS DEPT

SHARED SERVICES

Narrative

Background Information

The Minnesota State Academy for the Blind reimburses MCF-Faribault for the provision of steam and water to the Academy campus.

Forecast Basis

No changes are anticipated in the amount of revenue generated from this fee.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

HC CO-PAY

Fiscal Report

Revenue Category Description: Offenders in adult facilities shall incur copayment obligation for health care services provided.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Offender health care copayments, paid from offender accounts, are appropriated to the commissioner for the delivery of health care services to the offenders.

Appr Name: ADULT HEALTH CARE CO-PAY

Legal Citation(s): M.S. 243.212

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	30	53	43	43	43	43	43
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	30	53	43	43	43	43	43
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	30	53	43	43	43	43	43
<u>Expenditures:</u>							
Direct Expenditures	32,096	35,462	39,891	39,871	39,871	39,871	39,871
Indirect Expenditures	1	0	1	1	1	1	1
Total Expenditures	32,097	35,462	39,892	39,872	39,872	39,872	39,872
Current Difference	(32,067)	(35,409)	(39,849)	(39,829)	(39,829)	(39,829)	(39,829)

CORRECTIONS DEPT

HC CO-PAY

Narrative

Background Information

Offenders are assessed \$3.00 for offender initiated health care requests. The fee collected provides partial support for offender health services.

Forecast Basis

Revenue generated is expected to remain relatively constant in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

CORRECTIONS DEPT

CHARGES TO COUNTIES

Fiscal Report

Revenue Category Description: Effective 1-1-99, MCF - Red Wing began charging counties per diems.

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Appr Name: RW PRE-DISPOSITION EVALUATIONS

Purpose: Effective 1-1-99, actual per diems, excluding educational costs, were charged to counties to recover both the costs of operation of MCF - Red Wing and the cost of confinement of juvenile females committed to the commissioner of corrections. Per the Laws of 2000, in fiscal year 2001, counties are charged 65% of the actual MCF-Red Wing per diem, excluding educational costs, and 65% of the cost of confinement of juvenile females committed to the commissioner of corrections. These funds are deposited as non dedicated receipts.

Legal Citation(s): M.S. 242.192

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(4,798)	(8,731)	(12,025)	(12,025)	(15,155)	(15,155)
Resources:							
Dedicated Receipts	0	36	30	30	30	30	30
Non-Dedicated Receipts	6,112	4,514	4,626	4,626	4,626	4,626	4,626
Total Departmental Earnings	6,112	4,550	4,656	4,656	4,656	4,656	4,656
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6,112	4,550	4,656	4,656	4,656	4,656	4,656
Expenditures:							
Direct Expenditures	10,910	8,483	7,950	7,786	7,786	7,786	7,786
Indirect Expenditures							
Total Expenditures	10,910	8,483	7,950	7,786	7,786	7,786	7,786
Current Difference	(4,798)	(3,933)	(3,294)	(3,130)	(3,130)	(3,130)	(3,130)
Accumulated Ending Balance	(4,798)	(8,731)	(12,025)	(15,155)	(15,155)	(18,285)	(18,285)

CORRECTIONS DEPT

CHARGES TO COUNTIES

Narrative

Background Information

Counties pay a per diem for utilization of programming at MCF-Red Wing: Detention Services \$164.00, General Program \$110.00, Sex Offender Program \$110.00, and Pre-Disposition Evaluation \$189.00.

Forecast Basis

No changes are anticipated in the amount of revenue generated by these fees.

Recent Changes

Per the Laws of 2002, counties are charged 65% of the actual MCF-Red Wing per diem, excluding educational costs, and 65% of the cost of confinement of juvenile females committed to the commissioner of corrections.

Requested Changes

It is recommended that the agency review current costs and fees to ensure 65% cost recovery for these activities.

CORRECTIONS DEPT

DEDICATED RECEIPTS MISC

Fiscal Report

Revenue Category Description: Receipts are generated from a wide variety of facility activity.

Requesting a Fee Change: No

Purpose: Cost recovery for a variety of facility activities is accomplished by charging fees for serving legal papers, copy fees, sale of scrap and many other items.

Fund: SPECIAL REVENUE, MISCELLANEOUS AGENCY

Appr Name: Various

Legal Citation(s): M.S. 241.01, Subd.7

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	130	119	112	98	98	92	92
<u>Resources:</u>							
Dedicated Receipts	158	84	87	80	80	80	80
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	158	84	87	80	80	80	80
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	158	84	87	80	80	80	80
<u>Expenditures:</u>							
Direct Expenditures	162	86	99	84	84	84	84
Indirect Expenditures	7	5	2	2	2	2	2
Total Expenditures	169	91	101	86	86	86	86
Current Difference	(11)	(7)	(14)	(6)	(6)	(6)	(6)
Accumulated Ending Balance	119	112	98	92	92	86	86

CORRECTIONS DEPT

DEDICATED RECEIPTS MISC

Narrative

Background Information

Costs are recovered for a variety of facility activities. This occurs by charging fees for serving legal papers, copy fees, sale of scrap, and other items.

Forecast Basis

No changes are anticipated in the amount of revenue generated from these fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	1,135	1,163	1,162	1,159	1,159	1,159	1,159
Total Non-Dedicated Receipts	1,135	1,163	1,162	1,159	1,159	1,159	1,159

<u>Fund Totals:</u>							
State Government Spec Revenue	1,135	1,163	1,162	1,159	1,159	1,159	1,159
Departmental Earnings Total	1,135	1,163	1,162	1,159	1,159	1,159	1,159

DENTISTRY BOARD

BOARD OF DENTISTRY

Fiscal Report

Revenue Category Description: Fees for licensing dentists, dental hygienists, registered dental assistants and professional corps.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Purpose: To ensure that Minnesota citizens receive quality dental health care from competent dental health professionals. To protect the public by ensuring that all licensed professionals meet the necessary qualifications and standards to competently practice their profession in Minnesota.

Legal Citation(s): M.S. 150A.06-.09, 214, 319A.21 and MN Rules 3100

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	663	280	334	243	243	187	187
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,103	1,135	1,143	1,136	1,136	1,136	1,136
Total Departmental Earnings	1,103	1,135	1,143	1,136	1,136	1,136	1,136
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	32	28	19	23	23	23	23
<u>Resource Reductions:</u>							
Earnings Transferred Out	297	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	838	1,163	1,162	1,159	1,159	1,159	1,159
<u>Expenditures:</u>							
Direct Expenditures	975	830	905	871	871	871	871
Indirect Expenditures	246	279	348	344	344	344	344
Total Expenditures	1,221	1,109	1,253	1,215	1,215	1,215	1,215
Current Difference	(383)	54	(91)	(56)	(56)	(56)	(56)
Accumulated Ending Balance	280	334	243	187	187	131	131

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No changes are anticipated to the number of professionals licensed.

Recent Changes

The board reduced its annual license and registration fees in 1999 for year FY 2000.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	103	100	76	93	93	93	93
Total Non-Dedicated Receipts	103	100	76	93	93	93	93
<u>Fund Totals:</u>							
State Government Spec Revenue	103	100	76	93	93	93	93
Departmental Earnings Total	103	100	76	93	93	93	93

DIETETICS & NUTRITION PRACTICE

MN BD OF DIETETICS & NUTRITION

Fiscal Report

Revenue Category Description: Application fees for license application, initial licensure, and annual license renewal

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect residents of Minnesota by assuring that licensed dietitians and nutritionists are qualified to provide dietetic and nutrition care services. The board closely reviews all applications for licensure, conducts audits of required continuing education, and processes consumer complaints.

Appr Name:

Legal Citation(s): M.S. 148.624, M.S. 148.625 and MN Rules 3250

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	349	335	364	289	289	260	260
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	103	100	76	93	93	93	93
Total Departmental Earnings	103	100	76	93	93	93	93
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	36	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	67	100	76	93	93	93	93
<u>Expenditures:</u>							
Direct Expenditures	74	65	137	105	105	105	105
Indirect Expenditures	7	6	14	17	17	18	18
Total Expenditures	81	71	151	122	122	123	123
Current Difference	(14)	29	(75)	(29)	(29)	(30)	(30)
Accumulated Ending Balance	335	364	289	260	260	230	230

DIETETICS & NUTRITION PRACTICE

MN BD OF DIETETICS & NUTRITION

Narrative

Background Information

The goal of the Board of Dietetics and Nutrition Practice is to promote, preserve and protect the public's health, safety, and welfare by providing reasonable assurance that Minnesota Licensed dietitians and nutritionists are competent, ethical practitioners, and have the necessary knowledge and skills appropriate to their title and role.

Administrative responsibilities of this program include:

- Establish education, practice and conduct standards for licensed dietitians and nutritionists.
- Review applicant education and training for compliance with licensure requirements.
- Reasonably ensure that only applicants meeting qualifications for licensure are granted appropriate licensure.
- Initial licensure and annual renewal of qualified professionals.
- Respond to inquiries, complaints, and other reported information from the public and other agencies concerning applicants, licensees, and unlicensed practitioners.
- Provide information about professional licensure requirements and standards of practice.

Forecast Basis

Fees charged to applicants, prospective applicants, and licensees, are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected the previous year. No excessive changes are anticipated to the number of dietitians and nutritionists regulated.

Recent Changes

None

Requested Changes

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	1,453	1,644	1,398	1,395	1,395	1,395	1,395
Total Non-Dedicated Receipts	1,453	1,644	1,398	1,395	1,395	1,395	1,395

<u>Dedicated Receipts:</u>							
Special Revenue	4,591	4,703	4,020	4,020	4,020	4,020	4,020
Federal	14	28	0	0	0	0	0
Total Dedicated Receipts	4,605	4,731	4,020	4,020	4,020	4,020	4,020

<u>Fund Totals:</u>							
General	1,453	1,644	1,398	1,395	1,395	1,395	1,395
Special Revenue	4,591	4,703	4,020	4,020	4,020	4,020	4,020
Federal	14	28	0	0	0	0	0
Departmental Earnings Total	6,058	6,375	5,418	5,415	5,415	5,415	5,415

DEPARTMENT OF EDUCATION

TEACHER LICENSURE

Fiscal Report

Revenue Category Description: Teacher licensing.

Requesting a Fee Change: No

Purpose: To assure staffing by qualified teachers and supervisors.

Fund: GENERAL

Legal Citation(s): M.S. 122A.21

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(47)	222	(32)	(32)	(225)	(225)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,317	1,482	1,250	1,250	1,250	1,250	1,250
Total Departmental Earnings	1,317	1,482	1,250	1,250	1,250	1,250	1,250
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,317	1,482	1,250	1,250	1,250	1,250	1,250
<u>Expenditures:</u>							
Direct Expenditures	1,284	1,213	1,504	1,443	1,443	1,443	1,443
Indirect Expenditures	80	0	0	0	0	0	0
Total Expenditures	1,364	1,213	1,504	1,443	1,443	1,443	1,443
Current Difference	(47)	269	(254)	(193)	(193)	(193)	(193)
Accumulated Ending Balance	(47)	222	(32)	(225)	(225)	(418)	(418)

DEPARTMENT OF EDUCATION

TEACHER LICENSURE

Narrative

Background Information

The processing fee charged to candidates submitting applications for teaching, administrator and other related school licenses. The fee, though not dedicated, is dedicated to fund the functions of the Board of Teaching and Teacher Licensure Divisions.

Forecast Basis

Current Fee \$57

Recent Changes

Significant recent changes include implementation of the criminal background check system, new requirements for "No Child Left Behind", application over the internet, needed technology upgrades, new rules, increasing assessment complexity for out of state candidates, higher expectations for customer service an increase in allegations of educator misconduct, and state budget cuts.

DEPARTMENT OF EDUCATION

ADMINISTRATOR LICENSURE

Fiscal Report

Revenue Category Description: School Administrator Licensing

Requesting a Fee Change: No

Purpose: To assure staffing by qualified administrators.

Fund: GENERAL

Legal Citation(s): 031 009 10 010 02G

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(60)	(31)	(51)	(51)	(71)	(71)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	136	158	140	140	140	140	140
Total Departmental Earnings	136	158	140	140	140	140	140
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	136	158	140	140	140	140	140
<u>Expenditures:</u>							
Direct Expenditures	196	129	160	160	160	160	160
Indirect Expenditures							
Total Expenditures	196	129	160	160	160	160	160
Current Difference	(60)	29	(20)	(20)	(20)	(20)	(20)
Accumulated Ending Balance	(60)	(31)	(51)	(71)	(71)	(91)	(91)

DEPARTMENT OF EDUCATION

ADMINISTRATOR LICENSURE

Narrative

Background Information

The processing fee charged to candidates submitting applications for administrator and other related school licenses. The fee, though not dedicated, is dedicated to fund the functions of the Board of School Administrators Division.

Forecast Basis

Current Fee \$75 If retired \$32.50

DEPARTMENT OF EDUCATION

MN CAREER INFORMATION SYSTEM

Fiscal Report

Revenue Category Description: Fees for services provided.

Requesting a Fee Change: No

Purpose: To collect fees necessary to recover all expenditures related to the operation of the Minnesota career information system.

Fund: SPECIAL REVENUE

Appr Name: MCIS SERVICE FEES

Legal Citation(s): M.S.124D.505

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	226	305	239	184	184	128	128
Resources:							
Dedicated Receipts	602	462	525	525	525	525	525
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	602	462	525	525	525	525	525
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	8	4	4	4	4	4	4
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	610	466	529	529	529	529	529
Expenditures:							
Direct Expenditures	531	532	584	585	585	585	585
Indirect Expenditures							
Total Expenditures	531	532	584	585	585	585	585
Current Difference	79	(66)	(55)	(56)	(56)	(56)	(56)
Accumulated Ending Balance	305	239	184	128	128	72	72

Background Information

M.S. 124D.505 allows the Department of Education through the Minnesota Career Information System (MCIS) to provide career information to school districts and other educational organizations, employment and training services, human resource agencies, libraries and families. The department is allowed to collect fees necessary to recover all expenditures related to the operation of the MCIS. The statute requires that all funds are deposited into a special revenue fund and that carryover is allowed between fiscal years. The money in the fund, along with interest earned must be used for MCIS. The department recognizes that MCIS is self-supporting and accordingly, MCIS must be provided sufficient administrative latitude within the confines of law to enable the system to operate efficiently.

Forecast Basis

It is forecasted that the fees generated by MCIS will be sufficient to support the operation of the system.

DEPARTMENT OF EDUCATION

LEA OPTION ASSESSMENT

Fiscal Report

Revenue Category Description: Conference and Workshop Fees

Requesting a Fee Change: No

Purpose: Fees collected from nonpublic/private schools for basic skill tests and other assessment tools.

Fund: SPECIAL REVENUE

Appr Name: STATEWIDE TESTING

Legal Citation(s): M.S. 127A.08, Subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	335	700	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	365	584	495	495	495	495	495
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	365	584	495	495	495	495	495
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	365	584	495	495	495	495	495
<u>Expenditures:</u>							
Direct Expenditures	0	1,284	495	495	495	495	495
Indirect Expenditures							
Total Expenditures	0	1,284	495	495	495	495	495
Current Difference	365	(700)	0	0	0	0	0
Accumulated Ending Balance	700	0	0	0	0	0	0

Background Information

The funds in the Local Education Agency (LEA) Option Assessment account are the result of private and nonprofit education service providers purchasing Basic Skill student achievement tests and related assessment/instructional materials. The Basic Skills exam is provided to students in Grade 8 annually in public school. Many private schools purchase the testing materials from the department to provide the test to their students. The funds are deposited into a special revenue account and used to purchase the materials.

DEPARTMENT OF EDUCATION

CHILD NUTRITION

Fiscal Report

Revenue Category Description: CHILD NUTRITION
FEES/REIMB

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To deposit cash received from commodity donated foods that have been lost, damaged, recalled, or diverted for processing. The state shall use the funds to issue payments for the value of lost, damaged, recalled or diverted for processing commodity donated foods and related costs.

Appr Name: COMMODITY DONATED FOOD REV

Legal Citation(s): 011 006 05 003 000

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,232	1,317	1,159	0	0	0	0
Resources:							
Dedicated Receipts	3,651	3,657	3,000	3,000	3,000	3,000	3,000
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	3,651	3,657	3,000	3,000	3,000	3,000	3,000
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,651	3,657	3,000	3,000	3,000	3,000	3,000
Expenditures:							
Direct Expenditures	3,566	3,815	4,159	3,000	3,000	3,000	3,000
Indirect Expenditures							
Total Expenditures	3,566	3,815	4,159	3,000	3,000	3,000	3,000
Current Difference	85	(158)	(1,159)	0	0	0	0
Accumulated Ending Balance	1,317	1,159	0	0	0	0	0

Background Information

Cash received from commodity donated foods that have been lost, damaged, recalled, or diverted for processing. The state shall use the funds to issue payments for the value of lost, damaged, recalled or diverted for processing commodity donated foods and related costs.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	10,006	10,044	11,044	11,044	11,044	11,044	11,044
Total Dedicated Receipts	10,006	10,044	11,044	11,044	11,044	11,044	11,044

<u>Fund Totals:</u>							
Special Revenue	10,006	10,044	11,044	11,044	11,044	11,044	11,044
Departmental Earnings Total	10,006	10,044	11,044	11,044	11,044	11,044	11,044

ELECTRICITY BOARD

ELCTRCL INSP ESCROW & LICENSING

Fiscal Report

Revenue Category Description: Electrical Inspection
Escrow & Electrical Licensing and Inspections

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To ensure electrical safety through electrical
licensing of individuals and companies and inspection of
installed electrical wiring.

Appr Name: BOARD OF ELECTRICITY

Legal Citation(s): M.S. 326.241,subd. 3, MR 3800.3590, MR
3800.3810

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown
to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	5,012	5,413	5,217	5,273	5,273	5,273	5,273
<u>Resources:</u>							
Dedicated Receipts	10,006	10,044	11,044	11,044	11,044	11,044	11,044
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	10,006	10,044	11,044	11,044	11,044	11,044	11,044
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	1	0	2	2	2	2	2
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	10,007	10,044	11,046	11,046	11,046	11,046	11,046
<u>Expenditures:</u>							
Direct Expenditures	9,606	10,240	10,990	11,046	11,046	11,046	11,046
Indirect Expenditures							
Total Expenditures	9,606	10,240	10,990	11,046	11,046	11,046	11,046
Current Difference	401	(196)	56	0	0	0	0
Accumulated Ending Balance	5,413	5,217	5,273	5,273	5,273	5,273	5,273

Background Information

Although the accumulated ending balance is large (\$5.4 million) compared to total resources, all but \$700,000 is escrowed inspection fees to offset the cost of future inspections. Installers of electrical wiring are required to submit a request for electrical inspection and pay the inspection fees at the time they begin the electrical wiring, whereas the board does not pay for inspection service costs or realize usable earnings until the inspections are completed. There are approximately 100,000 open requests for electrical inspection for in-progress work at any point in time. The board does not realize any investment earnings from its average daily balance of approximately \$5,000,000.

Forecast Basis

Revenues are based on new and renewal fees for licenses issued in the respective fiscal years and inspection fees based on trends over recent fiscal years.

Recent Changes

The board's license fee schedule was last amended effective July 1, 1991 and the board's inspection fee schedule was last amended effective July 1, 2000. The current fee schedules are offsetting board costs associated with electrical licensing and inspection. The board will likely seek an adjustment to the inspection fee schedule in the 2008/2009 budget cycle. The new license categories created by Chapter 328 of the 2002 legislature are projected to result in license fee revenue of \$400,000 in the 2006/2007 biennium and beyond.

Requested Changes

The Governor has recommended that \$4,000,000 of the balance in the Electricity Board's special revenue fund account be transferred to the general fund. The board generates enough revenue during the year to fund the inspections and its on-going operations. This is a one-time transfer.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	56	82	87	87	87	87	87
Total Non-Dedicated Receipts	56	82	87	87	87	87	87

<u>Dedicated Receipts:</u>							
Special Revenue	0	21	92	92	92	92	92
Total Dedicated Receipts	0	21	92	92	92	92	92

<u>Fund Totals:</u>							
General	56	82	87	87	87	87	87
Special Revenue	0	21	92	92	92	92	92
Departmental Earnings Total	56	103	179	179	179	179	179

EMERGENCY MEDICAL SVCS REG BD

EMERGENCY MEDICAL SVCS BD FEES

Fiscal Report

Revenue Category Description: Fees for licensure for Ambulance Services and approving EMS training programs

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: To protect and promote the public health through administering and enforcing Minnesota statutes and rules that encompass licensing ambulance services, and approving EMS training programs.

Appr Name: MNSTAR INCOME

Legal Citation(s): M.S. 144E.29

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	56	146	316	316	495	495
<u>Resources:</u>							
Dedicated Receipts	0	8	70	70	70	70	70
Non-Dedicated Receipts	56	82	87	87	87	87	87
Total Departmental Earnings	56	90	157	157	157	157	157
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	0	13	22	22	22	22
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	56	90	170	179	179	179	179
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	56	90	170	179	179	179	179
Accumulated Ending Balance	56	146	316	495	495	674	674

Background Information

The goal of the board is to provide leadership, which optimizes the quality of emergency medical care for the people of Minnesota – in collaboration with our communities – through policy development, regulation, system design, education, and medical direction.

Services provided under this program include:

- Administer and enforce statutory provisions relating to ambulance services and EMS training programs.
- Certify EMS personnel on a biannual basis
- Administer a statewide EMS data collection program for 450,000 ambulance runs per year.
- Ensure effective delivery of emergency care through improved linkages for all EMS system components.
- Investigate, hear, and resolve complaints against EMS providers to ensure competent and safe EMS systems.
- Provide grants for the development and maintenance of regional EMS.
- Ensure active medical direction for the pre-hospital EMS system throughout the state of Minnesota.
- Administer federal Emergency Medical Services for Children grants.

Forecast Basis

Revenues are collected through charges to ambulance services licensees and an additional vehicle fee, training program approvals, duplicate card issuance, and fines for violations of statutes. Revenues are projected based on actual revenue collected last year. No significant changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

Ambulance fees were increased, and other fees assessed effective 08/01/1999. Approximately \$80,000 was recovered from these fees in FY 2004. Because nearly 65% of the ambulance personnel in Minnesota are volunteers, the fees charged by the board do not enable costs recovery.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Public Facilities Authority	1,353	2,060	1,300	1,400	1,400	1,500	1,500
Drinking Water Revolving Fund	157	204	258	340	340	350	350
Special Revenue	1,031	1,579	637	643	643	647	647
Transportation Revolving Fund	68	0	0	0	0	0	0
Total Dedicated Receipts	2,609	3,843	2,195	2,383	2,383	2,497	2,497

<u>Fund Totals:</u>							
Public Facilities Authority	1,353	2,060	1,300	1,400	1,400	1,500	1,500
Drinking Water Revolving Fund	157	204	258	340	340	350	350
Special Revenue	1,031	1,579	637	643	643	647	647
Transportation Revolving Fund	68	0	0	0	0	0	0
Departmental Earnings Total	2,609	3,843	2,195	2,383	2,383	2,497	2,497

EMPLOYMENT & ECONOMIC DEV DEPT

SERVICES FOR THE BLIND

Fiscal Report

Revenue Category Description: Earnings for various services for the Blind

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To help blind persons enter into business for themselves and to provide access to the printed word for blind, visually impaired and physically impaired Minnesotans.

Appr Name: BEP ENTERPRISE OPERATIONS, SSB
COMMUNICATION CENTER

Legal Citation(s): M.S. 248.07

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	540	547	553	553	557	557
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	540	547	553	553	557	557
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	540	547	553	553	557	557
<u>Expenditures:</u>							
Direct Expenditures	0	540	547	553	553	557	557
Indirect Expenditures							
Total Expenditures	0	540	547	553	553	557	557
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

The Business Enterprise Program (BEP) helps blind persons enter into business for themselves by training them to operate small businesses and placing them in self-employment franchise opportunities. These opportunities include lunchrooms, snack bars, gift shops, and vending machine sites and routes. The Communications Center is a public library for print impaired Minnesotans. It provides access to the printed word for 20,000 blind, visually impaired, and print impaired people each year. It includes Braille and audio transcription, Radio Talking Book, Dial-in News, and Newslane.

Forecast Basis

Earnings projections are based on stable history of receipts. The carryover each year is a necessary reserve for new equipment at vending machine sites. Less carryover is projected for the Communication Center due to restrictions from federal government on this Center's funding.

Recent Changes

There are no changes to BEP. The federal government has disallowed further use of federal vocational rehabilitation funds to operate the Center.

Agency Analysis/Requested Changes

No change is requested for the Business Enterprise Program (BEP).

EMPLOYMENT & ECONOMIC DEV DEPT

TRADE

Fiscal Report

Revenue Category Description: Trade Missions

Requesting a Fee Change: No

Purpose: The MTO has authority to recover costs associated with helping Minnesota businesses attend trade shows (booth rental, translations, shipping, brochures and transportation). These funds reimburse MTO for out of pocket expenses associated with trade shows.

Fund: SPECIAL REVENUE

Appr Name: EXPORT DEVELOPMENT, TRADE MARKETING REVENUE

Legal Citation(s): M.S. 116J.966

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	90	105	26	11	11	11	11
<u>Resources:</u>							
Dedicated Receipts	59	94	85	85	85	85	85
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	59	94	85	85	85	85	85
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	59	94	85	85	85	85	85
<u>Expenditures:</u>							
Direct Expenditures	44	173	100	85	85	85	85
Indirect Expenditures							
Total Expenditures	44	173	100	85	85	85	85
Current Difference	15	(79)	(15)	0	0	0	0
Accumulated Ending Balance	105	26	11	11	11	11	11

Background Information

Minnesota business participants in international trade shows reimburse the MTO for costs associated with participation in trade shows (costs include booth rental, printing brochure costs, travel expenses, transportation, and translation services). By recovering these costs, the MTO is positioned to offer cost-effective trade show support to Minnesota businesses.

Public requests for internally produced, electronically generated public data (e.g., company lists and certificates of free sale) create costs that are recovered through charges. The MTO is able to continue providing public data in response to business requests because it can retain and use funds collected.

The MTO also provides trade-related material (e.g., publications and market research reports) to Minnesota businesses. The MTO is able to continue providing trade-related materials in response to business needs because it can retain and use the funds collected.

EMPLOYMENT & ECONOMIC DEV DEPT

PUBLIC FACILITIES AUTHORITY

Fiscal Report

Revenue Category Description: Public Facility Authority Fees

Requesting a Fee Change: No

Purpose: To cover expenses for administrative support of the PFA.

Fund: PUBLIC FACILITIES AUTHORITY, DRINKING WATER REVOLVING FUND, TRANSPORTATION REVOLVING FUND

Legal Citation(s): M.S. 446A.04, Subd 5

Appr Name: FEE ACCOUNT, MPFA FEES-CW, TRLF ADMIN/ITC

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,271	2,007	2,297	1,786	1,786	1,572	1,572
<u>Resources:</u>							
Dedicated Receipts	1,578	2,264	1,558	1,740	1,740	1,850	1,850
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,578	2,264	1,558	1,740	1,740	1,850	1,850
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	3	1	1	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency	1,106	1,106	1,108	1,108	1,108	1,108	1,108
Current Year Resources	475	1,159	451	633	633	743	743
<u>Expenditures:</u>							
Direct Expenditures	739	869	962	847	847	873	873
Indirect Expenditures							
Total Expenditures	739	869	962	847	847	873	873
Current Difference	(264)	290	(511)	(214)	(214)	(130)	(130)
Accumulated Ending Balance	2,007	2,297	1,786	1,572	1,572	1,442	1,442

Background Information

The Minnesota Public Facilities Authority (MPFA) uses fees collected by the authority allowed under M.S. 446A.04, subd. 5, to cover expenses for administrative support of MPFA programs. This support includes costs of MPFA staff under the Department of Employment and Economic Development and staff of the Minnesota Pollution Control Agency. Support costs by staff of the Minnesota Department of Health are currently paid for with federal capitalization grant funds; at some point in the future these costs will need to be supported by these fees.

The fees are derived from up to 2% of loan repayments. The net loan repayments are pledged to holders of MPFA's revenue bonds, for the vast majority of MPFA loans.

Forecast Basis

Projections of future loan repayments based on the authority's loan portfolio of existing and anticipated loans, form the basis for projecting fee deposits.

Recent Changes

No recent changes.

EMPLOYMENT & ECONOMIC DEV DEPT

DATA PRACTICES

Fiscal Report

Revenue Category Description: Company lists, certificate of free sales, publications and market research reports

Requesting a Fee Change: No

Purpose: The Minnesota Trade Office (MTO) collects fees to recover costs related to request for data regarding: public information pursuant to M.S. 13.03, Subd 3; and trade related materials pursuant to M.S.116J.966.

Fund: SPECIAL REVENUE

Appr Name: TRADE MARKETING REVEN

Legal Citation(s): M.S.13.03, Subd 3; 116J.966

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	4	8	13	13	18	18
<u>Resources:</u>							
Dedicated Receipts	4	4	5	5	5	5	5
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4	4	5	5	5	5	5
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4	4	5	5	5	5	5
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	4	4	5	5	5	5	5
Accumulated Ending Balance	4	8	13	18	18	23	23

EMPLOYMENT & ECONOMIC DEV DEPT

TOURISM

Fiscal Report

Revenue Category Description: Explore MN Tourism Cooperative Program

Requesting a Fee Change: No

Purpose: To optimize resources in promoting Minnesota.

Fund: SPECIAL REVENUE

Legal Citation(s): M.S. 116J.615

Appr Name: EXPLORE MINNESOTA USA, TOURISM PROMOTIONAL REVENUE, WORLDWIDE WEB

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	570	724	718	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	968	941	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	968	941	0	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	0	718	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	968	941	(718)	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	814	947	0	0	0	0	0
Indirect Expenditures							
Total Expenditures	814	947	0	0	0	0	0
Current Difference	154	(6)	(718)	0	0	0	0
Accumulated Ending Balance	724	718	0	0	0	0	0

Background Information

Explore Minnesota Tourism collects revenue through marketing efforts to fund promotional costs. It also has entered into a contract with Mall Stores Inc for distribution of travel literature at the Mall of America. The store is a Minnesota travel resources center with a retail component to help underwrite the costs of operation. Revenues are collected from retail sales and slot charges for brochures

Forecast Basis

Effective July 1, 2004, the Office of Tourism became a separate agency. Future years are reported under that agency.

Recent Changes

No recent changes.

Agency Analysis/Requested Changes

Generally, promotional costs are recovered through the revenue collected. It may appear that the balance at the end of the fiscal years is significant but this balance is collected for costs to be paid in the next fiscal year. Costs for the mall store are supplemented with general funds.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
Environmental	1,315	1,220	1,220	1,259	0	1,259	0
Total Non-Dedicated Receipts	1,315	1,220	1,220	1,259	0	1,259	0

<u>Fund Totals:</u>							
Environmental	1,315	1,220	1,220	1,259	0	1,259	0
Departmental Earnings Total	1,315	1,220	1,220	1,259	0	1,259	0

ENVIRONMENTAL ASSISTANCE

POLLUTION PREVENTION FEE

Fiscal Report

Revenue Category Description: Fees collected from persons required to submit toxic chemical release form.

Requesting a Fee Change: No

Fund: ENVIRONMENTAL

Purpose: To maintain a program that encourages toxic pollution prevention by providing technical assistance and grants to persons who use, generate or release toxic pollutants, hazardous substances or hazardous waste.

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 115D.12.

Legal Citation(s): M.S. 115D.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,315	1,220	1,220	1,259	0	1,259	0
Total Departmental Earnings	1,315	1,220	1,220	1,259	0	1,259	0
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,315	1,220	1,220	1,259	0	1,259	0
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	1,315	1,220	1,220	1,259	0	1,259	0

ENVIRONMENTAL ASSISTANCE

POLLUTION PREVENTION FEE

Narrative

Exempt from cost recovery requirements in M.S. 16A.1285 per M.S. 115D.12.

The Governor recommends the creation of a Department of Environmental Protection, and that all fees and fee activities of the Office of Environmental Assistance be transferred to the new Department. For the purposes of this report, OEA related earnings are located in the Pollution Control Agency's Departmental Earnings Report.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	0	0	842	920	2,922	940	2,923
Total Dedicated Receipts	0	0	842	920	2,922	940	2,923

<u>Fund Totals:</u>							
Special Revenue	0	0	842	920	2,922	940	2,923
Departmental Earnings Total	0	0	842	920	2,922	940	2,923

EXPLORE MINNESOTA TOURISM

TOURISM

Fiscal Report

Revenue Category Description: Tourism Cooperative Program

Requesting a Fee Change: No

Purpose: To optimize resoruces in promoting Minnesota.

Fund: SPECIAL REVENUE

Legal Citation(s): M.S. 116U.45

Appr Name: EXPLORE MINNESOTA USA, TOURISM PROMOTIONAL REVENUE, WORLDWIDE WEB

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	620	620	600	2,602
<u>Resources:</u>							
Dedicated Receipts	0	0	842	920	2,922	940	2,923
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	842	920	2,922	940	2,923
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	0	718	0	0	0	0
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	1,560	920	2,922	940	2,923
<u>Expenditures:</u>							
Direct Expenditures	0	0	940	940	940	940	940
Indirect Expenditures							
Total Expenditures	0	0	940	940	940	940	940
Current Difference	0	0	620	(20)	1,982	0	1,983
Accumulated Ending Balance	0	0	620	600	2,602	600	4,585

EXPLORE MINNESOTA TOURISM

TOURISM

Narrative

Background Information

Explore Minnesota Tourism collects revenue through marketing efforts to fund promotional costs. It also has entered into a contract with Mall Stores Inc for distribution of travel literature at the Mall of America. The store is a Minnesota travel resources center with a retail component to help underwrite the costs of operation. Revenues are collected from retail sales and slot charges for brochures

Forecast Basis

History and proposed projects are used to forecast future years revenue and costs. Fiscal years 2003 and 2004 are reflected under Employment and Economic Developments Department Earnings Report.

Recent Changes

No recent changes to fees, etc.

Agency Analysis/Requested Changes

Generally, promotional costs are recovered through the revenue collected. It may appear that the balance at the end of the fiscal years is significant but this balance is collected for costs to be paid in the next fiscal year. Costs for the mall store are supplemented with general funds.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	371	0	0	0	0	0	0
Total Non-Dedicated Receipts	371	0	0	0	0	0	0

<u>Dedicated Receipts:</u>							
Special Revenue	0	1,983	1,743	1,743	1,743	1,743	1,743
Total Dedicated Receipts	0	1,983	1,743	1,743	1,743	1,743	1,743

<u>Fund Totals:</u>							
General	371	0	0	0	0	0	0
Special Revenue	0	1,983	1,743	1,743	1,743	1,743	1,743
Departmental Earnings Total	371	1,983	1,743	1,743	1,743	1,743	1,743

GAMBLING CONTROL BOARD

LAWFUL GAMBLING LIC & REG

Fiscal Report

Revenue Category Description: Lawful Gambling License and Regulatory Fees

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: To fund lawful gambling regulation by collecting fees from manufacturers and distributors of gambling equipment, bingo hall owners, and non-profit organizations conducting lawful gambling.

Appr Name: GAMBLING CONTROL ACCT

Legal Citation(s): M.S. 349.15 - 349.16

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	1,983	1,743	1,743	1,743	1,743	1,743
Non-Dedicated Receipts	371	0	0	0	0	0	0
Total Departmental Earnings	371	1,983	1,743	1,743	1,743	1,743	1,743
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency	0	1,292	1,300	1,300	1,300	1,300	1,300
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	371	3,275	3,043	3,043	3,043	3,043	3,043
<u>Expenditures:</u>							
Direct Expenditures	2,279	2,305	2,747	2,526	2,800	2,526	2,800
Indirect Expenditures							
Total Expenditures	2,279	2,305	2,747	2,526	2,800	2,526	2,800
Current Difference	(1,908)	970	296	517	243	517	243

GAMBLING CONTROL BOARD

LAWFUL GAMBLING LIC & REG

Narrative

Background Information

For FY 2004 a new fee schedule was implemented, changing from non-dedicated to dedicated receipts. The new fee schedule includes license fee modifications and a regulatory fee of .1% of gross receipts. The regulatory fee is collected by the Minnesota Department of Revenue with monthly lawful gambling tax payments. Fees are then transferred from Revenue to the Gambling Control Board.

Forecast Basis

Revenue forecast is based on receipts received in FY 2004. Fees received in FY 2003 for licenses effective July 1 or later were transferred to the dedicated account.

Recent Changes

Fees are now dedicated, and collected annually. Prior to FY 2004 license fees were non-dedicated and were collected every two years. Smoking bans being considered by local governments throughout Minnesota may have a negative effect on receipts. New games under consideration by the Board may reflect an increase in activity and receipts.

Agency Analysis/Requested Changes

The 2003 Legislature authorized a change from general to dedicated funding. With the authorization for a dedicated account was the stipulation that expenditures remain at the 2003 spending level. Funds deposited into the dedicated account should be used for lawful gambling regulation, to increase the frequency of compliance reviews and site inspections, preserving the integrity of games.

Recommendation

The Governor recommends a direct special revenue fund appropriation of \$2.8 million in FY 2006 and \$2.8 million in FY 2007. The recommendation will increase the Gambling Control Board's funding by \$274,000 annually to support increased compliance staffing and technology investments.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	26,725	30,527	30,998	31,360	34,433	31,476	36,588
Total Non-Dedicated Receipts	26,725	30,527	30,998	31,360	34,433	31,476	36,588

<u>Dedicated Receipts:</u>							
Special Revenue	4	7	0	0	0	0	0
Total Dedicated Receipts	4	7	0	0	0	0	0

<u>Fund Totals:</u>							
State Government Spec Revenue	26,725	30,527	30,998	31,360	34,433	31,476	36,588
Special Revenue	4	7	0	0	0	0	0
Departmental Earnings Total	26,729	30,534	30,998	31,360	34,433	31,476	36,588

COMMUNITY PROVIDERS

Revenue Category Description: Application fee for Community Providers.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: Application fee to cover cost of processing Essential Community Provider applications. Applications end 6/30/2003. Community Provider status is given for a 5 year period of time.

Appr Name:

Legal Citation(s): MS 62Q.19, MN Rules 4688

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	1	2	2	2	2	2
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1	1	0	0	0	0	0
Total Departmental Earnings	1	1	0	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1	1	0	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	1	1	0	0	0	0	0
Accumulated Ending Balance	1	2	2	2	2	2	2

Background Information

The Department of Health was required to designate community providers according to criteria set in Minnesota Statute. The statute was amended to include one new community provider application due before June 30, 2003. The community provider status is given for a 5 year period of time. A \$46 application fee does not produce much annual revenue. Not much activity in this fee program.

Agency Analysis/Requested Changes

No changes requested.

ASBESTOS ABATEMENT

Revenue Category Description: Asbestos abatement contractor license, worker/site supervisor certificate & project permit fees.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the cost of the support program that licenses asbestos abatement contractors, certifies workers/site supervisors, approves training courses & inspects project sites for appropriate work practices.

Appr Name:

Legal Citation(s): MS 326.75, MS 144.99

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	479	473	660	599	599	538	538
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	595	582	525	525	525	525	525
Total Departmental Earnings	595	582	525	525	525	525	525
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	200	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	395	582	525	525	525	525	525
<u>Expenditures:</u>							
Direct Expenditures	336	331	491	491	491	491	491
Indirect Expenditures	65	64	95	95	95	95	95
Total Expenditures	401	395	586	586	586	586	586
Current Difference	(6)	187	(61)	(61)	(61)	(61)	(61)
Accumulated Ending Balance	473	660	599	538	538	477	477

Background Information

This program protects the health of children and adults by providing support and technical assistance to regulated parties and property owners on issues related to asbestos; credentialing regulated parties and professions and performing compliance monitoring of their activities; and developing relationships with a broad spectrum of citizens, communities and state, federal and local agencies. The problem of asbestos exposure affects all people residing in older homes or visiting older buildings as a part of their daily routine. The program was established by the legislature in 1988. The fees established at that time have not been modified. Through statutory change in 1994, three additional credential categories and associated fees were established.

Forecast Basis

The revenue generated for the Asbestos Program is closely associated with the construction industry and increased capital investment by building owners in existing buildings. It is anticipated that revenues will become sluggish in the current economy.

Expenditures from the State Government Special Revenue Fund will increase for the asbestos program as other funding sources decrease. The Asbestos and Lead Compliance Programs were combined in 2000. Since that time, expenditures have been shared between the programs and optimized towards federal grant money whenever possible. Those federal funds are declining. In addition, increasing demand for electronic infrastructure development is causing expenditures to increase.

Recent Changes

See forecast basis.

Agency Analysis/Requested Changes

No changes requested.

CERT COPIES OF VITAL RECORDS

Fiscal Report

Revenue Category Description: Fees for copies of vital records & related services.

Requesting a Fee Change: Yes

Purpose: To recover the cost of providing vital record services to the public.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 144.226

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	951	1,288	1,391	(112)	(112)	37	353
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	656	693	700	650	2,070	600	2,020
Total Departmental Earnings	656	693	700	650	2,070	600	2,020
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency	1,625	1,156	1,100	1,200	1,200	1,200	1,200
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	200	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	2,081	1,849	1,800	1,850	3,270	1,800	3,220
<u>Expenditures:</u>							
Direct Expenditures	1,504	1,494	2,949	1,444	2,369	1,444	2,285
Indirect Expenditures	240	252	354	257	436	257	420
Total Expenditures	1,744	1,746	3,303	1,701	2,805	1,701	2,705
Current Difference	337	103	(1,503)	149	465	99	515
Accumulated Ending Balance	1,288	1,391	(112)	37	353	136	868

Background Information

As of FY 2002, Minnesota Department of Health (MDH) has implemented the MN VRV 2000, a centralized vital records system, which uses electronic technology to collect and report birth and death information. Systems maintenance, administration, operation, and upgrade costs are funded from a \$2 surcharge on all birth and death certificates issued by the State Registrar and all local registrars. This surcharge was approved in the 2001 legislative session and remains in effect unless rescinded.

Additionally, the agency collects fees for requests for copies of vital records or documents related to vital records (e.g. Recognition of Parentage documents), requests for amendments to birth or death records, replacements of vital records (e.g. adoptions), filing of vital records and delayed registration. Collected revenue supports the operations of the Office of the State Registrar (OSR).

Forecast Basis

The MN VRV 2000 system has been in operation since 2001. Since that time, the OSR has placed a strong emphasis on increasing the participation of eligible agents in the system. As of Summer 2004, the VRV 2000 application is accessible at 100% of Minnesota local registrars, 74% of Minnesota funeral homes, 100% of birthing hospitals, and 50% of Medical Examiners and Coroners. Over time, while the number of requests for certified birth and death records is expected to decline, other activities and transactions will continue to take place exclusively within the OSR including requests for amendments to birth records, requests for documents related to vital records (e.g., Recognition of Parentage documents), and requests for replacement records. There has been a general trend towards declining revenue that we expect to level off in the next biennium. Revenue collected outside of the agency from the surcharge on vital records transactions taking place at local registrar offices, have fluctuated slightly due to inconsistency in payments made by local entities to the state treasurer. Nonetheless, working with analysts from the Dept of Finance has resulted in more consistent revenue streams and we expect deviation from the projected revenue of no more than 10 – 20%.

Recent Changes

Currently, OSR staff are preparing for the transition of operations from the 717 Delaware Street facility in Minneapolis, to MDH offices in St. Paul.

Agency Analysis/Requested Changes

Despite declining revenues, the OSR has experienced rising expenditures to maintain current capacity in its operations. Given that the core source of funding for OSR activities is SGSR funds, maintaining program capacity at the current level requires that real increases in salary and fringe costs will result in increases in overall SGSR expenditures for the program. Controlling expenditures through vacancy management will result in the loss of program scope. The Governor recommends adjusting fee revenues and expenditures to maintain current services and plan for improvements to the electronic system.

HEALTH DEPT

DRINKING WATER

Fiscal Report

Revenue Category Description: Drinking water program.

Requesting a Fee Change: Yes

Purpose: To recover the cost of administering the drinking water program.

Fund: STATE GOVERNMENT SPEC REVENUE

Legal Citation(s): M.S. 144.3831 Subd 1, MS115.77

Appr Name:

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	5,127	2,810	4,659	2,111	2,111	1,487	1,106
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	6,163	6,459	6,290	6,290	6,290	6,285	7,718
Total Departmental Earnings	6,163	6,459	6,290	6,290	6,290	6,285	7,718
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	550	0	0	0	0	0	0
Rev Collected for Other Agency	11	6	16	12	12	12	12
Current Year Resources	5,602	6,453	6,274	6,278	6,278	6,273	7,706
<u>Expenditures:</u>							
Direct Expenditures	6,684	3,873	7,338	5,764	6,083	5,764	6,297
Indirect Expenditures	1,235	731	1,484	1,138	1,200	1,138	1,240
Total Expenditures	7,919	4,604	8,822	6,902	7,283	6,902	7,537
Current Difference	(2,317)	1,849	(2,548)	(624)	(1,005)	(629)	169
Accumulated Ending Balance	2,810	4,659	2,111	1,487	1,106	858	1,275

Background Information

The Minnesota Department of Health assumed primary enforcement responsibility for the federal Safe Drinking Water Act (SDWA) in 1977 under MS 144.381 to 144.387. The drinking water service connection fee was established at \$5.21 by the legislature (MS 144.3831) in 1992 to support activities of the Drinking Water Program (DWP) to ensure compliance with the SDWA. The fee has not been changed since it was established.

Activities supported by the fee, to ensure that the 8,300 public water supplies in Minnesota comply with the SDWA include:

- Required monitoring and analysis of drinking water.
- Required sanitary survey inspections to ensure the integrity of the system.
- Source water assessments and wellhead protection to ensure safe sources of water.
- Administration of the Drinking Water Revolving Loan Fund (DWRLF) to provide low interest loans for water system improvements.
- Review of engineering plans and specifications to ensure water system integrity.
- Capacity development to ensure managerial, technical, and financial stability of the water system.
- Operator certification and training to ensure a reliable and educated workforce to operate water systems.
- Technical assistance to help systems provide safe water and remain in compliance with the Safe Drinking Water Act.
- Enforcement for systems that are unwilling to meet health standards.
- Public outreach through consumer confidence reports, annual state of drinking water reports, fact sheets, and public notices of violations.

Forecast Basis

Program expenses have exceeded SGSR revenues since 1999. The deficiency has been made up through fund surpluses developed during the early years of the program, and by moving some program expenses to federal funding sources. At the current fee level, with projected expenses, the program will begin deficit spending in the DW SGSR in FY07.

In addition to salary increases, the following factors will contribute to increases in expenses over the next 3 years.

- Lab costs will increase 5% per year.
- Five new, or modified, SDWA rules are scheduled for implementation by the end of FY07. These rules will require additional staffing and lab analyses.
- Some local programs are turning back the drinking water portion of their delegation agreement, due to lack of funding. DWP will have to add staff to handle the required SDWA activities for an anticipated 1,500 public water systems.
- Continued program funding through the DWRLF is in jeopardy. Since no state match was approved by the legislature, PFA (DEED) is not able to apply for the FY05 SRF grant. If there is no grant, there are no set-asides. Set-asides currently fund 28% of the drinking water program. There is also a question about the long-term availability of set-asides, as congress looks at reauthorizing the loan program. Federal funding requires state match, which is provided through the capital bonding bill. The lack of a bonding bill last session has put this funding source at risk (currently 28% of DWP budget). In addition, the ability to use the DWRLF for administrative costs is at risk as the program is reauthorized.

Recent Changes

During the period FY99 to FY03, the program began shifting expenses from the SGSR to federal DWRLF. At this time, over \$3 million dollars of expenses that would have been funded by the SGSR has been shifted to other sources. This has allowed the program to delay a fee increase. DWP has shifted the maximum amount allowed under the DWRLF.

Agency Analysis/Requested Changes

Program expenditures are currently exceeding program revenues. The program's accumulated balance is expected to disappear in the next biennium. The Governor recommends adjusting fee revenues and expenditures to maintain current services and meet new federal testing and monitoring requirements.

HEALTH DEPT

FOOD BEV & LODGING LIC FEE

Fiscal Report

Revenue Category Description: Fee for license to operate food and lodging establishments.

Requesting a Fee Change: Yes

Purpose: To support licensing & inspection activities to determine compliance with rules & laws to protect public health & safety.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 157.16, MS 144.074, MS 214.13

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	809	579	900	283	283	527	301
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,647	2,780	2,779	2,779	4,105	2,779	4,105
Total Departmental Earnings	2,647	2,780	2,779	2,779	4,105	2,779	4,105
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	210	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	2,437	2,780	2,779	2,779	4,105	2,779	4,105
<u>Expenditures:</u>							
Direct Expenditures	2,234	2,060	2,844	2,123	3,424	2,123	3,424
Indirect Expenditures	433	399	552	412	663	412	663
Total Expenditures	2,667	2,459	3,396	2,535	4,087	2,535	4,087
Current Difference	(230)	321	(617)	244	18	244	18
Accumulated Ending Balance	579	900	283	527	301	771	319

Background Information

Laws specifying the authority to regulate food, beverage and lodging establishments have been written and amended since 1902. The current fees for the program were adopted in 2001.

Forecast Basis

Expenditures in staffing and supplies will increase with cost of living projections. In addition, increasing demand for electronic infrastructure development will put pressure on program costs.

Recent Changes

In the fall of 2001, the Minnesota Department of Health enrolled in the Food and Drug Administration Food Retail Program Standards. One of the standards specifies appropriate staffing, which the program currently does not have. Consequently, the program is falling short of the requirements for inspections stated in Minnesota Statute 157 as well as what is recommended in the FDA standards. At least 25 percent of the food, beverage and lodging establishments do not meet the required inspection frequency.

Agency Analysis/Requested Changes

Program revenues are slightly higher than program expenditures. The Governor recommends adjusting fee revenues and expenditures to maintain current inspection rates with the new standards, and to provide additional statewide technical assistance.

HEALTH DEPT

FUNERAL ESTB & FUNERAL DIR

Fiscal Report

Revenue Category Description: Licensure of funeral establishments & directors.

Requesting a Fee Change: No

Purpose: To cover the cost of regulating funeral homes & mortuary science occupations in order to maintain professional standards.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 149.08

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	219	226	233	239	239	245	245
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	327	266	279	279	279	279	279
Total Departmental Earnings	327	266	279	279	279	279	279
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	72	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	255	266	279	279	279	279	279
<u>Expenditures:</u>							
Direct Expenditures	208	217	229	229	229	229	229
Indirect Expenditures	40	42	44	44	44	44	44
Total Expenditures	248	259	273	273	273	273	273
Current Difference	7	7	6	6	6	6	6
Accumulated Ending Balance	226	233	239	245	245	251	251

Background Information

This fee program is responsible for licensing and regulating funeral homes, crematories, morticians, funeral directors, and crematory business practices. The activities include licensure, regulation, education, and enforcement.

Forecast Basis

This fee program has a small activity base with a small budget and consistent revenues. There is currently an adequate accumulated balance.

Recent Changes

None

Agency Analysis/Requested Changes

No changes requested.

HEALTH DEPT

HEALTH CARE FACILITY LICENSE

Fiscal Report

Revenue Category Description: State licensing of health care providers.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the cost of licensing hospitals & nursing homes that includes issuing licenses, inspecting facilities, investigating complaints, issuing deficiency orders & reviewing construction plans.

Appr Name:

Legal Citation(s): MS 144.122, MS 144A.53

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	464	1,141	2,615	2,264	2,264	2,424	2,424
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	5,841	5,484	5,327	5,218	5,218	5,186	5,186
Total Departmental Earnings	5,841	5,484	5,327	5,218	5,218	5,186	5,186
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	350	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	5,491	5,484	5,327	5,218	5,218	5,186	5,186
<u>Expenditures:</u>							
Direct Expenditures	4,651	3,859	5,272	4,784	4,784	4,784	4,784
Indirect Expenditures	163	151	406	274	274	274	274
Total Expenditures	4,814	4,010	5,678	5,058	5,058	5,058	5,058
Current Difference	677	1,474	(351)	160	160	128	128
Accumulated Ending Balance	1,141	2,615	2,264	2,424	2,424	2,552	2,552

Background Information

Fees collected are to recover costs associated with licensing and regulating nursing homes, boarding care homes, hospitals, supervised living facilities, and out-patient surgical centers. Costs include license processing, on-site surveys, State Fire Marshal, background studies, and complaint investigations.

Forecast Basis

Revenue estimates are made using current provider and bed counts as the base starting point. Revenues are then projected using trends and expected changes in fee-paying entities. Expenses are based on budgeted workload projections and estimated costs.

Recent Changes

Revenues are decreasing due to: 1) nursing home layaway beds; 2) incentives to permanently close nursing and boarding care home beds; 3) nursing home closures; 4) reductions in supervised living facilities due to moving toward waived services. In addition, costs may be increasing due to: 1) Medicare's changing position toward incurring less of Minnesota's Attorney General costs due to receiverships, facility closures, and patient transfer; 2) a currently unknown cost outcome to a newly implemented administrative law judge dispute resolution process for the nursing home survey process; 3) increasing background study costs are occurring in the contract with the Department of Human Services.

Agency Analysis/Requested Changes

After an analysis of the revenue collections and estimated expenses, the agency is not intending to request any changes in fees or appropriations for FY06 and 07.

HEALTH DEPT

HMO/APN/CISN

Fiscal Report

Revenue Category Description: Fees generated through assessment on Managed Care Systems.

Requesting a Fee Change: No

Purpose: To recover the cost of the regulation, complaint investigation and enforcement of HMO's, APN's, CISN's.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 62D.21, MS 62T, MS 62N.25, MR 4685.2800

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	549	646	962	630	630	611	611
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,358	1,446	1,516	1,513	1,513	1,513	1,513
Total Departmental Earnings	1,358	1,446	1,516	1,513	1,513	1,513	1,513
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	129	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	1,229	1,446	1,516	1,513	1,513	1,513	1,513
<u>Expenditures:</u>							
Direct Expenditures	976	1,013	1,548	1,283	1,283	1,283	1,283
Indirect Expenditures	156	117	300	249	249	249	249
Total Expenditures	1,132	1,130	1,848	1,532	1,532	1,532	1,532
Current Difference	97	316	(332)	(19)	(19)	(19)	(19)
Accumulated Ending Balance	646	962	630	611	611	592	592

Background Information

The HMO program has been in operation since 1973 when the HMO Act was adopted. This program is responsible for licensing Minnesota HMOs as well as ongoing monitoring for continuing compliance with applicable laws and rules governing financial solvency and quality assurance. We also investigate complaints filed by enrollees. At the present time there are two HMOs as well as three County Based Purchasing entities that, although not licensed, are subject to laws that regulate HMOs. HMOs are required to file many different kinds of documents for review and approval. Each such filing must include a fee, which is set in administrative rule. The current fees were adopted in 2000.

Forecast Basis

Filing fees are based on the cost of agency oversight and monitoring, which is an ongoing function. MN Rules 4685.2800 sets out the basis for the fees as well as the various fees associated with different filings. Filing fees are, with one exception, based on the agency cost for administering the program, including salaries as well as indirect costs. The annual renewal fee includes one flat fee as well as a fee based on the number of enrollees each HMO had as of the previous year. The fee system has been in place since the inception of the HMO program.

Recent Changes

There have been no changes in fees, and none are projected, in FY 2003-2007. We do project an increase in expenditures in FY 2005-2007 due to additional staff as well as increased costs of the financial examinations of HMO that are done by Dept of Commerce, for which we are billed. The cost of these examinations is billed to each HMO.

Agency Analysis/Requested Changes

No changes requested.

HEALTH DEPT

HOME CARE LICENSES

Fiscal Report

Revenue Category Description: Regulation of home care providers.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the costs of licensing home care providers that includes issuing licenses, inspecting facilities, investigating complaints, issuing deficiency orders and reviewing construction plans.

Appr Name:

Legal Citation(s): MS144A.45, MS144D.03, MR 4664.0002

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,361	1,306	1,855	1,322	1,322	1,391	1,391
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	211	1,065	977	1,107	1,107	1,129	1,129
Total Departmental Earnings	211	1,065	977	1,107	1,107	1,129	1,129
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	650	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	(439)	1,065	977	1,107	1,107	1,129	1,129
<u>Expenditures:</u>							
Direct Expenditures	518	430	1,265	870	870	870	870
Indirect Expenditures	98	86	245	168	168	168	168
Total Expenditures	616	516	1,510	1,038	1,038	1,038	1,038
Current Difference	(1,055)	549	(533)	69	69	91	91
Accumulated Ending Balance	1,306	1,855	1,322	1,391	1,391	1,482	1,482

Background Information

Fees collected are to recover costs associated with registering Housing with Services establishments and the regulation of Home Care Providers (HCP). Costs include registration and/or licensure processing, on-site surveys, and complaint investigations. Home Care and Housing with Services is a rapidly growing industry in Minnesota.

Forecast Basis

State fee revenue estimates are made using current provider counts and past collection rates. Fees payable for HCP's is in most cases tied to their revenues. As both the number of providers and industry revenue has increased, so has the agency's fee collection. Budgeting estimated survey and complaint inspection workload costs is used to project agency expenses.

Recent Changes

The agency has traditionally not completed all of its intended annual workload projections for Home Care Providers. A sizeable fee account surplus had accumulated resulting in a 2-year fee holiday for all providers during the licensure renewal process. The agency has again started collecting fees and is implementing a strategy to better manage the home care regulatory process. New hospice rules took effect September, 2004. Hospice providers were previously part of the home care rules and fee revenue source codes. During the first year, all hospice providers will be assessed a \$125 licensure fee. Once revenues are established the regular fee rate will apply for FY06.

Agency Analysis/Requested Changes

An analysis of the workload requirements has created an outcome to establish a separate Assisted Living Home Care provider survey team that will function independently from the regular survey process. The large and growing number of home care providers has warranted this and will put the agency in a better position to make sure available funding and workload requirements are more efficiently utilized. The agency is expecting to spend allocated appropriation for FY05 and FY06.

LABORATORY CERTIFICATION

Revenue Category Description: Fee charged to labs to be certified to do certain categories of lab tests for federal & state govs

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the costs incurred to certify laboratories.

Appr Name:

Legal Citation(s): MS 144.98

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	105	101	91	19	19	(3)	(29)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	387	342	350	350	510	350	565
Total Departmental Earnings	387	342	350	350	510	350	565
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	20	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	367	342	350	350	510	350	565
Expenditures:							
Direct Expenditures	310	296	354	312	468	312	468
Indirect Expenditures	61	56	68	60	90	60	90
Total Expenditures	371	352	422	372	558	372	558
Current Difference	(4)	(10)	(72)	(22)	(48)	(22)	7
Accumulated Ending Balance	101	91	19	(3)	(29)	(25)	(22)

Background Information

This public health program certifies public and private environmental laboratories to perform testing for federal programs that require laboratory certification. In Minnesota, these programs are administered by the Minnesota Department of Health (Safe Drinking Water) and the Minnesota Pollution Control Agency (Clean Water, Resource Conservation and Recovery, and Underground Storage Tank).

As a condition of primacy, Minnesota must assure the U.S. Environmental Protection Agency (EPA) that federal regulatory program testing is performed by laboratories certified by the state to conduct the data quality assurance, analysis, sample collection, preservation and handling techniques specified by the EPA.

The program works closely with the Minnesota Pollution Control Agency and environmental health programs within the MDH to assure the accuracy of data used, thereby assuring the quality of environmental conditions in Minnesota.

The program is striving for uniformity in certification programs nationwide and building reciprocal arrangements with nearby states that are mutually beneficial.

Environmental laboratory certification is voluntary in Minnesota.

Forecast Basis

The Environmental Laboratory Certification program is supported entirely by biennial user fees. Since the inception of the program, the number of certified environmental laboratories has remained constant at approximately 170.

Recent Changes

The laboratory certification fees were increased by the 2001 legislature to cover the costs of staff, supplies and training. At this time, the program anticipated that another fee increase would be needed in four years.

Agency Analysis/Comments

The Governor recommends adjusting fee revenues and expenditures to maintain current services and provide increased technical assistance.

HEALTH DEPT

LABORATORY FEE STICKERS

Fiscal Report

Revenue Category Description: Fees charged for each specimen sent to the MN Department of Health lab for testing.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: Fee charged to partially recover the cost of operating a public health laboratory.

Appr Name:

Legal Citation(s): MS 144.122

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	19	4	(1)	1	1	31	31
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	114	102	104	102	102	102	102
Total Departmental Earnings	114	102	104	102	102	102	102
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	114	102	104	102	102	102	102
<u>Expenditures:</u>							
Direct Expenditures	108	90	86	60	60	60	60
Indirect Expenditures	21	17	16	12	12	12	12
Total Expenditures	129	107	102	72	72	72	72
Current Difference	(15)	(5)	2	30	30	30	30
Accumulated Ending Balance	4	(1)	1	31	31	61	61

Background Information

This fee covers some of the costs of handling specimens sent to the Public Health Laboratory for analysis. Specimen handling includes specimen receipt, data entry of results, results reporting, postage, and specimen kit preparation. The fee is paid by hospitals, clinics and physicians who send specimens for testing to the Public Health Laboratory.

Forecast Basis

A \$15.00 fee is collected for the costs associated with handling each specimen sent to the Public Health Laboratory for analysis. Over time there has been a reduction in the number of specimens analyzed by the Public Health Laboratory for the purpose of primary diagnostic testing.

Recent Changes

Revenue has stabilized after the department improved efforts to more effectively monitor the collection of the fee, clarify whether submitters are exempt or non-exempt from paying the fee, and communicate requirements to submitters.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure. The program will continue to evaluate whether the \$15.00 fee is sufficient to cover the costs associated with specimen handling.

HEALTH DEPT

LEAD PROGRAM

Fiscal Report

Revenue Category Description: Licensure fee for lead program.

Requesting a Fee Change: No

Purpose: To recover costs of licensing and certifying contractors, approving training courses, and inspecting sites for appropriate work practices.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MR 4761.0710 - 0740, MS 144.9508

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(3)	0	24	10	10	5	5
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	54	49	45	45	45	45	45
Total Departmental Earnings	54	49	45	45	45	45	45
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	54	49	45	45	45	45	45
<u>Expenditures:</u>							
Direct Expenditures	43	21	50	44	44	44	44
Indirect Expenditures	8	4	9	6	6	6	6
Total Expenditures	51	25	59	50	50	50	50
Current Difference	3	24	(14)	(5)	(5)	(5)	(5)
Accumulated Ending Balance	0	24	10	5	5	0	0

Background Information

The program protects the health of children, pregnant women and other adults with primary and secondary lead exposure prevention methods. Staff identify and evaluate potential hazards by performing lead risk assessments; provide support and technical assistance to local public health agencies, regulated parties, health care providers and property owners; credential regulated parties and professions and perform compliance monitoring of their activities; develop relationships with a broad spectrum of citizens, communities, health care providers and state, federal and local agencies. Elevated blood lead levels disproportionately affect minority and refugee/immigrant children, low-income families, and those families living in the central city of metropolitan areas. The current program and fee structure was created by the legislature and became established in 1999.

Forecast Basis

The revenue generated for the Lead Program is associated with a limited industry. Past federal regulatory changes have increased the demand for services in this program area. It is anticipated that revenue will become sluggish or remain flat as a result of changing regulatory climate.

Recent Changes

None.

Agency Analysis/Requested Changes

The Department will monitor program revenue and expenditures to ensure program costs are supported by program revenues.

HEALTH DEPT

MFG HOME PARK & RECREATIONAL

Fiscal Report

Revenue Category Description: License fee paid by the operators of manufactured home parks & recreational camping areas.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To fully recover the cost of licensure, inspection and enforcement activities related to Mobile Home Parks and Recreational Camp Areas.

Appr Name:

Legal Citation(s): MS 327.15, MS 332.5 Subd 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	245	242	293	305	305	317	317
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	157	178	167	167	167	167	167
Total Departmental Earnings	157	178	167	167	167	167	167
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	157	178	167	167	167	167	167
<u>Expenditures:</u>							
Direct Expenditures	134	105	130	130	130	130	130
Indirect Expenditures	26	22	25	25	25	25	25
Total Expenditures	160	127	155	155	155	155	155
Current Difference	(3)	51	12	12	12	12	12
Accumulated Ending Balance	242	293	305	317	317	329	329

Background Information

The Manufactured Home Park and Recreational Camping rules have been in effect since the 1950's. The last fee increase for this program was in January 1991.

Forecast Basis

It is expected that the number of facilities will remain the same.

Recent Changes

Additional facilities were added to the program with the return of the Cass County and city of Albert Lea delegations.

Agency Analysis/Requested Changes

The Department will monitor program revenues and expenditures.

HEALTH DEPT

NEWBORN SCREENING

Fiscal Report

Revenue Category Description: Fee charged to test each newborn specimen for diseases which include PKU, Hemoglobinopathy, Hypothy

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover costs to perform testing for the Newborn Screening Program.

Appr Name:

Legal Citation(s): MS 144.125

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	458	531	1,592	936	936	1,170	1,170
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,666	3,926	4,270	4,270	4,270	4,270	4,270
Total Departmental Earnings	1,666	3,926	4,270	4,270	4,270	4,270	4,270
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	80	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	1,586	3,926	4,270	4,270	4,270	4,270	4,270
<u>Expenditures:</u>							
Direct Expenditures	1,275	2,502	4,486	3,618	3,618	3,618	3,618
Indirect Expenditures	238	363	440	418	418	418	418
Total Expenditures	1,513	2,865	4,926	4,036	4,036	4,036	4,036
Current Difference	73	1,061	(656)	234	234	234	234
Accumulated Ending Balance	531	1,592	936	1,170	1,170	1,404	1,404

Background Information

This public health program prevents disease and disability from heritable and congenital disorders. The MDH Public Health Laboratory currently tests every Minnesota newborn for over thirty treatable disorders. Some of these tests are provided by the Mayo Clinic through a contract with the MDH. Without early detection these disorders can lead to chronic illness, physical disability, mental retardation, developmental problems and early death. By detecting these conditions soon after birth, these babies can be successfully treated and live healthy lives.

Forecast Basis

The Newborn Screening program is supported entirely by fees. A \$61.00 fee is collected for the costs associated with screening of each newborn in Minnesota. A single fee covers the costs of testing and follow-up services with hospitals, specialists, primary care physicians and families when a newborn test results in a presumptive positive. The number of births in Minnesota remains constant at approximately 70,000 per year.

Recent Changes

The 2003 legislature approved a fee increase from \$21.00 to \$61.00 for each newborn screened and appropriated funding to enhance and expand the state's newborn screening program. In 2004, the program entered into a contract with the Mayo Clinic to conduct tests using state of the art instrumentation called tandem mass spectrometry. The number of disorders screened has increased to over 30 disorders. The number of babies identified with treatable heritable and congenital disorders and confirmed as positive rose from approximately 40 to 85. In addition, the program has added staff to follow-up with physicians, specialists and families to ensure the babies identified with these treatable disorders receive prompt treatment.

Agency Analysis/Requested Changes

A fee increase is not needed at this time. However, the program will continue to monitor the costs of conducting the tests as well as maintaining a system to follow-up with babies identified with these disorders, specialists, physicians, hospitals and families.

HEALTH DEPT

PLAN REV & INSP FOR PUB SWIM

Fiscal Report

Revenue Category Description: Plan review and inspection fees for public swimming pools.

Requesting a Fee Change: No

Purpose: To offset the cost of reviewing plans & field inspections.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 144.1222

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	17	13	8	(4)	(4)	(17)	(17)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	51	92	119	118	118	119	119
Total Departmental Earnings	51	92	119	118	118	119	119
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	51	92	119	118	118	119	119
<u>Expenditures:</u>							
Direct Expenditures	46	81	110	110	110	110	110
Indirect Expenditures	9	16	21	21	21	21	21
Total Expenditures	55	97	131	131	131	131	131
Current Difference	(4)	(5)	(12)	(13)	(13)	(12)	(12)
Accumulated Ending Balance	13	8	(4)	(17)	(17)	(29)	(29)

Background Information

Staff in the Pool Program review plans and specifications for construction of new pools, spas, and water parks prior to construction, and inspect construction. The program has been operating since the 1980's, but came to its present form in the early 1990's. The current fees were set by the legislature in 2003.

Forecast Basis

Rationale for current fee base: program activities require one FTE. Fees were set to generate adequate revenue to support program activities, and in relation to the amount of time required per project.

Rationale for current expenditure base: salary, benefits and expenses for one FTE (engineer) to conduct program activities statewide. Budget also was to include 0.1 FTE for support staff, which will be a part of the budget beginning in sfy 2006.

Recent Changes

Fee structure was changed effective October 1, 2003. Existing fees were increased and new categories of fees were added.

Agency Analysis/Requested Changes

The Department will continue to monitor program activities to ensure that program costs do not exceed revenues.

HEALTH DEPT

PLAN REVIEW-WATER TREATMENT

Fiscal Report

Revenue Category Description: Plan review and inspection fees for water mains, pump houses, and other water plans.

Requesting a Fee Change: No

Purpose: To offset the cost of reviewing plans and field inspection.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 144.383, MS 115.79, MN Laws 1987 Chpt 403 Art 1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	340	145	263	225	225	265	265
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	192	195	196	196	196	196	196
Total Departmental Earnings	192	195	196	196	196	196	196
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	225	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	(33)	195	196	196	196	196	196
<u>Expenditures:</u>							
Direct Expenditures	137	65	197	131	131	131	131
Indirect Expenditures	25	12	37	25	25	25	25
Total Expenditures	162	77	234	156	156	156	156
Current Difference	(195)	118	(38)	40	40	40	40
Accumulated Ending Balance	145	263	225	265	265	305	305

Background Information

The commissioner's authority to approve the site, design, construction and alteration of public water supplies was established in 1977 by Minnesota Statutes 144.383, and Minnesota Rules 4720.0010-0015. The rules were amended in 1997 to include fees for this service. The program reviews plans to ensure compliance with State standards and other widely recognized national standards for health and safety of community public water systems. The program also works with the engineering consultants and municipal governments to optimize system design, and conducts inspections of water system infrastructure construction. The program also evaluates and prioritized proposals for Drinking Water Revolving Fund loans.

Forecast Basis

Revenue for this program is generated by drinking water construction projects and will vary depending on economic conditions, and the availability of grants and low interest loans. It appears that these factors will remain relatively stable during FY06 and FY07, so we estimate that the revenues will remain about the same. Projected revenues are adequate to support the program.

The major expense for this program is salaries for staff to: review engineering plans and specifications, provide technical assistance to consulting engineers and municipal governments, and to inspect projects.

Recent Changes

During development of the Drinking Water Revolving Loan Fund, 50% of funding for staff in this program was provided by federal set-aside money. Starting in FY05, staff in this program will return to 100% funding from plan review fees.

Agency Analysis/Requested Changes

No change is requested.

PLUMBER & WATER COND LIC EX BD

Fiscal Report

Revenue Category Description: Licensure, examination & bond filing fees for plumbers & water conditioner installers.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the costs of administering the plumbing and water conditioning program which includes licensing, testing, inspection, plan review & complaint investigation.

Appr Name:

Legal Citation(s): MS 326.42, MS 326.6, MS 332.5 Subd 2, MS 144.99

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	69	115	332	296	296	558	303
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	780	1,523	1,900	1,843	1,838	1,843	1,838
Total Departmental Earnings	780	1,523	1,900	1,843	1,838	1,843	1,838
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	780	1,523	1,900	1,843	1,838	1,843	1,838
<u>Expenditures:</u>							
Direct Expenditures	615	1,094	1,622	1,324	1,533	1,324	1,533
Indirect Expenditures	119	212	314	257	298	257	298
Total Expenditures	734	1,306	1,936	1,581	1,831	1,581	1,831
Current Difference	46	217	(36)	262	7	262	7
Accumulated Ending Balance	115	332	296	558	303	820	310

Background Information

The Plumbing program carries out the following activities: Plumber licensure, code compliance, bond registration and access, code interpretation, plumbing plan review, inspections, training and enforcement. The program has been in effect since 1969. The plan review fees were set by the legislature in 2003, the bond fee in 1999, and license fees by Rule in 1994.

Forecast Basis

Rationale for current fee base: All fees are service fees and are roughly related to costs of service. The fees were set based on typical number of plans received and individuals examined and licensed, and are adequate at present, based on current demand for service. There has been an unexpected interest in the accelerated review program, which requires plan review within 15 business days. Using this service generates additional fees, but requires a higher level of service (and demands on staff). There has been more demand for this service than expected in developing the original legislative proposal. It may be necessary to hire additional staff to respond to this demand.

Rationale for current expenditure base: Salary, benefits, and expenses for program staff activities, based on level of activity, are supported by revenues.

Recent Changes

Plan review fees authorized by statute in 2003 became effective July 1, 2003. The Minnesota Department of Health began collecting these fees November 1, 2003.

Agency Analysis/Requested Changes

The Governor recommends adjusting fee revenues and expenditures to meet demand for plan review services and the accelerated review program. Also, the Governor recommends adjusting language to limit the amount of fees collected for certain types of plumbing system components. Currently, fees are based on the number of fixtures, not the number of designs submitted. This results in reduced revenue, but could provide substantial savings to individual fee payers.

HEALTH DEPT

REGI OF X-RAY & RADIUM SOURCE

Fiscal Report

Revenue Category Description: X-ray machines & radium sources in dental offices, hospitals, and other medical facilities.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover the costs of X-Ray registration and inspection program.

Appr Name:

Legal Citation(s): MS 144.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	202	292	336	259	259	275	275
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	905	906	890	885	885	885	885
Total Departmental Earnings	905	906	890	885	885	885	885
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	100	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	805	906	890	885	885	885	885
<u>Expenditures:</u>							
Direct Expenditures	598	723	810	728	728	728	728
Indirect Expenditures	117	139	157	141	141	141	141
Total Expenditures	715	862	967	869	869	869	869
Current Difference	90	44	(77)	16	16	16	16
Accumulated Ending Balance	292	336	259	275	275	291	291

Background Information

This program protects the health and safety of ionizing radiation producing equipment owners, operators, employees and the general public via registration and inspection of the radiological programs.

Forecast Basis

The revenue generated for the X-ray program is closely associated with the construction industry and increased capital investment by building owners in existing buildings. It is anticipated that revenues will become sluggish in the current economy.

Recent Changes

There have been no fee increases in this program since 1997. However, as the state's Nuclear Regulatory Commission (NRC) regulation program begins operations, this program may experience a temporary delay in inspections as current staff transition from one program to the other and new staff are hired.

Agency Analysis/Requested Changes

No change is requested.

HEALTH DEPT

NUCLEAR REGULATORY COMM

Fiscal Report

Revenue Category Description: Registering of radioactive materials.

Requesting a Fee Change: No

Purpose: The state is taking over the registering and licensing of radioactive materials from the Federal government.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 144.1205

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(138)	(210)	(347)	(621)	(621)	(556)	(556)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	552	552	700	700
Total Departmental Earnings	0	0	0	552	552	700	700
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	0	552	552	700	700
<u>Expenditures:</u>							
Direct Expenditures	59	116	249	408	408	408	408
Indirect Expenditures	13	21	25	79	79	79	79
Total Expenditures	72	137	274	487	487	487	487
Current Difference	(72)	(137)	(274)	65	65	213	213
Accumulated Ending Balance	(210)	(347)	(621)	(556)	(556)	(343)	(343)

Background Information

Except for radium and a small amount of accelerator produced radioactive sources, the US Nuclear Regulatory Commission (NRC) regulates radioactive materials. The Minnesota Department of Health has been in the process of assuming regulatory control of all radioactive materials for several years. It appears that those efforts will come to fruition in FY 2006. Rules have been promulgated and the staff necessary to implement the regulatory controls has been trained.

Forecast Basis

The revenue generated for the radioactive materials program was approved by the 2004 Minnesota legislature. Currently, the NRC anticipates transfer of authority in October, 2005. That date is significantly later than previous estimates. The delay will impact projected revenues for FY 2005 and FY 2006.

Recent Changes

As stated above, the NRC anticipates transfer of authority in October, 2005. That date is significantly later than previous estimates.

Agency Analysis/Requested Changes

No changes requested.

WELL MANAGEMENT PROGRAM

Fiscal Report

Revenue Category Description: Well/boring contractor license fees, well/boring construction permit, notification fees, disclosure.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: License well contractors, pump installers, elevator shaft contractors, dewaterers, monitoring well contractors, and explorers, regulate construction/sealing of wells, environmental boreholes, elevator shafts, exploratory boreholes and heat/loops pumps.

Appr Name:

Legal Citation(s): MS Chpt 103I

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(99)	(31)	281	205	205	281	(75)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	3,384	3,646	3,600	3,600	3,600	3,600	4,151
Total Departmental Earnings	3,384	3,646	3,600	3,600	3,600	3,600	4,151
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	15	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	3,369	3,646	3,600	3,600	3,600	3,600	4,151
Expenditures:							
Direct Expenditures	2,764	2,793	3,079	2,952	3,250	2,952	3,455
Indirect Expenditures	537	541	597	572	630	572	670
Total Expenditures	3,301	3,334	3,676	3,524	3,880	3,524	4,125
Current Difference	68	312	(76)	76	(280)	76	26
Accumulated Ending Balance	(31)	281	205	281	(75)	357	(49)

Background Information

The mission of the MDH Well Program is to protect the safety of well water, and to locate and seal abandoned wells, which can act as conduits for contamination to drain deep into the ground and pollute our irreplaceable groundwater supplies. Principal tasks of the program include promulgating and enforcing well/boring regulations, licensing and training well/boring contractors, assuring the sealing of unused wells and borings, providing education and technical assistance to contractors, consultants, and the public, and maintaining records on wells and borings. During the past decade, MDH has dramatically improved the sanitary construction of new wells, nearly eliminating wells constructed too close to landfills, sewers, and septic systems, and wells constructed with reject casing pipe salvaged from oil fields. During the past 15 years, the program has also overseen the proper sealing of more than 180,000 abandoned wells. We also provide assistance when flooding or tornadoes threaten to contaminate wells.

The program has been operating in its current configuration since 1989, and has essentially maintained the same staffing level since that time (36 now vs. 38 originally authorized). The program is entirely fee-supported.

Forecast Basis

Fee revenue from new wells and sealed wells fluctuates with the overall economy, especially new home construction. If mortgage and interest rates continue to rise, fee revenue may decrease somewhat during the next few years. Program cost increases have largely resulted from inflation and increases in staff salary and fringe costs, although the program has also sustained cost increases in recent years to support web-based services and increased reliance on electronic information and business systems.

Recent Changes

Program fees were last increased in FY 2003.

Agency Analysis/Requested Changes

The Governor recommends adjusting fee revenues and expenditures to maintain current service levels.

HEALTH DEPT

ADOPTION REGISTRY

Fiscal Report

Revenue Category Description: Filing fee surcharge for each adoption petition filed.

Requesting a Fee Change: No

Purpose: To cover the costs of the Putative Father Adoption Registry.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 259.52

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(44)	12	11	(23)	(23)	(47)	(47)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	15	16	17	17	17	17	17
Total Departmental Earnings	15	16	17	17	17	17	17
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency	115	117	117	117	117	118	118
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	130	133	134	134	134	135	135
<u>Expenditures:</u>							
Direct Expenditures	62	113	140	132	132	132	132
Indirect Expenditures	12	21	28	26	26	26	26
Total Expenditures	74	134	168	158	158	158	158
Current Difference	56	(1)	(34)	(24)	(24)	(23)	(23)
Accumulated Ending Balance	12	11	(23)	(47)	(47)	(70)	(70)

Background Information

The Minnesota Fathers' Adoption Registry (MFAR) legislation of 1997, under Minnesota Statutes 259.52, provides a putative father (unmarried father) with a way to protect his interests in preserving a parent-child relationship when that child is or may be placed for adoption. The legislation also provides stability in the adoption placement process, by ensuring that a father initiating a late or untimely legal proceeding does not disrupt a child's adoptive placement.

The legislation directs the district court administrator in every judicial district to assess a \$75 adoption filing fee surcharge on each adoption petition filed in the district court for the purpose of implementing and maintaining the MFAR. MDH also receives a \$ 25 dollar administrative fee from agents or agencies supervising adoption placements, as required during the adoption planning process. Child support enforcement searches are exempted from paying the administrative fee for searching the MFAR.

Forecast Basis

The MFAR is still gaining recognition by local counties, the adoption industry, and practitioners. Compliance with statutory requirements for practitioners completing searches appears to be in a state of fluctuation. With the relative newness of the program, some adoption practitioners may not always be aware of this requirement. During the last 12-18 months there appears to be a significant increase in both revenue streams, which suggest that more aggressive outreach efforts and education are having a positive impact on practitioner compliance. It is anticipated that the newly designed public awareness campaign will result in a continued increase in searches completed, which will result in increased revenue.

Recent Changes/Change Items

The MFAR had significant salary savings in FY2003, due to staff changes. The MFAR is now fully staffed.

Agency Analysis

The Department will continue to monitor program activity to ensure expenditures do not significantly exceed revenues.

SPEECH LANG PATHOLOGIST

Fiscal Report

Revenue Category Description: Regulation of the speech language pathologist & audiologist providers through a registration system.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To regulate these providers to assure that minimum standards are established, complaints are investigated and enforcement action taken.

Appr Name:

Legal Citation(s): MS 148.5194, MS 214.13 Subd 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	106	131	144	127	127	118	118
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	177	142	155	148	148	160	160
Total Departmental Earnings	177	142	155	148	148	160	160
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	42	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	135	142	155	148	148	160	160
<u>Expenditures:</u>							
Direct Expenditures	92	108	144	132	132	132	132
Indirect Expenditures	18	21	28	25	25	25	25
Total Expenditures	110	129	172	157	157	157	157
Current Difference	25	13	(17)	(9)	(9)	3	3
Accumulated Ending Balance	131	144	127	118	118	121	121

Background Information

Protects consumers of Speech, Language Pathologists and Audiologist services by credentialing practitioners and investigating complaints.

Forecast Basis

Licensing revenues fluctuate because renewals are biennial but un-evenly divided between the two years. The number of practitioners is expected to continue to moderately increase each year.

Recent Changes

In SFY2003, authority to collect a \$25 surcharge fee expired.

Agency Analysis/Requested Changes

No changes requested.

HEALTH DEPT

HID CERTIFICATION

Fiscal Report

Revenue Category Description: Registration system used to regulate Hearing Instrument Dispensers.

Requesting a Fee Change: No

Purpose: To recover the cost of regulation of the hearing instrument industry including: enforcement of standards, licensure examination and complaint investigation.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 153A.17

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	110	175	68	64	64	64	64
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	247	50	202	209	209	216	216
Total Departmental Earnings	247	50	202	209	209	216	216
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	51	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	196	50	202	209	209	216	216
<u>Expenditures:</u>							
Direct Expenditures	109	134	172	175	175	175	175
Indirect Expenditures	22	23	34	34	34	34	34
Total Expenditures	131	157	206	209	209	209	209
Current Difference	65	(107)	(4)	0	0	7	7
Accumulated Ending Balance	175	68	64	64	64	71	71

Background Information

Protects purchasers and consumers of hearing aids by regulating (examining, credentialing and investigating activities) the dispensing of hearing aids by audiologists and non-audiologists dispensers.

Forecast Basis

Modest increases in the number of practitioners each year increases certification and examination fees with all other revenues stable from year to year. Increases in allocation of investigation and clerical staff time to address increasing complaints will increase salary expenditures in SFY06-07.

Recent Changes

In 2003, a fee holiday was set up for one year and other fees were adjusted in order to eliminate a surcharge fee- the annual credential fee was reduced while the examination fees were increased.

Agency Analysis/Requested Changes

No changes requested.

HEALTH DEPT

OCCUPATIONAL THERAPIST

Fiscal Report

Revenue Category Description: Licensure fee for occupational therapist.

Requesting a Fee Change: Yes

Purpose: To recover costs to regulate occupational therapy professionals to assure that minimum standards are established.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 148.6445, MS 214.13, MS 214.06

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	694	661	525	314	314	400	146
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	304	47	50	304	50	304	50
Total Departmental Earnings	304	47	50	304	50	304	50
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	206	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	98	47	50	304	50	304	50
<u>Expenditures:</u>							
Direct Expenditures	110	153	220	182	182	182	182
Indirect Expenditures	21	30	41	36	36	36	36
Total Expenditures	131	183	261	218	218	218	218
Current Difference	(33)	(136)	(211)	86	(168)	86	(168)
Accumulated Ending Balance	661	525	314	400	146	486	(22)

Background Information

Protects consumers of occupational therapy services by credentialing practitioners and investigating complaints of alleged incompetence or illegal activity.

Forecast Basis

Revenues are forecasted to be stable. However, there is a need to increase support and investigator staff FTE's to sanction the growing number of technical violations of regulations.

Recent Changes

A fee holiday during FY 2004-05 was authorized by the Legislature to reduce the large accumulated balance.

Agency Analysis/Requested Changes

The Governor recommends continuing the fee holiday to bring program expenditures in line with revenues.

HEALTH DEPT

FOOD MANAGER CERTIFICATION

Fiscal Report

Revenue Category Description: Fee to certify food managers.

Requesting a Fee Change: Yes

Purpose: To cover the costs of a statewide certification program for food managers.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 157.011 subd 2, MS 144.122

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(46)	(17)	9	(15)	(15)	(36)	(7)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	115	129	113	116	207	129	220
Total Departmental Earnings	115	129	113	116	207	129	220
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	115	129	113	116	207	129	220
<u>Expenditures:</u>							
Direct Expenditures	72	86	115	115	167	115	167
Indirect Expenditures	14	17	22	22	32	22	32
Total Expenditures	86	103	137	137	199	137	199
Current Difference	29	26	(24)	(21)	8	(8)	21
Accumulated Ending Balance	(17)	9	(15)	(36)	(7)	(44)	14

Background Information

The Food Manager Certification program is a statewide registration of certified food managers, effective July 1, 2000. The current fee of \$15 is for support of the issuance of 7,000 certificates (which are active for three years), oversight of the certification activity, data management functions including web communications. The program has never been able to sustain itself based on the current fee.

Forecast Basis

The fee certification is for three years. Revenues fluctuate reflecting the three year cycle. The program is expected to continue to grow as more food managers become certified.

Recent Changes

None.

Agency Analysis/Requested Changes

The Governor recommends adjusting fee revenues and expenditures to maintain current services and ensure program costs are recovered.

HEALTH DEPT

TEMPORARY NURSING

Fiscal Report

Revenue Category Description: Registration of supplemental nursing services employment agency.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To recover costs of the supplemental nursing services employment agency registry serving the health care industry by providing individuals for direct contact services.

Appr Name:

Legal Citation(s): MS 144A.71

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(12)	79	111	108	108	105	105
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	98	79	77	77	77	77	77
Total Departmental Earnings	98	79	77	77	77	77	77
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	98	79	77	77	77	77	77
<u>Expenditures:</u>							
Direct Expenditures	6	39	67	67	67	67	67
Indirect Expenditures	1	8	13	13	13	13	13
Total Expenditures	7	47	80	80	80	80	80
Current Difference	91	32	(3)	(3)	(3)	(3)	(3)
Accumulated Ending Balance	79	111	108	105	105	102	102

Background Information

Fees collected are to recover costs associated with registering and regulating Supplemental Nursing Staffing Agencies (SNSA). Costs include registration processing, on-site surveys, monitoring, and complaint investigations. The regulations were primarily established to provide hourly payable rates to be reimbursable by Medicaid for nursing home staffing costs incurred by providers hiring staffing pool services. In order for a health care facility to employ the services of nursing related staff from a service pool, the provider must be registered with the Department of Health.

Forecast Basis

Revenue estimates are made using current provider counts as the base starting point. Revenues are then projected using trends and expected changes in fee-paying entities. The number of SNSA is expected to remain near 90 under current law. Expenses include processing, compliant investigations and on-site inspections.

Recent Changes

The program was established and first implemented in January of 2002. Other than the annual reimbursable rate adjustments, there have not been changes to the program structure since implementation.

Originally the number of SNSA's in Minnesota providing staff to Minnesota nursing homes was estimated to be around 250 providers. Since the rates have been established many providers have closed. The number currently registered is 86.

Agency Analysis/Requested Changes

No changes requested.

ADVERSE HEALTH EVENT REPORTING

Fiscal Report

Revenue Category Description: Adverse Health Event Reporting

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To fund the activities of the Adverse Health Event Reporting system. This system will track 27 types of incidents and will provide health care consumers with information on how well hospitals and outpatient surgical centers are doing at preventing adverse event.

Appr Name:

Legal Citation(s): MS 144.122, Change item fee, MS144.7067

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	335	0	335
Total Departmental Earnings	0	0	0	0	335	0	335
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	0	0	335	0	335
Expenditures:							
Direct Expenditures	0	0	0	0	302	0	302
Indirect Expenditures	0	0	0	0	33	0	33
Total Expenditures	0	0	0	0	335	0	335
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

The Adverse Health Events Reporting Law -- passed during the 2003 legislative session and modified again in 2004 -- will provide health care consumers with information on how well hospitals and outpatient surgical centers are doing at preventing 27 adverse events. The law requires that hospitals disclose when any of these 27 events occur and requires MDH to publish annual reports of the events by facility, along with an analysis of the events, the corrections implemented by facilities and any recommendations for improvement in Minnesota.

The law was in its "transition period" from July 1, 2003 to December 6, 2004. The law has moved to full implementation and the event reports, findings of root cause analyses and the corrective action plans have been received by the Minnesota Department of Health (MDH) since December 6, 2004.

Forecast Basis

All activity, through June 30, 2005 will be funded with non-state funds (\$250,000 for the FY2004-05 biennium). There is no base budget for this activity in the FY2006-07 biennium. Ongoing funding of \$335,000 per year is needed starting July 1, 2005. An increase in hospital and outpatient surgical center fees is proposed to provide the funding needed for the Adverse Event Reporting Law. Hospitals will pay an additional \$500 base fee plus an additional \$13 per bed and Out-Patient Surgical Centers will pay an additional \$1,837 base fee to fund the Adverse Health Event Reporting activities.

Recent Changes

The program is moving from non-state funding to funding through fees. This change item is proposed in the FY06-07 BBS budget documents.

Agency Analysis/Requested Changes

The Governor recommends adjusting hospital licensure fees to establish a revenue stream for this activity.

HEALTH DEPT

A & D COUNSELORS

Fiscal Report

Revenue Category Description: License fee for alcohol and drug counselors.

Requesting a Fee Change: No

Purpose: To recover the costs of regulating alcohol and drug counselors including: enforcement of standards, licensure, examination, and complaint investigations.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): MS 148C.03 Subd. 1 (j), 148C.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	280	329	350	0	0	0	0
Total Departmental Earnings	280	329	350	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	280	329	350	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	207	219	272	0	0	0	0
Indirect Expenditures	29	37	51	0	0	0	0
Total Expenditures	236	256	323	0	0	0	0
Current Difference	44	73	27	0	0	0	0

Background Information

This activity examines and credentials applicants for Alcohol and Drug Counselors (ADC) licenses and investigates allegations of alleged misconduct and illegal practice.

Forecast Basis

The number of practitioners is less than previously estimated primarily due to occupational attrition, a greater number of temporary permit applicants and lower than expected numbers of license applicants. These changes require reducing projected revenues and maintaining reduced staffing levels so that annual expenditures do not exceed licensing revenues.

Recent Changes

Fees were adjusted in SFY03 to ensure licensing revenues recovered annual operating costs. In addition, a surcharge was established to recover, over ten years, an accumulated deficit of about \$1 million.

The ADC fee program will be moving to the Behavioral Health & Therapy Board on July 1, 2005.

Agency Analysis/Requested Changes

Program expenditures will be closely monitored to ensure that annual expenditures do not exceed licensing revenues and that surcharge fees continue to reduce the accumulated deficit.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	141	193	194	194	205	194	209
Total Dedicated Receipts	141	193	194	194	205	194	209

<u>Fund Totals:</u>							
Special Revenue	141	193	194	194	205	194	209
Departmental Earnings Total	141	193	194	194	205	194	209

HIGHER EDUCATION SVCS OFFICES

PRIVATE POST SEC INST REG

Fiscal Report

Revenue Category Description: Private post-secondary institution registration fee

Requesting a Fee Change: No

Purpose: Fee to recover costs in administering the registration program for private post-secondary schools.

Fund: SPECIAL REVENUE

Appr Name: SPECIAL PROGRAMS

Legal Citation(s): MS 136A.61-136A.71

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	42	38	47	46	46	38	38
Resources:							
Dedicated Receipts	33	70	72	72	72	72	72
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	33	70	72	72	72	72	72
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	33	70	72	72	72	72	72
Expenditures:							
Direct Expenditures	35	60	70	76	76	78	78
Indirect Expenditures	2	1	3	4	4	4	4
Total Expenditures	37	61	73	80	80	82	82
Current Difference	(4)	9	(1)	(8)	(8)	(10)	(10)
Accumulated Ending Balance	38	47	46	38	38	28	28

Background Information:

Minnesota Statutes section 136A.69 (specifying fees for Private Institutional Registrations) was amended in 2003 to raise the annual registration fee for new registrations to \$1,100 and the annual renewal fee to \$950. These increases became effective in fiscal year 2004. The Private Institutional Registration (PIR) process includes approval to use regulated terms in an institutions name, review of financial audits, promotional material and policies, curriculum, faculty and facilities. Approval of degrees requires (in addition to the items listed above) an in-depth assessment of the institutions ability to meet generally accepted standards for the specific degree and, if necessary, an evaluation by a consultant from outside Minnesota. As needed staff investigates complaints about whether an institution continues to meet the standards for approval.

Forecast Basis:

Fees are charged for initial and renewal registrations. In addition, current rules allow for reimbursement by the institution for on-site evaluations conducted outside Minnesota. Few changes are anticipated in the number of new or renewal institutions.

Recent Changes:

Minnesota Statutes section 136A.69 (specifying fees for Private Institutional Registrations) was amended in 2003 to raise the annual registration fee for new registrations to \$1,100 and the annual renewal fee to \$950. These increases became effective in fiscal year 2004.

Agency Analysis/Comments:

The Agency intends to monitor the current fee structure for this activity in fiscal year 2004 and 2005 to determine if the new fee structure will generate sufficient revenue to cover the costs of this activity. In addition, the Agency intends to propose adding a provision to the statute that will allow the Agency to be reimbursed for the reasonable costs of consultants that are retained to review new and/or revised degrees, including their necessary travel expenses. Currently the professional fees of consultants and their travel expenses must be paid out of renewal fees.

HIGHER EDUCATION SVCS OFFICES

REG OF PRIV FOR PROF CAR SCHLS

Fiscal Report

Revenue Category Description: Licensure for private for-profit career schools

Requesting a Fee Change: Yes

Fund: SPECIAL REVENUE

Purpose: Fee to recover administrative costs for the issuance of post-secondary school licenses to applicants who have been determined to meet the minimum standards stated in MS 141.25

Appr Name: SPECIAL PROGRAMS

Legal Citation(s): MS 141.20 - MS 141.25

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	92	133	135	134	134	133	134
<u>Resources:</u>							
Dedicated Receipts	108	123	122	122	133	122	137
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	108	123	122	122	133	122	137
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	108	123	122	122	133	122	137
<u>Expenditures:</u>							
Direct Expenditures	65	120	120	120	127	120	131
Indirect Expenditures	2	1	3	3	6	3	6
Total Expenditures	67	121	123	123	133	123	137
Current Difference	41	2	(1)	(1)	0	(1)	0
Accumulated Ending Balance	133	135	134	133	134	132	134

HIGHER EDUCATION SVCS OFFICES

REG OF PRIV FOR PROF CAR SCHLS

Narrative

Background Information:

Minnesota Statutes, Chapter 141 and Minnesota Rules, Chapter 4880 (governing the licensing of private career schools) were revised extensively in 1999 and 2000. The changes, coupled with the enhancement of programs and degree levels offered by these schools, have resulted the Higher Education Services Office (HESO) licensing additional schools and receiving additional fees.

Forecast Basis:

HESO's forecast is based on the experience over the last two years of operation under the revised statute and rules, as well as on an estimate of entirely new filings.

Recent Changes:

Minnesota Statutes, Chapter 141 and Minnesota Rules, Chapter 4880 were last amended in 1999 and 2000. The amendments included increases in licensing fees, the creation of administrative fees and administrative penalties of up to \$500 per day, an increase in school bonding requirements for licensed schools and the creation of three categories for the licensed school based on their past history and accreditation.

Agency Analysis/Comments:

HESO is requesting that the fees associated with the Minnesota Private Career School Act be increased to ensure that the revenues from the licensing activities are sufficient to recover, but do not exceed, the costs of administering the Act. These changes would become effective for FY 2006.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	876	931	931	931	931	931	931
Total Dedicated Receipts	876	931	931	931	931	931	931

<u>Fund Totals:</u>							
Special Revenue	876	931	931	931	931	931	931
Departmental Earnings Total	876	931	931	931	931	931	931

HISTORICAL SOCIETY

HISTORICAL SITE ADMISSION

Fiscal Report

Revenue Category Description: Admission fees to state-owned historic sites.

Requesting a Fee Change: No

Purpose: Earnings generated from admissions to state owned historical sites are allotted to related program costs.

Fund: SPECIAL REVENUE

Appr Name: STATE OWNED SITE ADMISSIONS

Legal Citation(s): MS 138.668

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	876	931	931	931	931	931	931
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	876	931	931	931	931	931	931
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	876	931	931	931	931	931	931
<u>Expenditures:</u>							
Direct Expenditures	876	931	931	931	931	931	931
Indirect Expenditures							
Total Expenditures	876	931	931	931	931	931	931
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	0	58	56	56	56	56	56
Total Dedicated Receipts	0	58	56	56	56	56	56

<u>Fund Totals:</u>							
Special Revenue	0	58	56	56	56	56	56
Departmental Earnings Total	0	58	56	56	56	56	56

HUMAN RIGHTS DEPARTMENT

CERTIFICATE OF COMPLIANCE

Fiscal Report

Revenue Category Description: Licenses and Fees

Requesting a Fee Change: No

Purpose: Fee collected for the issue of Certificates of Compliances to fund the cost of issuing certificates and investigating grievances.

Fund: SPECIAL REVENUE

Appr Name: COMPLIANCE CERTIFICATES

Legal Citation(s): 363A.36 subdivision 2.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	58	56	56	56	56	56
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	58	56	56	56	56	56
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	58	56	56	56	56	56
<u>Expenditures:</u>							
Direct Expenditures	0	112	112	112	112	112	112
Indirect Expenditures							
Total Expenditures	0	112	112	112	112	112	112
Current Difference	0	(54)	(56)	(56)	(56)	(56)	(56)

Background Information

In accordance with 363A.36, Subdivision 2, the commissioner shall collect \$75 fee for each certificate of compliance. The money in the account is appropriated to the commissioner to fund the cost of issuing the certificate and investigate grievances.

The \$75 fee was appropriated to capture 50% of the cost of issuing the certificates; the remaining expenses are absorbed by the General Fund appropriation.

Forecast Basis:

The basis for forecasting is 747 out of 2,017 contractors will apply or re-apply per year. Certificates are good for 2 years.

Recent Changes:

None

Agency Analysis/Requested Changes:

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	61,982	46,476	55,400	69,517	71,604	75,636	77,886
Total Non-Dedicated Receipts	61,982	46,476	55,400	69,517	71,604	75,636	77,886

<u>Dedicated Receipts:</u>							
General	2,849	3,426	3,171	3,236	3,236	3,309	3,309
Health Care Access	22,651	25,226	27,992	26,491	26,491	31,386	31,386
Special Revenue	7,852	9,597	10,287	8,588	8,755	8,351	8,518
Federal	20,046	15,781	15,651	18,389	18,389	18,888	18,888
Mn State Operated Comm Svcs	54,053	62,861	68,060	68,060	68,060	68,060	68,060
Mn Neurorehab Hospital Brainer	15,216	15,740	19,017	19,017	19,017	19,017	19,017
Dhs Chemical Dependency Servs	19,204	18,334	17,864	17,864	17,864	17,864	17,864
Total Dedicated Receipts	141,871	150,965	162,042	161,645	161,812	166,875	167,042

<u>Fund Totals:</u>							
General	64,831	49,902	58,571	72,753	74,840	78,945	81,195
Health Care Access	22,651	25,226	27,992	26,491	26,491	31,386	31,386
Special Revenue	7,852	9,597	10,287	8,588	8,755	8,351	8,518
Federal	20,046	15,781	15,651	18,389	18,389	18,888	18,888
Mn State Operated Comm Svcs	54,053	62,861	68,060	68,060	68,060	68,060	68,060
Mn Neurorehab Hospital Brainer	15,216	15,740	19,017	19,017	19,017	19,017	19,017
Dhs Chemical Dependency Servs	19,204	18,334	17,864	17,864	17,864	17,864	17,864
Departmental Earnings Total	203,853	197,441	217,442	231,162	233,416	242,511	244,928

HUMAN SERVICES DEPT

LICENSING DIVISION

Fiscal Report

Revenue Category Description: Collection of Licensing Fees

Requesting a Fee Change: Yes

Purpose: To collect licensing fees for rules 3, 4, 5, 6, 8, 29, 35, 36, 43, 80, and 223 and programs under 245B

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 254A.10 Subd. 4 and 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	793	2,052	2,000	2,000	2,314	2,000	2,270
Total Departmental Earnings	793	2,052	2,000	2,000	2,314	2,000	2,270
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	793	2,052	2,000	2,000	2,314	2,000	2,270
<u>Expenditures:</u>							
Direct Expenditures	3,398	3,644	3,284	3,284	4,329	3,284	4,182
Indirect Expenditures							
Total Expenditures	3,398	3,644	3,284	3,284	4,329	3,284	4,182
Current Difference	(2,605)	(1,592)	(1,284)	(1,284)	(2,015)	(1,284)	(1,912)

Background Information

This earnings statement includes licensing fees collected pursuant M.S. 245A.10.

License Fees: License fees are treated as non-dedicated revenues and deposited into the general fund.

Forecast Basis

License Fees: License fees vary by type of program licensed. The forecast is based on current collection history.

Recent Changes

License Fees: The Legislature increased License Fees in 2003 and placed the fee schedule in statute. M.S. 245A.10

Agency Analysis/Requested Changes

License Fees: The Governor recommends an increase to fees and appropriations to meet current statutory performance requirements.

HUMAN SERVICES DEPT

REG LAUNDRY DEPRECIATION

Fiscal Report

Revenue Category Description: Charges for providing laundry services

Requesting a Fee Change: No

Purpose: To provide for the replacement cost of laundry equipment.

Fund: SPECIAL REVENUE

Appr Name: LAUNDRY DEPRECIATION

Legal Citation(s): M.S. 246.57, Subd. 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	613	662	681	636	636	606	606
<u>Resources:</u>							
Dedicated Receipts	49	47	50	50	50	50	50
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	49	47	50	50	50	50	50
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	49	47	50	50	50	50	50
<u>Expenditures:</u>							
Direct Expenditures	0	28	95	80	80	180	180
Indirect Expenditures							
Total Expenditures	0	28	95	80	80	180	180
Current Difference	49	19	(45)	(30)	(30)	(130)	(130)
Accumulated Ending Balance	662	681	636	606	606	476	476

Background Information

M. S. 246.57, subd. 5, provides the Department of Human Services with the authority to retain depreciation to replace laundry equipment. The rates currently in effect were established based on actual costs including maintenance, replacement costs, and life expectancy and are reviewed as costs warrant.

Forecast Basis

Fees are established based on equipment life cycle replacement estimates.

Recent Changes

Current depreciation charges are \$.0025 per pound processed and \$.10 per mile of transportation.

Agency Analysis/Requested Changes

Laundry depreciation fees are built into Shared Service rates for providing laundry services. Shared Service rates are exempt from 16A.1283. Shared Services are provided for the direct and primary use of a private individual, business, or other entity.

HUMAN SERVICES DEPT

SHARED SERVICES REVENUE

Fiscal Report

Revenue Category Description: Charges for providing shared services

Requesting a Fee Change: No

Purpose: To retain revenue required for the provision of services that are of mutual benefit to the state, other governmental entities and private business and organizations.

Fund: SPECIAL REVENUE, MN NEUROREHAB HOSPITAL BRAINER, DHS CHEMICAL DEPENDENCY SERVS

Appr Name: Various

Legal Citation(s): M.S. 246.57

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,231	2,263	2,044	1,461	1,461	1,429	1,429
Resources:							
Dedicated Receipts	4,805	3,892	2,387	948	948	948	948
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,805	3,892	2,387	948	948	948	948
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	564	10	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	4,241	3,882	2,387	948	948	948	948
Expenditures:							
Direct Expenditures	4,088	4,029	2,919	957	957	946	946
Indirect Expenditures	121	72	51	23	23	20	20
Total Expenditures	4,209	4,101	2,970	980	980	966	966
Current Difference	32	(219)	(583)	(32)	(32)	(18)	(18)
Accumulated Ending Balance	2,263	2,044	1,461	1,429	1,429	1,411	1,411

Background Information

M. S. 246.57 was enacted to allow DHS to provide services to other governmental agencies and both non-profit and profit organizations through shared service agreements of mutual benefit to the state, other governmental entities, and other organizations and the public. Rates are established by the respective facilities providing the services.

Forecast Basis

Fees are established based on projection of actual costs required to provide services.

Recent Changes

Rates are adjusted as costs increase or decrease.

Agency Analysis/Requested Changes

SOS Shared Services rates are exempt from 16A.1283. Shared Services are provided for the direct and primary use of a private individual, business, or other private entity.

HUMAN SERVICES DEPT

WORK ACTIVITY PROGRAMS

Fiscal Report

Revenue Category Description: Charges for service/products provided/manufactured by clients/residents.

Requesting a Fee Change: No

Purpose: To provide therapeutic work activities for developmentally disabled, mentally ill, and chemically dependent residents and clients.

Fund: SPECIAL REVENUE, MISCELLANEOUS AGENCY, MN STATE OPERATED COMM SVCS

Appr Name: Various

Legal Citation(s): M.S. 246.56

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	234	389	565	765	765	965	965
<u>Resources:</u>							
Dedicated Receipts	1,214	1,210	1,263	1,263	1,263	1,263	1,263
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,214	1,210	1,263	1,263	1,263	1,263	1,263
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,214	1,210	1,263	1,263	1,263	1,263	1,263
<u>Expenditures:</u>							
Direct Expenditures	1,059	1,034	1,063	1,063	1,063	1,063	1,063
Indirect Expenditures							
Total Expenditures	1,059	1,034	1,063	1,063	1,063	1,063	1,063
Current Difference	155	176	200	200	200	200	200
Accumulated Ending Balance	389	565	765	965	965	1,165	1,165

Background Information

In accordance with the provision of M.S. 246.56, the Commissioner of Human Services is authorized to create a work activity center revolving fund for the purposes of receiving and expending money to provide therapeutic work activities for developmentally disabled and mentally ill residents and patients. Participants must receive pay as prescribed in the United States Department of Labor regulations, in accordance with the employment of workers with disabilities under special certificates. Work Activity programs include the provision of services and the manufacture, processing, and repairing of goods, wares, and merchandise.

Forecast Basis

The programs are located on the grounds of the regional treatment centers as well as sites in the community. The revenue from the operation of work activity programs is used to pay resident wages according to their productivity, and to purchase equipment, supplies, and the other expenses necessary to the operation of the program. Worker's are not considered state employees and do not qualify for state benefits. Wages are based on the prevailing wages of comparable jobs in the community and on the worker's productivity compared to production of a non-disabled worker. In accordance with M. S. 256.151 wages cannot be less than 25% of the current applicable wage (federal or state, whichever is higher). However, a worker whose earning or productive capacity is impaired may be paid a sub-minimum wage authorized by a special certificate issued by the U.S. Department of Labor. Charges for services and products are established through an analysis of all factors discussed above.

Recent Changes

N/A

Agency Analysis/Requested Changes

Work Activity rates are exempt from 16A.1283. Work Activity services are provided for the direct and primary use of a private individual, business, or other entity.

HUMAN SERVICES DEPT

MNCARE PREMIUM

Fiscal Report

Revenue Category Description: Minnesota Care Premiums

Requesting a Fee Change: No

Purpose: Minnesota Care provides subsidized health insurance coverage using a sliding-scale for premiums.

Fund: HEALTH CARE ACCESS, FEDERAL

Appr Name: MEDICAL AID TO NEEDY, MNCARE GRANTS, STATE CHILDRENS HEALTH INS PGM

Legal Citation(s): M.S. 256L.15, Subd. 1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	42,697	41,007	43,643	44,880	44,880	50,274	50,274
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	42,697	41,007	43,643	44,880	44,880	50,274	50,274
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	28	54	70	70	70	70	70
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	42,725	41,061	43,713	44,950	44,950	50,344	50,344
<u>Expenditures:</u>							
Direct Expenditures	273,771	276,383	312,778	334,332	334,332	333,820	333,820
Indirect Expenditures							
Total Expenditures	273,771	276,383	312,778	334,332	334,332	333,820	333,820
Current Difference	(231,046)	(235,322)	(269,065)	(289,382)	(289,382)	(283,476)	(283,476)

Background Information

Minnesota Statutes 256L.15 provides that individuals enrolling in the program will be charged a subsidized premium based on a sliding scale. The premium charge ranges from 1.5 to 8.8% of gross family income. The General Fund (fund 100), the Health Care Access Fund (fund 190), and Title 19 fund the remaining program cost.

Forecast Basis

The forecasted amounts are based on DHS's projections of Minnesota Care enrollment, distinguished by children and parents vs. adults without children. Monthly enrollment projections are multiplied by projected premiums per enrollee per month times 12. Most premium revenue for children or parents is shared 50% with the federal Medicaid program, the same percentage of federal match as the cost of coverage for those individuals.

Recent Changes**Agency Analysis/Requested Changes**

The actual/projected average monthly revenue per enrollee is as follows:

Fiscal Year	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Projected 2005
Average Revenue	\$25.12	\$25.77	\$23.37	\$23.00	\$23.00	\$23.00

HUMAN SERVICES DEPT

STATE FACILITIES COST OF CARE

Fiscal Report

Revenue Category Description: Charges for care and treatment to people who are ment. ill, devel dis. and chem. dep.

Purpose: To provide care and treatment to individuals admitted to State Operated Services programs regardless of their ability to pay.

Legal Citation(s): M.S. 246.50-51, MN Rules, parts 9515.1000-.2600

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE, MN STATE OPERATED COMM SVCS, MN NEUROREHAB HOSPITAL BRAINER, DHS CHEMICAL DEPENDENCY SERVS

Appr Name: Various

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	89,106	100,437	109,524	109,526	109,526	109,526	109,526
Non-Dedicated Receipts	61,189	44,424	53,400	67,517	69,290	73,636	75,616
Total Departmental Earnings	150,295	144,861	162,924	177,043	178,816	183,162	185,142
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	985	476	989	989	989	989	989
<u>Resource Reductions:</u>							
Earnings Transferred Out	3,200	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	148,080	145,337	163,913	178,032	179,805	184,151	186,131
<u>Expenditures:</u>							
Direct Expenditures	283,499	285,339	266,202	268,537	268,537	260,486	260,486
Indirect Expenditures	6,051	4,382	3,951	3,951	3,951	3,951	3,951
Total Expenditures	289,550	289,721	270,153	272,488	272,488	264,437	264,437
Current Difference	(141,470)	(144,384)	(106,240)	(94,456)	(92,683)	(80,286)	(78,306)

Background Information

State Operated Services (SOS) provides direct care services to persons with disabilities. This includes services to adults and adolescents with mental illness, individuals with developmentally disabilities, persons with chemical dependency, and individuals committed as Psychopathic Personalities or Sexual Dangerous persons. The majority of these services are funded with direct appropriations. Enterprise services are funded solely through collections from third party resources.

SOS bill Medical Assistance, Medicare, Chemical Dependency Treatment Fund, private and commercial insurance, counties, and individual clients for services provided. Enterprise funds recover 100% of their costs. Appropriated services, on average only collect approximately 25% of their costs due to regional treatment centers being designated as institutions for mental disease (IMD).

Forecast Basis

SOS cost of care rates are defined in M. S. 246.50, Subd. 5, and includes costs of services, treatment, maintenance, bonds issued for capital improvements, depreciation of buildings and equipment, and indirect costs related to the operations of state facilities.

Recent Changes

SOS cost of care rates for appropriated services are calculated annually based on estimated costs for the upcoming year. Cost of Care rates for Enterprise services are negotiated annually with county providers based on individual client service needs.

Agency Analysis/Requested Changes

SOS cost of care rates are exempt from 16A.1283. Services are provided for the direct and primary use of private individuals.

HUMAN SERVICES DEPT

ALTERNATIVE CARE

Fiscal Report

Revenue Category Description: Alternative Care Premium

Requesting a Fee Change: No

Purpose: Client premium required from some 180-day eligibles to help pay program participation costs.

Fund: GENERAL

Appr Name: ALTERNATIVE CARE GRANTS

Legal Citation(s): M.S. 256B.0913

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	2,849	3,426	3,171	3,236	3,236	3,309	3,309
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,849	3,426	3,171	3,236	3,236	3,309	3,309
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	11,746	14,254	9,886	6,476	6,476	6,446	6,446
Rev Collected for Other Agency							
Current Year Resources	(8,897)	(10,828)	(6,715)	(3,240)	(3,240)	(3,137)	(3,137)
<u>Expenditures:</u>							
Direct Expenditures	79,854	67,378	69,876	73,901	73,901	70,829	70,829
Indirect Expenditures							
Total Expenditures	79,854	67,378	69,876	73,901	73,901	70,829	70,829
Current Difference	(88,751)	(78,206)	(76,591)	(77,141)	(77,141)	(73,966)	(73,966)

Background Information

Prior to July 1, 2003: When the alternative care client's adjusted income (adjusted by monthly recurring and predictable medical expenses) is greater than 150% of federal poverty guidelines (FPG) or total gross assets are greater than \$10,000, the monthly premium is 25% of the total average monthly service plan encumbrance. However, when the difference between the alternative care client's adjusted income and 150% of FPG is less than the calculated 25% monthly premium, then the monthly premium is the lesser amount. Additionally, if the total monthly service expenditures (paid claims) are subsequently less than the assessed monthly premium amount charged, then the premium amount charged for that month becomes 100% of the total cost of service (paid claims). The monthly premium is assessed, determined, and reported to the state by the local lead agency for the program, while the billing and receivable is administered by the state agency. The program is fee-for-service and the premium is post-pay (premium due after the receipt of services).

Forecast Basis

Based on Sliding Fee – See explanation above in Background Information Section

Recent Changes

In the FY 2001-2002 biennium, effective January 2002 the billing and collection of monthly premiums became a state function, except for locally operated pilot projects (Hennepin County). This has created an administrative burden at the department, confusion for clients, and numerous complaints from lead agencies. No evaluation has been completed as to whether or not this change has improved billing and collection of premiums, or resulted in higher revenues, especially with considerations to offset for the additional case management time required to locally manage a bifurcated system.

In the FY 2003-2004 biennium, monthly premiums are assessed at 0%, 5%, 15%, and 30% of the client's total average monthly service plan costs according to five adjusted income and gross asset categories at 120% FPG, 150% FPG, 200% FPG, and \$10,000, respectively. It is questionable whether this schedule has generated additional revenue to the program in proportion to reduced participation and increased administrative expenditures. Likewise, the cost of client case management services is now incorporated into the determination of the monthly fee charge, which has a) increased the cost of participation to clients resulting in reduced services, or resulted in program exits for clients using primarily quasi formal services, and b) created disincentives for clients to utilize/rely on case management assistance/services. Additionally, regular fee payment requirements are included in program eligibility criteria. No evaluation report on these changes has been generated.

Agency Analysis/Requested Changes

Currently more persons who are either not required or are unable to pay premiums tend to choose this program. The Department will continue to monitor premiums paid by AC recipients to ensure proper incentives are in place and re-establish equity across program options.

HUMAN SERVICES DEPT

RENTAL INCOME

Fiscal Report

Revenue Category Description: Fees paid for usage of property located at the State Operated Services.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To maintain the State Operated Services buildings and property being rented.

Appr Name: Various

Legal Citation(s): M.S. 245.037

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,157	1,104	1,131	388	388	0	0
<u>Resources:</u>							
Dedicated Receipts	791	568	541	255	255	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	791	568	541	255	255	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	1,000	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	(209)	568	541	255	255	0	0
<u>Expenditures:</u>							
Direct Expenditures	825	525	1,269	628	628	0	0
Indirect Expenditures	19	16	15	15	15	0	0
Total Expenditures	844	541	1,284	643	643	0	0
Current Difference	(1,053)	27	(743)	(388)	(388)	0	0
Accumulated Ending Balance	1,104	1,131	388	0	0	0	0

Background Information

Minnesota Statutes 245.037 authorizes the Commissioner of Human Services to change and collect rent (MS 16B.24, Subd. 5) for state property at any of the regional treatment centers (RTC's). The funds are dedicated to the RTC from which they were generated. Funding is utilized to maintain the rented buildings and property.

Forecast Basis

Rates are based on projection of actual costs of maintaining and utilization of buildings.

Recent Changes

Rates are adjusted as costs increase or decrease.

Agency Analysis/Requested Changes

SOS Lease Income is exempt from 16A.1283. Leases are provided for the direct and primary use of a private individual, business, or other entity.

HUMAN SERVICES DEPT

CSE COST RECOVERY

Fiscal Report

Revenue Category Description: Recovery Fee for Services Provided

Requesting a Fee Change: No

Purpose: None

Fund: GENERAL, SPECIAL REVENUE

Legal Citation(s): M.S. 518.551, Subd. 7

Appr Name: CHILD SUPPORT ENFORCE GRANTS, CSE 1% PROCESSING FEE

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	883	883	883	883	883
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	883	883	883	883	883
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	0	247	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	0	0	636	883	883	883	883
<u>Expenditures:</u>							
Direct Expenditures	0	0	636	883	883	883	883
Indirect Expenditures							
Total Expenditures	0	0	636	883	883	883	883
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

Laws of 2003, 1st Special Session, Chapter 14, Article. 6, Section 58, Subd. 7. provided a vehicle for DHS to charge a 1% cost recover fee of the amount of child support collected/recovered. This language has been codified in MS 518.551.

Forecast Basis

The amount is 1% of projected child support collections/recoveries.

Recent Changes

This fee was just implemented on July 1, 2004, based on legislation cited above.

Agency Analysis/Requested Changes

No changes requested.

HUMAN SERVICES DEPT

HIV PREMIUM

Fiscal Report

Revenue Category Description: HIV Insurance Premiums

Requesting a Fee Change: No

Purpose: HIV provides subsidized health insurance coverage using a sliding fee for premiums.

Fund: SPECIAL REVENUE

Appr Name: HIV PREMIUMS

Legal Citation(s): MS 256.01

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	20	(257)	(257)	(510)	(510)
<u>Resources:</u>							
Dedicated Receipts	0	20	223	247	247	265	265
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	20	223	247	247	265	265
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	20	223	247	247	265	265
<u>Expenditures:</u>							
Direct Expenditures	0	0	500	500	500	500	500
Indirect Expenditures							
Total Expenditures	0	0	500	500	500	500	500
Current Difference	0	20	(277)	(253)	(253)	(235)	(235)
Accumulated Ending Balance	0	20	(257)	(510)	(510)	(745)	(745)

Background Information

In July 2004, the HIV/AIDS Division implemented cost sharing for all federally sponsored insurance continuation program clients as well as all drug reimbursement program clients with incomes between one hundred and three hundred percent of federal poverty guidelines. Cost sharing was one of several options measures implemented to respond to an impending fiscal shortfall and avoid a waiting list in SFY 2005. Section 2617 © 1-3 of the Ryan White CARE Act gives its Title II grantees (DHS) authority to collect fees and provides guidelines to imposing charges for services. Cost sharing premiums are assessed by HIV/AIDS Division Eligibility Specialists and are assigned using a pre-determined sliding scale of one to six and a half percent. Premiums are based on household size and gross monthly income.

HUMAN SERVICES DEPT

NH ADVISORY COUNCIL FEE

Fiscal Report

Revenue Category Description: Resident and Family
Advisory Council Educ Program

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Collection of fees from nursing homes and
boarding care homes

Appr Name: NURSING HOME ADV COUN

Legal Citation(s): M.S. 144A.33

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	14	1	1	1	1	1	1
Resources:							
Dedicated Receipts	191	187	187	187	187	187	187
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	191	187	187	187	187	187	187
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	191	187	187	187	187	187	187
Expenditures:							
Direct Expenditures	204	187	187	187	187	187	187
Indirect Expenditures							
Total Expenditures	204	187	187	187	187	187	187
Current Difference	(13)	0	0	0	0	0	0
Accumulated Ending Balance	1	1	1	1	1	1	1

Background Information

MS 144A.33 authorized the development and funding of the Resident and Family Advisory Council Education program to assist residents and families of residents in nursing homes to understand their rights and responsibilities. Funding for the program is through a \$5 per bed surcharge for each license application or renewal fee for nursing homes and boarding care homes under MS 144.53 or 144A.07.

Forecast Basis

The forecast amount is based on a fee of \$5 times the estimated number of licensed beds in nursing homes and boarding care homes.

Recent Changes

None

Agency Analysis/Requested Changes

No changes requested.

HUMAN SERVICES DEPT

BACKGROUND STUDY FEES

Fiscal Report

Revenue Category Description: Background Study Fees

Requesting a Fee Change: Yes

Purpose: To recover the cost of background studies

Fund: SPECIAL REVENUE

Legal Citation(s): M.S. 144.057, 245C.10, 524.5-118

Appr Name: LICENSING BACKGROUND STUDIES

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	169	96	251	151	151	51	218
<u>Resources:</u>							
Dedicated Receipts	169	171	170	170	337	170	337
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	169	171	170	170	337	170	337
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	1,430	1,458	1,545	1,545	1,545	1,545	1,545
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,599	1,629	1,715	1,715	1,882	1,715	1,882
<u>Expenditures:</u>							
Direct Expenditures	1,672	1,474	1,815	1,815	1,815	1,715	1,715
Indirect Expenditures							
Total Expenditures	1,672	1,474	1,815	1,815	1,815	1,715	1,715
Current Difference	(73)	155	(100)	(100)	67	0	167
Accumulated Ending Balance	96	251	151	51	218	51	385

Background Information

In FY 01, the revenue and expense budgets for the Personal Care Provider Organizations (PCPO's) background studies were in appropriation unit Y02, fund 170. The revenue and expense budget for the Minnesota Department of Health – Facility & Provider compliance background studies (earnings transferred in – revenue code 2200) were in appropriation unit Y00, fund 170 (along with two unrelated budgeted accounts – VA Appeals and VA Investigators). In FY 02, the two background study accounts were placed in a fund 200, appropriation unit R81. In addition, R81 included revenues and expense budgets for background studies for Supplemental Nursing Service Agencies, Court appointed Guardians, the Department of Corrections, and the Department of Health – CD counselors. FY 02 was the first year background studies were completed for SNSA, Court appointed Guardians and DOC.

Current accounts under appropriation unit R81 include :

A513 – MDH (Revenue source code 2200) – Revenues established in interagency contract.
M.S. 144.057

A514 – PCPO (Revenue source code 5032)–Fee is \$12 per study (See M.S. 245C.10 subd. 3

A515 – DOC & MDH counselor (Revenue source code 2200) – Revenues established in interagency contracts
M.S. 245C.03 subd. 5; 241.021 subd. 6; and 148C.09 subd. 1a

A516 – SNSA (Revenue Source Code 5032) – Fee is \$8 per study
M.S. 245C.10 subd. 2

A517 – Court Appointed Guardians (Revenue source code 5032) – Fee is \$12 per study + \$30 for fingerprints, if required
M.S. 524.5-118

Forecast Basis

Revenue Source Code 2200 budgets and revenues are based on interagency agreements with the Minnesota Department of Health (MDH) and the Department of Corrections (DOC). Charges under A514 are set forth in MS section 245C.10 Subd. 3; charges under A516 are set forth in M.S. 245C.10 Subd. 2 and charges under A517 are set forth in M.S. 524.5-118.

Recent Changes

Accounts A515, A516 and A517 were created following the 2001 Legislative Session.

Agency Analysis/Requested Changes

The Governor recommends an increase to fees and appropriations to address increased costs of conducting background studies, assist in advancing technology to expand web-based applications and to cover indirect costs to the state's General Fund.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Iron Range Resources & Rehab	3,983	298	330	330	330	330	330
Giants Ridge Golf & Ski Resort	124	4,453	5,554	5,554	5,554	5,554	5,554
Ne Mn Economic Protection	112	34	122	122	122	122	122
Total Dedicated Receipts	4,219	4,785	6,006	6,006	6,006	6,006	6,006

<u>Fund Totals:</u>							
Iron Range Resources & Rehab	3,983	298	330	330	330	330	330
Giants Ridge Golf & Ski Resort	124	4,453	5,554	5,554	5,554	5,554	5,554
Ne Mn Economic Protection	112	34	122	122	122	122	122
Departmental Earnings Total	4,219	4,785	6,006	6,006	6,006	6,006	6,006

IRON RANGE RESOURCES & REHAB

DEPARTMENTAL EARNINGS

Fiscal Report

Revenue Category Description: Admissions, Season Passes, Concessions, Advertise Sales, & Misc. receipts for our facilities.

Purpose: Fees have been set to partially recover operating and program costs.

Legal Citation(s): M.S. 298.2211, Subd. 6

Requesting a Fee Change: No

Fund: IRON RANGE RESOURCES & REHAB, GIANTS RIDGE GOLF & SKI RESORT, NE MN ECONOMIC PROTECTION

Appr Name: GIANTS RIDGE GOLF & SKI RESORT, IRON RANGE RESOURCE REHAB/ ITC, IRRRB NE MINN EPT PRO

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	(412)	96	501	1,741	1,741	2,981	2,981
<u>Resources:</u>							
Dedicated Receipts	4,219	4,785	6,006	6,006	6,006	6,006	6,006
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,219	4,785	6,006	6,006	6,006	6,006	6,006
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4,219	4,785	6,006	6,006	6,006	6,006	6,006
<u>Expenditures:</u>							
Direct Expenditures	3,711	4,380	4,766	4,766	4,766	4,766	4,766
Indirect Expenditures							
Total Expenditures	3,711	4,380	4,766	4,766	4,766	4,766	4,766
Current Difference	508	405	1,240	1,240	1,240	1,240	1,240
Accumulated Ending Balance	96	501	1,741	2,981	2,981	4,221	4,221

Background Information

Iron Range Resources is a state economic development agency that was created by the Legislature in 1941 to diversify the economy of the iron mining areas of northeastern Minnesota. The agency serves the interests of the Taconite Assistance Area (TAA), a geographical region including all or parts of Cook, Lake, St. Louis, Itasca, Aitkin and Crow Wing Counties. As part of its core mission of economic development, Iron Range Resources owns and operates two facilities, Giants Ridge Golf & Ski Resort and Ironworld Discovery Center. The agency also generates a small amount of revenues from its economic development activities by leasing buildings to local businesses and other miscellaneous activities.

Forecast Basis

Giants Ridge Golf & Ski Resort

Giants Ridge Golf & Ski Resort is located in the city of Biwabik and is intended to promote tourism and recreation opportunities in the TAA. Giants Ridge operates two 18-hole championship quality golf courses and a nationally recognized winter sports area. The winter sport facility offers 34 alpine ski runs, more than 60 kilometers of cross-country ski trails and easy access to lakes, mountain bike trails and snowmobile trails.

Annual Departmental Earning Estimate: \$5,553,055

Ironworld Discovery Center

Ironworld Discovery Center is located in the city of Chisholm and houses a museum, a research center and a musical amphitheater. The museum preserves the story of Minnesota's Iron Range: the life, the work, the place, and the people. The Ironworld Research Center is a library focusing on the regional, local and personal history of Minnesota's iron ranges. The Research Center offers a broad array of services including genealogical research services, historical materials collection/preservation and education.

Annual Departmental Earning Estimate: \$280,101

Douglas J. Johnson Economic Protection Fund

The operating account of this fund receives lease payments on buildings owned by Iron Range Resources that are leased to businesses.

Annual Departmental Earning Estimate: \$121,997

Board Administration

The Board Administration budget receives miscellaneous receipts throughout the fiscal year such as motor pool reimbursements and MCE collections.

Annual Departmental Earning Estimate: \$50,000

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	2,192	2,575	2,673	2,273	3,083	2,273	3,083
Workers Compensation	479	543	545	545	545	545	545
Total Non-Dedicated Receipts	2,671	3,118	3,218	2,818	3,628	2,818	3,628

<u>Dedicated Receipts:</u>							
Special Revenue	0	351	298	298	298	298	298
Workers Compensation	2,912	3,104	3,110	3,110	3,110	3,110	3,110
Total Dedicated Receipts	2,912	3,455	3,408	3,408	3,408	3,408	3,408

<u>Fund Totals:</u>							
General	2,192	2,575	2,673	2,273	3,083	2,273	3,083
Special Revenue	0	351	298	298	298	298	298
Workers Compensation	3,391	3,647	3,655	3,655	3,655	3,655	3,655
Departmental Earnings Total	5,583	6,573	6,626	6,226	7,036	6,226	7,036

LABOR AND INDUSTRY DEPT

APPRENTICE FEES

Fiscal Report

Revenue Category Description: Apprentice Registration Fee

Requesting a Fee Change: No

Purpose: To recover a portion of the costs associated with the apprenticeship activity.

Fund: SPECIAL REVENUE

Appr Name: APPRENTICESHIP REGISTRATION

Legal Citation(s): M.S. 178.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	148	53	53	53	53
<u>Resources:</u>							
Dedicated Receipts	0	351	298	298	298	298	298
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	351	298	298	298	298	298
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	0	2	2	2	2	2	2
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	353	300	300	300	300	300
<u>Expenditures:</u>							
Direct Expenditures	0	169	359	266	266	265	265
Indirect Expenditures	0	36	36	34	34	35	35
Total Expenditures	0	205	395	300	300	300	300
Current Difference	0	148	(95)	0	0	0	0
Accumulated Ending Balance	0	148	53	53	53	53	53

Background Information

The Apprenticeship unit exists to promote, develop, approve, and monitor quality registered apprenticeship training programs in Minnesota workplaces. Effective July 1, 2003, a \$30 annual registration fee was established for each apprentice registered in the program. The fee is paid by the apprenticeship sponsor.

Forecast Basis

As of 7/1/04, there was 325 apprenticeship training programs and 7,689 registered apprentices. DLI estimates that approximately 2,400 new apprentices will be enrolled during FY'05.

Recent Changes

The apprenticeship registration fee was established effective July 1, 2003.

Agency Analysis/Requested Changes

No change is recommended to the current fee.

LABOR AND INDUSTRY DEPT

BOILER FEES

Fiscal Report

Revenue Category Description: Boiler licensing, inspection, and registration fees

Requesting a Fee Change: Yes

Fund: GENERAL

Purpose: To recover the costs of examining and licensing individuals, inspecting boilers and other steam-powered objects, and registering boilers and pressure vessels.

Appr Name:

Legal Citation(s): M.S. 183.545 and M.S. 183.57

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	264	712	1,048	1,048	1,411	1,830
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,656	2,087	2,170	1,770	2,468	1,770	2,468
Total Departmental Earnings	1,656	2,087	2,170	1,770	2,468	1,770	2,468
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,656	2,087	2,170	1,770	2,468	1,770	2,468
<u>Expenditures:</u>							
Direct Expenditures	1,200	1,432	1,610	1,215	1,442	1,208	1,434
Indirect Expenditures	192	207	224	192	244	193	246
Total Expenditures	1,392	1,639	1,834	1,407	1,686	1,401	1,680
Current Difference	264	448	336	363	782	369	788
Accumulated Ending Balance	264	712	1,048	1,411	1,830	1,780	2,618

Background Information

This activity provides protection to workers and the general public by assuring that boiler and pressure vessels meet state requirements and that their operators are qualified. The fees collected recover the costs of these activities.

Forecast Basis

The Code Administration and Inspection Services unit collects fees for the following: inspection of boilers, pressure vessels, boats-for-hire and hobby boilers; licensing of boiler operators and boat masters/pilots; administration of exams authorized by the National Board of Boiler and Pressure Vessel Inspectors; and registration of boilers and pressure vessels.

Recent Changes

The current fee structure became effective on November 30, 2000. Laws of 2003, Ch. 128, Art. 11, Sec. 11 imposed a surcharge of \$5 on license application fees and boiler inspection fees for the period of July 1, 2003 through June 30, 2005.

Agency Analysis/Requested Changes

The Governor recommends the continuation of the 2003 fee increases as a permanent source of revenue for the state. In addition, new penalties are proposed to encourage compliance of boiler owners and insurers with existing requirements.

LABOR AND INDUSTRY DEPT

PIPEFITTING FEES

Fiscal Report

Revenue Category Description: Pipefitter license fees and fees for inspections of high-pressure steam, water and ammonia systems

Requesting a Fee Change: Yes

Fund: GENERAL

Purpose: To recover the costs of examining and licensing contractors and pipefitters, and inspecting steam, water, and ammonia high-pressure piping systems.

Appr Name:

Legal Citation(s): M.S. 326.47 and M.S. 326.50

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	81	226	352	352	440	453
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	493	485	500	500	612	500	612
Total Departmental Earnings	493	485	500	500	612	500	612
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	493	485	500	500	612	500	612
<u>Expenditures:</u>							
Direct Expenditures	355	297	322	355	438	380	470
Indirect Expenditures	57	43	52	57	73	57	73
Total Expenditures	412	340	374	412	511	437	543
Current Difference	81	145	126	88	101	63	69
Accumulated Ending Balance	81	226	352	440	453	503	522

Background Information

This activity protects workers and the general public by assuring that ammonia and high-pressure-piping systems meet state requirements and that all installers have the necessary qualifications.

Forecast Basis

Fees are collected for the licensing of journeyman and contractor pipefitters and high-pressure-piping businesses, and the issuance of permits for the installation or construction of ammonia or high-pressure-piping systems.

Recent Changes

The current fee structure became effective on November 30, 2000.

Agency Analysis/Requested Changes

The Governor recommends an increase in piping license and permit fees to expand enforcement of high-pressure-piping laws.

LABOR AND INDUSTRY DEPT

LOGGER ASSESSMENTS

Fiscal Report

Revenue Category Description: Assessments from wood mills based on number of cords of wood purchased from loggers.

Requesting a Fee Change: No

Fund: WORKERS COMPENSATION

Purpose: To cover the cost of providing safety education training to Minnesota loggers, and to allow the payment of rebates to logging businesses that successfully complete loggers safety training each year.

Appr Name: LOGGERS EXP & REIMB

Legal Citation(s): M.S. 176.130 subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	54	64	67	67	67	67	67
Resources:							
Dedicated Receipts	1,011	1,050	1,050	1,050	1,050	1,050	1,050
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,011	1,050	1,050	1,050	1,050	1,050	1,050
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,011	1,050	1,050	1,050	1,050	1,050	1,050
Expenditures:							
Direct Expenditures	988	1,035	1,037	1,036	1,036	1,035	1,035
Indirect Expenditures	13	12	13	14	14	15	15
Total Expenditures	1,001	1,047	1,050	1,050	1,050	1,050	1,050
Current Difference	10	3	0	0	0	0	0
Accumulated Ending Balance	64	67	67	67	67	67	67

Background Information

The purpose of this activity is to provide Minnesota loggers with the safety training necessary to reduce the rate of on the job accidents, injuries, and fatalities in this industry. Assessments collected from wood mills located in Minnesota are based on the number of cords of wood purchased or acquired each calendar year in excess of 5,000 cords.

Collected funds are disbursed two ways. The first \$125,000 is allocated for the provision of safety training programs. The remainder is rebated to logging companies who provide proof of attendance at approved training programs. The rebate is used to offset the high cost of workers' compensation insurance premiums in the logging industry.

Forecast Basis

The assessment rate is 30 cents per cord. Revenue from logger assessments has been relatively stable in recent years. This stability is expected to continue.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended to the current fee.

LABOR AND INDUSTRY DEPT

EMPLOYMENT AGENCY LICENSURE

Fiscal Report

Revenue Category Description: Fees for licensing fee employment agencies and individuals.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To protect the general public by ensuring the competency of individuals and agencies operating in the industry and to recover the costs of examining, licensing and performing background searches on all applicants.

Appr Name:

Legal Citation(s): M.S. 184.28, M.S. 184.29 and M.S. 184A.09

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	36	32	26	26	21	21
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	43	3	3	3	3	3	3
Total Departmental Earnings	43	3	3	3	3	3	3
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	43	3	3	3	3	3	3
<u>Expenditures:</u>							
Direct Expenditures	6	6	8	7	7	7	7
Indirect Expenditures	1	1	1	1	1	1	1
Total Expenditures	7	7	9	8	8	8	8
Current Difference	36	(4)	(6)	(5)	(5)	(5)	(5)
Accumulated Ending Balance	36	32	26	21	21	16	16

Background Information

The purpose of this activity is to protect the general public that utilize professional employment agencies and to ensure that these professionals are licensed, registered, and are operating in compliance with the law.

Forecast Basis

Fees are established by statute. They are collected for the licensing of fee employment agencies and for the examining of individual applicants for certain positions within these organizations.

Recent Changes

Effective July 1, 2003, DLI no longer registers or collects fees from entertainment agencies and search firms.

Agency Analysis/Requested Changes

No change is recommended to the current fee.

LABOR AND INDUSTRY DEPT

WORKERS COMP PENALTIES

Fiscal Report

Revenue Category Description: Penalties for violations of workers' compensation laws.

Requesting a Fee Change: No

Purpose: To encourage compliance with workers' compensation laws.

Fund: WORKERS COMPENSATION

Appr Name: ASSIGNED RISK SAFETY

Legal Citation(s): M.S. 176

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,550	2,104	2,030	1,830	1,830	1,830	1,830
Resources:							
Dedicated Receipts	1,648	1,791	1,800	1,800	1,800	1,800	1,800
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,648	1,791	1,800	1,800	1,800	1,800	1,800
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	66	29	30	30	30	30	30
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,714	1,820	1,830	1,830	1,830	1,830	1,830
Expenditures:							
Direct Expenditures	2,121	1,757	1,893	1,681	1,681	1,680	1,680
Indirect Expenditures	39	137	137	149	149	150	150
Total Expenditures	2,160	1,894	2,030	1,830	1,830	1,830	1,830
Current Difference	(446)	(74)	(200)	0	0	0	0
Accumulated Ending Balance	2,104	2,030	1,830	1,830	1,830	1,830	1,830

Background Information

The revenue in this category is from penalties that are assessed to encourage compliance with various aspects of the workers' compensation law. Penalties can be assessed to insurers, self-insurers, third-party administrators, and employers for a variety of actions including late reporting of workers' compensation injuries, late payment of workers' compensation benefits, late, frivolous or non-specific denial of liability, late reporting and payment of funds due the agency, and failure to maintain workers' compensation insurance.

Forecast Basis

Increased success in agency efforts to educate its clientele and its success in enforcing workers' compensation law would correspond to reduced penalty assessments. However, the agency is projecting stable revenues over the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended to the current fee.

LABOR AND INDUSTRY DEPT

DATA PRACTICES/COST OF COPIES

Fiscal Report

Revenue Category Description: Copy fees

Requesting a Fee Change: No

Purpose: To recover the cost of providing copies of workers' compensation claim files to requesting parties.

Fund: WORKERS COMPENSATION

Legal Citation(s): M.S. 13.03, Subd. 10

Appr Name: COPY CENTER FEES

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	39	0	5	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	253	263	260	260	260	260	260
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	253	263	260	260	260	260	260
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	36	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	217	263	260	260	260	260	260
<u>Expenditures:</u>							
Direct Expenditures	225	227	231	225	225	225	225
Indirect Expenditures	31	31	34	35	35	35	35
Total Expenditures	256	258	265	260	260	260	260
Current Difference	(39)	5	(5)	0	0	0	0
Accumulated Ending Balance	0	5	0	0	0	0	0

Background Information

The revenue reported as Data Practices/Cost of Copies represents amounts collected from requesting parties for copies of workers' compensation claim documents. The Copy File Review office within the Information Processing Center provides copies to requesting parties and charges a per copy fee (plus applicable taxes and postage costs). The copy fees and postage amounts collected are used to recover the expenses associated with this activity.

Forecast Basis

The current fee is 65 cents per copy.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended to the current fee structure. Comparisons of revenue to expenditures will be made on an ongoing basis to assure that copy fees collected will recover amounts expended.

LABOR AND INDUSTRY DEPT

QRC BILLED SERVICES

Fiscal Report

Revenue Category Description: Billings to insurers for qualified rehabilitation consultant services provided to injured workers

Requesting a Fee Change: No

Fund: WORKERS COMPENSATION

Purpose: To provide a "safety net" for those injured workers to whom primary liability had been denied by an insurer. Based on a negotiated agreement, the fees are billed to recover at least a portion of the salary and other costs involved in getting injured workers returned to work.

Appr Name:

Legal Citation(s): M.S. 176.104

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	399	458	460	460	460	460	460
Total Departmental Earnings	399	458	460	460	460	460	460
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	399	458	460	460	460	460	460
Expenditures:							
Direct Expenditures	1,698	1,734	1,784	1,789	1,789	1,812	1,812
Indirect Expenditures	283	288	296	302	302	308	308
Total Expenditures	1,981	2,022	2,080	2,091	2,091	2,120	2,120
Current Difference	(1,582)	(1,564)	(1,620)	(1,631)	(1,631)	(1,660)	(1,660)

Background Information

The Vocational Rehabilitation unit provides vocational rehabilitation services to injured workers whose claims have been denied liability by an insurer or self-insurer. The amount billed for services rendered is \$75 per hour. The services provided in cases where liability is denied are subject to negotiated settlements in accordance with Minnesota Rules. As a result, fees recovered are less than the total costs of the services provided.

Forecast Basis

Revenue is expected to remain stable during the the biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended to the current fee.

LABOR AND INDUSTRY DEPT

REHAB & MEDICAL AFFAIRS

Fiscal Report

Revenue Category Description: Rehabilitation Registration Fees, Rehab Provider Penalties and Managed Care Organizations

Requesting a Fee Change: No

Fund: WORKERS COMPENSATION

Purpose: To help defray the cost of regulation of rehabilitation providers and managed care organizations, and to discourage statutory violations.

Appr Name:

Legal Citation(s): M.S. 176.102 and M.S. 176.1351

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	80	85	85	85	85	85	85
Total Departmental Earnings	80	85	85	85	85	85	85
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	80	85	85	85	85	85	85
<u>Expenditures:</u>							
Direct Expenditures	177	185	224	239	239	252	252
Indirect Expenditures	31	32	41	44	44	47	47
Total Expenditures	208	217	265	283	283	299	299
Current Difference	(128)	(132)	(180)	(198)	(198)	(214)	(214)

Background Information

Fees are collected to help defray the cost of regulation of rehabilitation providers and managed care organizations. The overall purpose is the reduction of workers' compensations costs. Benefits include enhancement of early return-to-work outcomes, reduced lost-time workers' compensation claims, the review and provision of dispute resolution services, and the protection of access and quality controls for the injured workers. Penalties are assessed to discourage statutory violations rather than to recover program costs.

Forecast Basis

The primary components of this revenue source are as follows: rehabilitation provider registration, renewal, and disciplinary fees, and managed care organization (MCO) certification and penalty fees.

Recent Changes

None

Agency Analysis/Requested Changes

Rehabilitation provider registration fees and managed care organization certification fees are collected to recover a portion of the costs of these activities. To set fees at a level which would recover costs would require charging significantly higher amounts, thereby driving potential participants out of the programs.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	3,832	4,396	4,246	4,314	4,314	4,369	4,369
Total Dedicated Receipts	3,832	4,396	4,246	4,314	4,314	4,369	4,369

<u>Fund Totals:</u>							
Special Revenue	3,832	4,396	4,246	4,314	4,314	4,369	4,369
Departmental Earnings Total	3,832	4,396	4,246	4,314	4,314	4,369	4,369

LEGAL PROFESSION BOARDS

REIM CLIENTS DEFRAUDED BY ATTR

Fiscal Report

Revenue Category Description: Fees from attorney registration, interest earned and restitution

Requesting a Fee Change: No

Purpose: To reimburse clients defrauded by attorneys for the portion of the loss attributable to attorney misfeasance

Fund: SPECIAL REVENUE

Appr Name: CLIENT SECURITY BD-ITC

Legal Citation(s): M.S. 481.01; M. S. 481.20 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,571	2,742	1,905	1,561	1,561	1,430	1,430
<u>Resources:</u>							
Dedicated Receipts	346	339	270	277	277	277	277
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	346	339	270	277	277	277	277
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	346	339	270	277	277	277	277
<u>Expenditures:</u>							
Direct Expenditures	175	1,176	614	408	408	408	408
Indirect Expenditures							
Total Expenditures	175	1,176	614	408	408	408	408
Current Difference	171	(837)	(344)	(131)	(131)	(131)	(131)
Accumulated Ending Balance	2,742	1,905	1,561	1,430	1,430	1,299	1,299

LEGAL PROFESSION BOARDS

REIM CLIENTS DEFRAUDED BY ATTR

Narrative

Background Information

A portion of the Attorney Registration Fee is used to fund this activity. The actual expenditures in any particular year are unpredictable and dependent on the magnitude of claims against attorneys. Funds in excess of the predicted amount are therefore accumulated.

Forecast Basis

The Client Security Board's biennial budget plan of projected dedicated revenues and operating costs was based on actual data from prior years. No major changes in the number of clients served or in operating costs are anticipated for FY06-07. The Board will continue to operate within the dedicated revenues collected by the current fee.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes are recommended in the current fee structure.

LEGAL PROFESSION BOARDS

CERTIFICATION LEGAL SPECIALIST

Fiscal Report

Revenue Category Description: Fees for Certifying
Accrediting Agencies and Annual Renewal Fees

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To regulate the certification of attorneys as
specialists in designated areas of legal practice to enhance
public access to legal services

Appr Name: LEGAL CERTIFICATION BD

Legal Citation(s): M.S. 481.01 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	45	49	49	40	40	32	32
<u>Resources:</u>							
Dedicated Receipts	47	44	44	48	48	47	47
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	47	44	44	48	48	47	47
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	47	44	44	48	48	47	47
<u>Expenditures:</u>							
Direct Expenditures	43	44	53	56	56	60	60
Indirect Expenditures							
Total Expenditures	43	44	53	56	56	60	60
Current Difference	4	0	(9)	(8)	(8)	(13)	(13)
Accumulated Ending Balance	49	49	40	32	32	19	19

LEGAL PROFESSION BOARDS

CERTIFICATION LEGAL SPECIALIST

Narrative

Background Information

Fees are collected from certification agencies and certified attorneys. For each certification specialty an annual fee is charged. Every 3 years an additional re-certification fee is collected.

Forecast Basis

The Board of Legal Certification's projected dedicated revenues and operating costs were based on actual data from prior years. No major changes in the number of clients served or in operating costs are anticipated in FY06-07. The Board will continue to operate within the dedicated revenues collected by the current fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

LEGAL PROFESSION BOARDS

REGULATING CONTINUING LEGAL ED

Fiscal Report

Revenue Category Description: Fees charged to practicing attorneys to regulate the requirements for continuing legal education

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To regulate accredited courses and satisfactory completion of those courses/programs which satisfy the educational requirements of attorneys to continue their legal education throughout the period of their active practice of law so that the public has access to better legal practice.

Appr Name: CONTINUING LEGAL EDUCATION, CONTINUING LEGAL EDUCATION BD

Legal Citation(s): M.S. 481.01 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	369	452	419	373	373	358	358
Resources:							
Dedicated Receipts	435	395	394	397	397	400	400
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	435	395	394	397	397	400	400
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	435	395	394	397	397	400	400
Expenditures:							
Direct Expenditures	352	428	440	412	412	435	435
Indirect Expenditures							
Total Expenditures	352	428	440	412	412	435	435
Current Difference	83	(33)	(46)	(15)	(15)	(35)	(35)
Accumulated Ending Balance	452	419	373	358	358	323	323

LEGAL PROFESSION BOARDS

REGULATING CONTINUING LEGAL ED

Narrative

Background Information

A portion of the Attorney Registration Fee is used to fund this activity. In addition the following fees are collected for continuing legal education courses: A course approval fee from sponsors applying for approval of courses; Attorney late fees from course attendance forms not filed in a timely manner; and a transfer fee for attorneys to change from inactive to active status.

Forecast Basis

The Board of Continuing Legal Education's biennial budget plan of projected dedicated revenues and operation costs were based on actual data from prior years.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes are recommended in the current fee structure.

LEGAL PROFESSION BOARDS

LICENSING ATTORNEYS

Fiscal Report

Revenue Category Description: Fees charged to enter practice of law in Minnesota including Bar examination fees

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To regulate the examination and licensing of individuals who practice as attorneys at law in Minnesota so that established qualifications are met and licensed attorneys are competent.

Appr Name: BOARD OF LAW EXAMINERS

Legal Citation(s): M.S. 481.01 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,216	1,209	1,264	1,154	1,154	998	998
Resources:							
Dedicated Receipts	892	1,008	1,009	1,017	1,017	1,024	1,024
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	892	1,008	1,009	1,017	1,017	1,024	1,024
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	892	1,008	1,009	1,017	1,017	1,024	1,024
Expenditures:							
Direct Expenditures	899	953	1,119	1,173	1,173	1,247	1,247
Indirect Expenditures							
Total Expenditures	899	953	1,119	1,173	1,173	1,247	1,247
Current Difference	(7)	55	(110)	(156)	(156)	(223)	(223)
Accumulated Ending Balance	1,209	1,264	1,154	998	998	775	775

LEGAL PROFESSION BOARDS

LICENSING ATTORNEYS

Narrative

Background Information

A portion of the Attorney Registration Fee funds this activity in addition to Bar application fees. The Board will continue to operate within the dedicated revenues collected by the current fees. No State General Fund monies are spent by the Board.

Forecast Basis

The Board of Law Examiner's projected dedicated revenues and operating costs were based on actual data from prior years. No major changes in the number of clients served or in operating costs are anticipated for FY06-07.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

LEGAL PROFESSION BOARDS

REG OF ATTRNY ACTIONS & ETH PR

Fiscal Report

Revenue Category Description: Fee charged to attorney and legal corp, to advise on ethical questions and respond to complaints

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Monitor attorney compliance with Code of Professional Responsibility, advise lawyers about ethical questions and receive, investigate and assist in disposition of complaints against licensed attorneys so that the public is served by attorneys who practice law in accord with adopted codes of professional conduct.

Appr Name: LAWYER ASSISTANCE, LAWYER PROF RESPSBLTY BD, LAWYERS PROF RESPONSIBILITY BD

Legal Citation(s): M.S. 481.01 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,424	1,362	1,659	1,458	1,458	1,262	1,262
Resources:							
Dedicated Receipts	2,112	2,610	2,529	2,575	2,575	2,621	2,621
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,112	2,610	2,529	2,575	2,575	2,621	2,621
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,112	2,610	2,529	2,575	2,575	2,621	2,621
Expenditures:							
Direct Expenditures	2,174	2,313	2,730	2,771	2,771	2,919	2,919
Indirect Expenditures							
Total Expenditures	2,174	2,313	2,730	2,771	2,771	2,919	2,919
Current Difference	(62)	297	(201)	(196)	(196)	(298)	(298)
Accumulated Ending Balance	1,362	1,659	1,458	1,262	1,262	964	964

LEGAL PROFESSION BOARDS

REG OF ATTRNY ACTIONS & ETH PR

Narrative

Background Information

Monies collected for the support of the Board are a portion of the Attorney Registration Fee.

Forecast Basis

The Lawyer's Professional Responsibility Board's projected dedicated revenues and operating costs were based on actual data from prior years. No major changes in the number of clients served or in operating costs are anticipated for FY06-07. No State General Fund monies are spent by the Board. The Board will continue to operate within the dedicated revenues collected by the current fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	156	169	149	179	179	180	180
Total Non-Dedicated Receipts	156	169	149	179	179	180	180

<u>Fund Totals:</u>							
State Government Spec Revenue	156	169	149	179	179	180	180
Departmental Earnings Total	156	169	149	179	179	180	180

MARRIAGE & FAMILY THERAPY BD

MARRIAGE & FAMILY THERAPY BD

Fiscal Report

Revenue Category Description: Fees for licensing, mailing lists, license verifications and continuing education course approval

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public by ensuring that Marriage & Family Therapists meet the necessary requirements for initial licensure; obtain the supervision and continuing education necessary for licensure renewal; and comply with ethical standards.

Appr Name:

Legal Citation(s): M.S. 148B and MN Rules 5300.0360

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	71	44	95	93	93	130	130
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	156	169	149	179	179	180	180
Total Departmental Earnings	156	169	149	179	179	180	180
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	42	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	114	169	149	179	179	180	180
<u>Expenditures:</u>							
Direct Expenditures	123	108	133	121	121	121	121
Indirect Expenditures	18	10	18	21	21	21	21
Total Expenditures	141	118	151	142	142	142	142
Current Difference	(27)	51	(2)	37	37	38	38
Accumulated Ending Balance	44	95	93	130	130	168	168

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. It is anticipated that the number of licensees will increase by ten percent per year. This forecast is based on current graduate's school enrollments.

Recent Changes

The board increased its licensure and renewal fees in 2001.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	4,105	4,218	4,200	4,200	4,200	4,200	4,200
Total Non-Dedicated Receipts	4,105	4,218	4,200	4,200	4,200	4,200	4,200

<u>Dedicated Receipts:</u>							
Special Revenue	0	0	1	1	1	1	1
Total Dedicated Receipts	0	0	1	1	1	1	1

<u>Fund Totals:</u>							
State Government Spec Revenue	4,105	4,218	4,200	4,200	4,200	4,200	4,200
Special Revenue	0	0	1	1	1	1	1
Departmental Earnings Total	4,105	4,218	4,201	4,201	4,201	4,201	4,201

MEDICAL PRACTICE BOARD

MN BOARD OF MEDICAL PRACTICE

Fiscal Report

Revenue Category Description: Testing, licensing, regulations, and other fees relating to the activities of the board.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE, SPECIAL REVENUE

Purpose: To protect the public by ensuring that all physicians (MD), doctors of osteopathic medicine (DO), physician assistants (PA), respiratory care practitioners (RCP), athletic trainers (AT), acupuncturists (AP), licensed traditional midwives (MW), and professional firms (PF) met the necessary qualifications and standards to competently practice their profession in Minnesota.

Appr Name: MED PRACT WORKSHOP

Legal Citation(s): M.S. 147, 147A, 147B, 148, 214, 319A, M.R. 5600-20

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	3,287	1,684	2,322	2,579	2,579	3,102	3,102
Resources:							
Dedicated Receipts	0	0	1	1	1	1	1
Non-Dedicated Receipts	4,105	4,218	4,200	4,200	4,200	4,200	4,200
Total Departmental Earnings	4,105	4,218	4,201	4,201	4,201	4,201	4,201
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	959	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	3,146	4,218	4,201	4,201	4,201	4,201	4,201
Expenditures:							
Direct Expenditures	3,677	2,458	2,906	2,638	2,638	2,638	2,638
Indirect Expenditures	1,072	1,122	1,038	1,040	1,040	1,040	1,040
Total Expenditures	4,749	3,580	3,944	3,678	3,678	3,678	3,678
Current Difference	(1,603)	638	257	523	523	523	523
Accumulated Ending Balance	1,684	2,322	2,579	3,102	3,102	3,625	3,625

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

None

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	7,039	8,889	5,031	5,001	1,957	5,001	1,985
Natural Resources	17,897	21,708	24,515	25,586	23,229	26,944	25,119
Game And Fish	67,363	70,325	73,466	75,027	68,207	75,527	68,710
Total Non-Dedicated Receipts	92,299	100,922	103,012	105,614	93,393	107,472	95,814

<u>Dedicated Receipts:</u>							
Natural Resources	868	1,449	1,250	1,279	10,490	1,325	10,536
Special Revenue	20,327	20,725	20,429	20,238	20,489	20,318	20,569
Game And Fish	2,403	2,552	2,512	2,572	9,417	2,572	9,417
Federal	12	0	0	0	0	0	0
Reinvest In Minnesota	0	0	0	0	111	0	111
Miscellaneous Agency	5,804	5,245	6,219	6,223	5,089	7,505	6,116
Gift	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Permanent School	16,338	17,114	15,465	19,982	18,144	21,797	19,657
Total Dedicated Receipts	45,750	47,084	45,874	50,293	63,739	53,516	66,405

<u>Fund Totals:</u>							
General	7,039	8,889	5,031	5,001	1,957	5,001	1,985
Natural Resources	18,765	23,157	25,765	26,865	33,719	28,269	35,655
Special Revenue	20,327	20,725	20,429	20,238	20,489	20,318	20,569
Game And Fish	69,766	72,877	75,978	77,599	77,624	78,099	78,127
Federal	12	0	0	0	0	0	0
Reinvest In Minnesota	0	0	0	0	111	0	111
Miscellaneous Agency	5,804	5,245	6,219	6,223	5,089	7,505	6,116
Gift	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Permanent School	16,338	17,114	15,465	19,982	18,144	21,797	19,657
Departmental Earnings Total	138,049	148,006	148,886	155,907	157,132	160,988	162,219

NATURAL RESOURCES DEPT

MINERALS & LAND EARNINGS

Fiscal Report

Revenue Category Description: Revenues from real estate transactions and mineral leases

Requesting a Fee Change: Yes

Purpose: To generate revenue from real estate transactions and minerals leases on acquired lands, school trust lands (permanent school and permanent university), and tax-forfeited lands.

Fund: Various

Appr Name: Various

Legal Citation(s): Legal citations noted on the Revenue Detail report

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	13,770	11,925	13,046	16,580	13,625	19,240	15,728
Non-Dedicated Receipts	469	649	531	523	3,498	523	4,055
Total Departmental Earnings	14,239	12,574	13,577	17,103	17,123	19,763	19,783
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	1,150	892	724	624	624	624	824
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	15,389	13,466	14,301	17,727	17,747	20,387	20,607
<u>Expenditures:</u>							
Direct Expenditures	7,292	6,713	7,016	6,781	7,081	6,781	7,081
Indirect Expenditures							
Total Expenditures	7,292	6,713	7,016	6,781	7,081	6,781	7,081
Current Difference	8,097	6,753	7,285	10,946	10,666	13,606	13,526

Background Information

In FY04 the division of Lands and Minerals deposited about \$13.5 million in land and minerals management revenues. Land management generated \$2.6 million of the \$13.5 million in revenues. Of the \$2.6 million, \$1.6 million was deposited as department earnings from leases, easements and utility licenses. An additional \$1.0 million was generated from land sales. The earnings revenue from leases includes the sale of construction aggregates (primarily sand and gravel), considered a surface interest in Minnesota.

Mineral rents and royalty receipts accounted for about \$10.9 million of the \$13.5 million. Mineral rents and royalties were down from a high of \$13.1 million in FY2003. About 97% of mineral revenues were generated from iron ore and taconite mining. Currently, the taconite industry is operating at near capacity of about 40 million tons of pellets produced annually. This production mirrors world demand for iron ore and steel. The demand is being led by China and other Asian countries as well as improving western economies. In 2003, China alone accounted for nearly 90% of the growth in demand for steel. In the US, steel prices are at levels last seen in the 1970s. The demand for iron ore is expected to remain strong through 2005 similar to the demand for other natural resource commodities.

In Minnesota, the increased demand for iron ore comes after a period of consolidation among iron ore and steel producers. US Steel purchased the assets of National Steel Pellet Company out of bankruptcy and is operating the former National Steel facility as Keewatin Taconite. Cleveland-Cliffs and Chinese steel-maker Laiwu purchased the assets of bankrupt EVTAC and is operating the facility as United Taconite, LLC. International Steel Group, Inc. purchased the assets of bankrupt Bethlehem Steel Corporation and is the majority owner of Hibbing Taconite Company. More recently the International Steel Group announced its merger with the newly formed Mittal Steel Company. The merger, expected to close in the third quarter of FY2005, will create the world's largest steelmaker. All of the above companies expect positive earnings through the upcoming year.

Forecast Basis

Projections for land revenue are based on historical analyses, existing contracts, and resource evaluations. Mineral revenue projections are based on current lease language, mining plans of the lessees, and market conditions. These projections are "forward-looking" and contain elements of risk and uncertainty. Actual revenues may vary materially from the projections.

Recent Changes

Effective July 1, 2003 the application fee for a utility license to cross state lands or state waters increased to \$500 from \$40. This increase brings the fee to a comparable level with what utilities pay private land owners to cross non-public lands. Lands and Minerals received an appropriation increase of \$185,000 from the General Fund in each year of the biennium to cover the costs of administering the review and issuance of such utility crossing easements.

Effective July 1, 2004, the one-time license fees that cover utility licenses for crossing public waters and state lands were also increased. The fees, set in M.R. Chapter 6135, were adjusted for inflation.

Agency Analysis/Requested Changes

The Lands and Minerals program is proposing two change items that will generate additional revenue in the FY2006-07 biennium. The first is a proposal to enhance revenue generation from School Trust lands. Under this proposal, when land managers determine that certain school trust lands have low potential to generate revenue, those lands will be sold or exchanged for other lands that have higher revenue potential. The Lands and Minerals program is requesting an annual appropriation of \$300,000 in each of FY2006 and FY2007 from the Permanent School Fund. Additional revenue (from land sales, a non-department earning) of \$200,000 will be generated starting in FY2007 and increasing in future years.

The second is a proposal to increase to \$2,000 the application fee for a road easement. Typically the easement request is to cross state land and by statute can be granted by the DNR where no reasonable alternative exists to reach private property. Currently the fee charged to easement requesters is the estimated market value of the land or \$500, whichever is greater. The Lands and Minerals program estimates that about ten road easement requests will be processed annually, generating \$20,000 in additional department earnings. Expenditures associated with this activity, which include site inspection, analysis and easement preparation costs, are not expected to increase.

NATURAL RESOURCES DEPT

WATERS EARNINGS

Fiscal Report

Revenue Category Description: Water appropriation and water use

Requesting a Fee Change: Yes

Purpose: Regulate use of ground and surface water; monitor safety of water supply.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 103G.301, Subd 2 & 3, M.S. 103G.271, Subd 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,510	3,990	4,033	4,033	4,626	4,033	4,629
Total Departmental Earnings	2,510	3,990	4,033	4,033	4,626	4,033	4,629
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,510	3,990	4,033	4,033	4,626	4,033	4,629
<u>Expenditures:</u>							
Direct Expenditures	1,543	1,632	3,680	3,735	4,075	3,735	4,075
Indirect Expenditures	154	163	10	10	10	10	10
Total Expenditures	1,697	1,795	3,690	3,745	4,085	3,745	4,085
Current Difference	813	2,195	343	288	541	288	544

Background Information

The largest revenue item, water appropriation permits, is required for uses of more than 10,000 gallons per day or one million gallons per year. About 1.3 trillion gallons of water is appropriated each year in Minnesota. Of this amount, about 250 billion gallons is groundwater and more than 1 trillion gallons is surface water. Agricultural irrigation is mostly from groundwater and about 66% of the water used by municipalities is groundwater. Energy and mining industries use predominantly surface water. In FY2004 the Division of Waters issued about 6,800 water appropriation permits. About 6,100 are for agricultural irrigation and small users (under 50 million gallons per year). State statutes provide a maximum fee for large water volume users.

A public waters permit is required for work that would change or otherwise alter the course, current or cross-section of a public water. This permit generates about \$100,000 per year.

A dam safety permit enables the division to better regulate the safety of dam structures. Inspections are required whenever a dam is over 6 feet in height or creates a reservoir with over 15 acre-feet of stored water capacity. Inspections are required on the construction of new dams, as well as on existing structures. This permits generates about \$130,000 per year.

The underground storage of gas or liquids requires a state permit. A follow-up inspection is required when groundwater is displaced to store gas or liquids in an underground formation. This category generates about \$10,000 per year.

All departmental earnings generated by the division are non-dedicated receipts deposited to the General Fund.

Direct expenditures are those that relate to the regulation of water use and dam inspections, as tracked by the division, and are only a portion of total division expenditures.

Forecast Basis

Projected receipts are based on historical activity at the current law permit and fee rates.

Recent Changes

The Laws of 2003 authorized an increase in the water use fees that generated an additional \$1.2 million per year. The fee increase applied to most water users: commercial and industrial users, municipal, and agricultural users. The fee increase did not apply to once-through commercial water users. [Changes to the fee structure and water use rates are contained in the Laws of 2003, Chapter 128, Article 1, sections 116-117.]

The division received an increased appropriation of \$699,000 in FY2004 and \$752,000 in FY2005 from the General Fund in each year of the biennium to administer its water use activities and regulatory responsibilities. All water-use revenues continue to be deposited as non-dedicated receipts to the General Fund.

Agency Analysis/Requested Changes

The Waters program is proposing five separate fee increases, four of which will generate additional earnings.

The first proposal will increase the water appropriation application fee to \$150 from \$75. The current fee has been in effect since about 1988, without adjustment for inflation. The proposal also includes raising the maximum fee for the application process to \$1,000 from \$500. The increased application fee and the higher maximum fee would generate an additional \$63,000 in earnings.

The second proposal will increase the fees charged for once-through cooling systems. The fee structure would increase to \$300 per million gallons from \$200 per million gallons. The fee increase is in response to inflation rather than any changes in how the effort is implemented in the Waters program. The fee increase would generate an additional \$160,000 per year starting in FY2006. Once-through cooling systems, over the long-term, must be converted to other cooling technologies by 2010.

The third proposal will eliminate a provision in statute that allows agricultural irrigators and wild rice producers to pay a nominal annual processing fee of \$20 in those years they do not appropriate any water or their permit is suspended. Eliminating this minimal annual fee of \$20 would require this group of users to pay the same annual minimum fee, which is \$101, as all other water users. This change would generate an additional \$48,000 in water use fees beginning in FY2006.

The fourth proposal will add a new surcharge of \$20 per million gallons of water used by municipalities to supply water during summer peak demands. The surcharge would apply to lawn watering, commercial landscape and golf course irrigation, and other low priority uses. The surcharge would generate an estimated \$330,000 per year in department earnings. The Waters program is also requesting an increase in its annual appropriation from the General Fund for \$330,000. The additional funding would be used to hire staff to conduct sustainability studies, plan for water conservation and provide technical assistance to large water appropriators.

Finally, a fifth proposal would generate a small amount of non-department earnings. The proposal would give the DNR commissioner the authority to issue civil citations as fines or orders for corrective action for egregious and repeat violations of DNR-administered water management programs. The proposal will result in an estimated \$7,000 in fines or citations over the biennium, and is not expected to require additional DNR expenditures.

NATURAL RESOURCES DEPT

TIMBER & RELATED EARNINGS

Fiscal Report

Revenue Category Description: Sale of timber; forest health and management services to private land owners

Requesting a Fee Change: Yes

Fund: Various

Purpose: Revenues from the sale of timber on several classifications of state land; forest management services provided to private land owners

Appr Name: Various

Legal Citation(s): M.S. 88.79, M.S. 89.035, M.S. 94.48, M.S. 16A.125

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	14,559	16,448	14,814	15,675	15,759	16,137	16,221
Non-Dedicated Receipts	4,096	4,260	4,180	4,381	4,383	4,500	4,502
Total Departmental Earnings	18,655	20,708	18,994	20,056	20,142	20,637	20,723
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	18,655	20,708	18,994	20,056	20,142	20,637	20,723
<u>Expenditures:</u>							
Direct Expenditures	16,400	16,400	16,400	16,400	16,480	16,400	16,480
Indirect Expenditures							
Total Expenditures	16,400	16,400	16,400	16,400	16,480	16,400	16,480
Current Difference	2,255	4,308	2,594	3,656	3,662	4,237	4,243

Background Information

Proceeds from timber that is marked, sold and harvested from state lands are deposited according to the land classification: Forest Management Investment Account for acquired lands; Special Revenue fund for Consolidated Conservation lands; the Permanent University account and the Permanent School fund for the lands held in each of these respective school trusts.

Forest management services to private landowners with less than one thousand forested acres include technical advice, timber cruising and marking, and scaling and marketing assistance.

Forestry division expenditures associated with generating these earnings are spent from a General Fund appropriation for Forest Management operations, and an annual appropriation from the Forest Management Investment Account. Estimated expenditures include the following Forestry division activities (operational activities that have been identified as part of the agency's budget and operations review process):

- Timber sales management
- State land management
- Forest development
- Core program support

Expenditures to provide forest management services come from an annual appropriation in the Special Revenue Fund for Forest Services.

Forecast Basis

Timber Sales. The volume of timber offered for sale is based on a timber inventory and other market-related factors. Forestry staff appraises the timber offered for sale and bases the price on timber sales during the previous 12 months. Timber is offered at public auction and sold to the highest qualified bidder. Timber sold in a particular year can be harvested over the five-year life of the contract.

Forest Management Services. The fee for forest management services is 13% of the proceeds of timber sales on private lands. Revenues are based on a history of receipts and other current timber market pricing.

All other revenue items in this earnings category are based on a five-year history of receipts. [Individual fee and permit amounts did not change; the Division of Forest periodically revises its projections of timber harvest volumes.]

Recent Changes

Laws of 2004 authorized the creation of a new Forest Management Investment Account in the Natural Resources Fund. Revenues previously deposited to the General Fund are now deposited to this new account. The General Fund direct appropriation for Forest Management was reduced by \$5.615 million. The division received a direct appropriation of \$6.215 million for Forest Management from the new Forest Management Investment Account. A primary objective in creating the account is to more clearly associate timber sale revenues with forest management expenditures.

Agency Analysis/Requested Changes

The Forestry program is proposing a modest increase, raising the minimum fee for special fuelwood permits to \$25 from \$5. Currently the Forestry program issues permits to salvage or cut a maximum of 12 cords of fuelwood for personal use from state-administered forestlands. The current fees are not less than \$5 and not more than the current market value of the fuelwood. Based on records for FY2004, Forestry issued 820 fuelwood permits; 520 of the 820 permits were for less than \$20 each. Increasing the minimum permit charge to \$25 from \$5 will help the program recoup its administrative costs of issuing the fuelwood permits. Forestry estimates the increased minimum amount will generate an additional \$6,000 in earnings.

In a second recommendation the Forestry program is proposing a new fee: an annual burning permit issued through ELS (electronic licensing system). Proposed fees are: (a) \$5 for an annual, noncommercial open burning permit issued to an individual; (b) \$5 per event, up to a annual maximum of \$50, for multiple permits issued to

TIMBER & RELATED EARNINGS**Narrative**

commercial enterprises. Since the electronic permits would be valid for a year, fewer permits will likely be issued. Forestry estimates it will issue 20,000 electronic permits (as compared to 60,000 paper permits issued under the current procedure) under the new approach using ELS. The new fee will generate an estimated \$80,000 in revenue. Fees from the electronic burning permits will be deposited to a special Revenue Fund and used to operate the burning permit system. The proposed fee is intended to cover the cost of the activity, which includes the transaction costs of issuing the permits through ELS. (The agency will consider whether this new receipt and expenditure is more closely related to the Fire Fighting earnings category.)

NATURAL RESOURCES DEPT

FORESTRY NURSERY ACCOUNT

Fiscal Report

Revenue Category Description: Receipts from the sale of nursery seedlings and seeds.

Requesting a Fee Change: Yes

Purpose: Special Revenue Fund (fund 203) to account for revenues and expenditures of the Forest Nursery operations.

Fund: SPECIAL REVENUE

Appr Name: FORESTRY NURSERIES ACCOUNT

Legal Citation(s): M.S. 89.36; M.S. 89.37

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	2,941	2,086	2,750	2,747	2,997	2,745	2,995
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,941	2,086	2,750	2,747	2,997	2,745	2,995
<u>Other Resources:</u>							
Earnings Transferred In	0	0	0	200	200	200	200
Rev Collected at Other Agency							
Other Receipts	39	19	25	28	28	30	30
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	0	600	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	2,980	2,105	2,175	2,975	3,225	2,975	3,225
<u>Expenditures:</u>							
Direct Expenditures	2,243	2,633	2,775	2,775	3,025	2,775	3,025
Indirect Expenditures							
Total Expenditures	2,243	2,633	2,775	2,775	3,025	2,775	3,025
Current Difference	737	(528)	(600)	200	200	200	200

Background Information

Proceeds from the sale of nursery seed and seedlings are deposited to Fund 203, the Forest Nursery account. The costs of running the nursery, including production, shipping, and capital projects, are paid from the account. Pricing, production, and costs are set so the nursery operation is self-supporting. Nursery production is capped at 10 million seedlings.

As authorized in statute, money in the nursery account earns interest income, which is credited to the account.

Effective in FY2005, a loan of \$600,000 was authorized to be transferred from the Forest Nursery Account to the Forest Management Investment Account. The loan eased the cash-flow needs in the new Forest Management Investment Account. The loan will be repaid to the nursery account starting in FY2006, in three annual payments of \$200,000.

Forecast Basis

The forecast is based on projected sales of nursery seed and stock. Prices are based on a combination of factors:

1. Surveys of private nurseries to obtain nursery pricing information, which allows the DNR's forest nursery to set its pricing to be comparable and competitive with private nurseries.
2. Analysis of nursery operations, which enables the nursery to set its product pricing to meet the objective of recovering the nursery's costs of production, marketing and distribution.

Recent Changes

No changes were associated with this departmental earnings category in FY2004-05.

Agency Analysis/Requested Changes

The agency prepares an annual statement for the Forest Nurseries account. Forestry produces and distributes an annual report on its nursery operations. Agency auditors reviewed the Forest Nursery Account in FY2004.

The DNR is proposing to add a surcharge of \$0.025 to each tree seedling sold through the forest nursery. A legislative cap holds the state forest nurseries to producing a total of 10 million seedlings per year for sale to all ownerships, public and private. Assuming the nursery sells 10 million seedlings each year, the \$0.025 per seedling surcharge will generate \$250,000 in additional earnings. The additional revenue will be deposited to the Forest Nursery Account, which is designated as a statutory account. Forestry plans to spend the additional annual funding to write stewardship plans for private landowners, and to continue delivering education initiatives such as the School Forest and Project Learning Tree programs to educators statewide.

NATURAL RESOURCES DEPT

FIRE FIGHTING

Fiscal Report

Revenue Category Description: Fire Fighting Fees and Cost Reimbursement

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: One revenue source code used to 1) recover the costs of transporting and inspecting federal excess fire equipment for local fire departments; 2) recover costs for wildfire suppression from legally responsible parties; 3) recover costs of fire fighting equipment issued by the inter-agency fire cache, (4) receive federal reimbursement for costs of out-of-state fire mobilizations

Appr Name: EMERGENCY FIRE NON STATE, FORESTRY FIRE EQUIP COOP

Legal Citation(s): M.S. 88.75, Subd. 1; M.S. 84.026

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	3,011	4,851	4,100	4,105	4,105	4,105	4,105
Non-Dedicated Receipts	451	527	500	500	500	500	500
Total Departmental Earnings	3,462	5,378	4,600	4,605	4,605	4,605	4,605
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,462	5,378	4,600	4,605	4,605	4,605	4,605
<u>Expenditures:</u>							
Direct Expenditures	3,462	5,378	4,600	4,605	4,605	4,605	4,605
Indirect Expenditures							
Total Expenditures	3,462	5,378	4,600	4,605	4,605	4,605	4,605
Current Difference	0	0	0	0	0	0	0

Background Information

This revenue category is made up of the following cost reimbursements:

- Wildfire suppression costs. Parties who violate wildfire restrictions, and whose actions result in a wildfire incident that requires an agency response, are liable for the DNR's costs for wildfire suppression and containment. By statute such reimbursements are deposited to the General Fund as non-dedicated receipts.
- Fire equipment. Surplus or excess federal fire equipment is transported to or within the state, fully inspected and then turned over to local fire departments. Such local fire agencies reimburse the DNR for these costs.
- Fire cache. Fire equipment and supplies are stocked at the interagency fire center in Grand Rapids. (The DNR plays a lead cooperative role in operating the interagency fire center.) Costs to use or purchase supplies and equipment are reimbursed by outside agencies.
- Out-of-state fire fighting. DNR provides resources (staff, equipment and miscellaneous supplies) when mobilized by federal agencies to assist in fighting out-of-state wildfires. The federal agency reimburses the DNR for costs incurred in responding to these out-of-state wildfire incidents.

Forecast Basis

The forecast of receipts and expenditures is based on historical trends. Wildfire suppression costs and reimbursements are dependent on a number of variables including the weather and the severity of the state's and western-U.S. fire season. As a result actual receipts and expenditures can vary significantly from the projections.

Recent Changes

No changes were associated with this earnings category in FY2004-05.

Agency Analysis/Requested Changes

Cost reimbursements, which accounts for all receipts in this earnings category, do not fit the statutory definition of departmental earnings. The agency suggests a review of the DOF-assigned revenue source codes to determine whether the revenues in this category should be classified as some other type of receipts, something other than department earnings.

NATURAL RESOURCES DEPT

PARKS EARNINGS

Fiscal Report

Revenue Category Description: Revenues from park permits, camping fees, concessions and park facility rentals.

Purpose: Revenues generated partially fund the cost of maintaining and operating state parks.

Legal Citation(s): M.S. 85.055; M.S. 85.053

Requesting a Fee Change: No

Fund: GENERAL, NATURAL RESOURCES, PERMANENT SCHOOL

Appr Name: ST FOREST SUSP-SCHOOL, STATE PARK ACCOUNT

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	137	143	143	143	9,114	143	9,114
Non-Dedicated Receipts	6,953	8,495	9,111	9,111	140	9,111	140
Total Departmental Earnings	7,090	8,638	9,254	9,254	9,254	9,254	9,254
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	7,090	8,638	9,254	9,254	9,254	9,254	9,254
<u>Expenditures:</u>							
Direct Expenditures	20,514	19,755	21,270	20,859	20,859	20,859	20,859
Indirect Expenditures	4,886	4,870	4,938	4,938	4,938	4,938	4,938
Total Expenditures	25,400	24,625	26,208	25,797	25,797	25,797	25,797
Current Difference	(18,310)	(15,987)	(16,954)	(16,543)	(16,543)	(16,543)	(16,543)

Background Information

Parks departmental earnings are intended to partially fund the maintenance and operation of the state park system. Maintenance expenditures includes routine building, infrastructure and property maintenance, with an about \$250,000 earmarked for system-wide emergency repairs. Larger maintenance needs are funded from an annual facility appropriation managed by the DNR's Facilities and Operations Support (FOS) and capital improvement projects from bonding appropriations. Numerous parks capital improvement projects have been identified; future capital project cost estimates exceed current levels of available capital funding.

State park operations include the commitment to preserve and manage natural, scenic and cultural resources within the state park system while providing recreational and educational opportunities for park visitors. In FY2003 and FY2004 additional expenditures for resource management and interpretative services were made from the Parks Working Capital account (fund 204).

The earnings totals shown on the previous table do not include Lottery in-lieu-of-tax receipts. Parks expenditures, as shown in the fiscal table, do not include the amount appropriated and spent from available Lottery in-lieu sources. In each of FY2006 and FY2007 an additional \$3.462 million will be appropriated from Lottery in-lieu revenues for park operations.

Parks maintains and operates the 55 forest campgrounds. Park expenditures include the annual costs of operating the forest campgrounds, approximately \$613,000 per year. In FY2004 receipts from forest campgrounds totaled \$280,000 and are included in total earnings for this category. Receipts from forest campgrounds located on permanent school trust lands--\$143,000 of total campground receipts--are deposited as dedicated receipts to the permanent school trust fund. Receipts from forest campgrounds located on other state lands--the remaining \$137,000--are deposited as non-dedicated receipts to the General Fund.

Forecast Basis

Forecast revenues are based on a five-year history of parks usage and receipts in the various categories.

Recent Changes

Effective July 1, 2003 the cost of park permits and camping in state parks and forest campgrounds were increased. The authorized fee increases are as follows:

Name of Fee	old rate	\$ increase	new rate
Annual park permit	\$20	\$5	\$25
Annual park permit, second vehicle	15	3	18
One-day state park permit	4	3	7
One-day state park permit – group	2	3	5
Semi-modern camping	12	3	15
Rustic camping – state parks	8	3	11
Rustic camping – forest campgrounds	9	1	10

The additional revenues generated from the increased camping fees resulted in more resources available for state park operations. In each of FY2004 and FY2005 the appropriation from the Parks Account was increased by \$709,000 and the annual appropriation from the General Fund by \$13,000. The additional revenues generated by the increased park permit fees did not result in a higher level of funding for park operations. Rather, the annual appropriation from the Parks Account increased by \$1.29 million and the annual appropriation from the General Fund decreased by that same amount.

Agency Analysis/Requested Changes

Parks has initiated efforts to identify ways to generate additional revenues, increase work efficiencies and make other significant changes in the operation and management of the state park system and network of forest campgrounds. Consistent with broader agency priorities, Parks is implementing an operating strategy that includes the management, protection and restoration of the resources contained within state park boundaries. At the same time Parks intends to explore ways for the park and forest campground operations to become more self-sufficient.

PARKS EARNINGS

Narrative

Parks is proposing a budget change such that all receipts to the Parks Account in the Natural Resources Fund will be deposited as dedicated receipts. In addition, the proposal seeks to designate the Parks Account as a statutory account; the account's beginning balance and all additional earnings and other receipts will be appropriated to the commissioner and available for expenditure on annual park operations. (This proposal will not change how forest campground receipts are deposited: as dedicated receipts to the Permanent School Fund or as non-dedicated receipts to the General Fund.)

NATURAL RESOURCES DEPT

WORKING CAPITAL

Fiscal Report

Revenue Category Description: Merchandise for sale at state parks.

Requesting a Fee Change: No

Purpose: Revolving fund for the purchase and sale of merchandise in state parks. Profits are used to fund resource management and interpretive projects in the state park system.

Fund: SPECIAL REVENUE

Appr Name: PK WK CAP FORT SNELLING LEASE, ST PRKS WORKING CAPITAL, T/W- MERCHANDISE

Legal Citation(s): M.S. 85.22

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,120	1,171	793	240	240	127	127
Resources:							
Dedicated Receipts	2,150	2,255	2,294	2,296	2,296	2,296	2,296
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	2,150	2,255	2,294	2,296	2,296	2,296	2,296
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	7	6	8	8	8	8	8
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,157	2,261	2,302	2,304	2,304	2,304	2,304
Expenditures:							
Direct Expenditures	2,075	2,606	2,817	2,379	2,379	2,379	2,379
Indirect Expenditures	31	33	38	38	38	38	38
Total Expenditures	2,106	2,639	2,855	2,417	2,417	2,417	2,417
Current Difference	51	(378)	(553)	(113)	(113)	(113)	(113)
Accumulated Ending Balance	1,171	793	240	127	127	14	14

Background Information

The Parks Working Capital account is a special revenue account established under MS 85.22 as a revolving account. Proceeds from retail sales are used to purchase the merchandise and consumable inventories, and receipts from rentals are used to buy and maintain rental equipment. The excess of revenue over expenditures from sales and rentals is used to fund resource management and interpretation efforts in state parks.

Forecast Basis

The forecast of revenues and expenditures is based on a five-year activity history. The underlying objective is for revenues to not only cover the purchase of merchandise, consumables and replacement of rental equipment, but for any excess to be used for resource management projects and interpretive programs in state parks.

Recent Changes

No recent changes in this earnings category.

Agency Analysis/Requested Changes

The agency prepares and updates a brief annual statement for the Parks Working Capital account. The amounts shown for this earnings category agree with the prepared account statement.

No changes are proposed in this earnings category.

NATURAL RESOURCES DEPT

DOUGLAS LODGE

Fiscal Report

Revenue Category Description: Lodging, restaurant & merchandise sales at Douglas Lodge.

Requesting a Fee Change: No

Purpose: Revolving fund for revenue and expenses of operating the Douglas Lodge at Itasca State Park.

Fund: SPECIAL REVENUE

Appr Name: DOUGLAS LODGE

Legal Citation(s): M.S. 85.22

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	68	86	36	0	0	0	0
Resources:							
Dedicated Receipts	1,776	1,747	1,750	1,750	1,750	1,750	1,750
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,776	1,747	1,750	1,750	1,750	1,750	1,750
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,776	1,747	1,750	1,750	1,750	1,750	1,750
Expenditures:							
Direct Expenditures	1,758	1,797	1,786	1,750	1,750	1,750	1,750
Indirect Expenditures							
Total Expenditures	1,758	1,797	1,786	1,750	1,750	1,750	1,750
Current Difference	18	(50)	(36)	0	0	0	0
Accumulated Ending Balance	86	36	0	0	0	0	0

Background Information

The Douglas Lodge account is a special revenue fund, fund 205, established under M.S. 85.22 for the operation of the Douglas Lodge complex at Itasca State Park. Revenue from lodging, restaurant and merchandise sales are deposited as dedicated receipts to this account, and Parks division expenditures to operate the Douglas Lodge complex are paid from the account. The account is intended to be self-sustaining over a multi-year period.

Forecast Basis

The forecast of revenues and expenses is based on a five-year activity history. The underlying objective is for revenues to support and sustain Douglas Lodge operations to the extent possible.

Recent Changes

No recent changes in this earnings category.

Agency Analysis/Requested Changes

The agency prepares a brief annual account statement for the Douglas Lodge. The amounts shown in the earnings report above are consistent with the prepared account statement and balances.

No changes are proposed in this earnings category.

NATURAL RESOURCES DEPT

SNOWMOBILE

Fiscal Report

Revenue Category Description: Revenues related to the registration and recreational use of snowmobiles

Requesting a Fee Change: No

Fund: NATURAL RESOURCES

Purpose: To fund snowmobile programs: the acquisition, development and maintenance of snowmobile trails; grants for the GIA snowmobile trail system; enforcement and local enforcement grants; and administrative support costs.

Appr Name: SNOW METAL TRACTION STICKER, SNOWMOBILE TRAINING FEES

Legal Citation(s): M.S. 84.83, s 5; 296A.18, s 3; 609.101, s 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	278	416	80	80	80	80	80
Non-Dedicated Receipts	3,558	5,316	3,376	3,527	3,527	4,722	4,722
Total Departmental Earnings	3,836	5,732	3,456	3,607	3,607	4,802	4,802
Other Resources:							
Earnings Transferred In	5,203	5,286	5,400	5,481	5,481	5,563	5,563
Rev Collected at Other Agency							
Other Receipts	363	323	376	269	269	319	319
Resource Reductions:							
Earnings Transferred Out	13	11	11	11	11	10	10
Rev Collected for Other Agency							
Current Year Resources	9,389	11,330	9,221	9,346	9,346	10,674	10,674
Expenditures:							
Direct Expenditures	9,553	9,635	11,231	10,610	10,610	10,350	10,350
Indirect Expenditures	1,046	1,026	1,113	1,032	1,032	1,074	1,074
Total Expenditures	10,599	10,661	12,344	11,642	11,642	11,424	11,424
Current Difference	(1,210)	669	(3,123)	(2,296)	(2,296)	(750)	(750)

Background Information

The following earnings are deposited as non-dedicated receipts to the Snowmobile account:

- Snowmobile registrations
- Snowmobile trail permits
- Snowmobile fines
- Snowmobile (track) studs - civil citations

The following earnings are deposited as dedicated receipts:

- Adult snowmobile training
- Youth snowmobile training
- Snowmobile track sticker
- License issuing fee
- Investment Income (earned on cash in ELS appropriation only)

The following non-earnings are deposited or transferred in as non-dedicated receipts:

- Investment Income (on daily, available cash balance in Snowmobile Account other than ELS appropriation)
- Agency indirect costs (non-general fund)
- Refund of prior year expenditure
- Unrefunded gas tax
- Police state aid

The license-issuing fee is deposited to the account as a dedicated receipt to cover the transaction cost of vehicle registrations and vehicle transfers through ELS (electronic licensing system). [While the license issuing fee is shown on the table under Other Receipts, in MAPS it is properly recorded as a dedicated receipt to the ELS appropriation in the ATV Account.]

Forecast Basis

Revenue projections are based on a review of actual receipts over a five-year period. Snowmobile registrations, the largest receipt item in the account, are strongly influenced by favorable or unfavorable winter weather.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Recent Changes

The snowmobile metal track sticker permit, which generated about \$200,000 in FY2003 and \$335,000 in FY2004, is ended effective July 1, 2004. Expenditures associated with this dedicated receipt will end on this date as well, and funds remaining in the dedicated appropriation cancel to the available balance in the Snowmobile Account.

Trails and Waterways received increased appropriations of \$500,000 in each of FY2004 and FY2005 from the Snowmobile Account for snowmobile operations. The division also received a one-time appropriation of \$300,000 in FY2004 from the Snowmobile Account for the Hermantown Trail connection, to connect state snowmobile trails to a specific GIA local trail in St. Louis County.

The Minnesota Conservation Corp, now a private non-profit organization, received a direct appropriation for \$115,000 in each of FY2004 and FY2005 from the Snowmobile account. MCC crews complete a variety of annual projects as agreed upon in a work plan prepared in conjunction with Trails and Waterways.

Agency Analysis/Requested Changes

The agency prepares a detailed annual fund statement for the Snowmobile Account.

NATURAL RESOURCES DEPT

CROSS COUNTRY SKI

Fiscal Report

Revenue Category Description: Revenues related to issuing cross country ski permits

Requesting a Fee Change: Yes

Purpose: Revenues and expenditures related to the cross country ski program.

Fund: NATURAL RESOURCES, SPECIAL REVENUE

Appr Name: CROSS COUNTRY SKI TRAILS

Legal Citation(s): M.S. 85.43

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	73	263	216	216	356	216	356
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	73	263	216	216	356	216	356
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	2	7	6	6	6	6	6
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	75	270	222	222	362	222	362
<u>Expenditures:</u>							
Direct Expenditures	160	170	375	216	356	216	356
Indirect Expenditures	0	0	6	6	6	6	6
Total Expenditures	160	170	381	222	362	222	362
Current Difference	(85)	100	(159)	0	0	0	0

Background Information

In FY2003 and FY2004 cross country ski permits were deposited as dedicated receipts in the Special Revenue Fund, Cross Country Ski account. Beginning in FY2005 the Cross Country Ski account has been moved to the Natural Resources Fund. Other than moving the location of the account, no additional resources have been added to the account balance.

Also effective in FY2005, an issuing fee will be charged on the purchase of cross-country ski trail passes. The issuing fee covers the transaction cost of issuing the trail pass through ELS (electronic licensing system).

In FY2004, favorable snow conditions and increased enforcement of permit possession on ski trails resulted in significantly higher trail pass revenues over previous years.

Forecast Basis

Revenues are based on actual receipts over a five-year history.

Recent Changes

No changes were made to this earnings category in FY2004-05.

Agency Analysis/Requested Changes

The agency annually prepares an account statement and monitors the account balance. Planned expenditures are reduced if actual receipts do not meet revenue projections.

The Trails and Waterways program is proposing increases to the cost of daily, annual and three-year cross country ski trail passes. The daily trail pass would increase to \$5 from \$3; an annual trail pass would increase to \$15 from \$10; and a three-year trail pass would increase to \$40 from \$25. Current fees generate about \$210,000 in earnings annually. The proposed trail pass fees would generate an estimated \$140,000 in additional earnings. The cross-country ski account in the Natural Resources Fund is a statutory account. The additional revenues will be used for increased cross-country ski trail development, maintenance, and grooming on state trails, and for increased support to grant-in-aid cross-country ski trails.

NATURAL RESOURCES DEPT

ATV

Fiscal Report

Revenue Category Description: Revenues related to the registration and recreational use of ATVs

Requesting a Fee Change: No

Fund: NATURAL RESOURCES

Purpose: To fund the ATV program: the acquisition, maintenance and development of trails; enforcement and local enforcement grants; and administrative support costs.

Appr Name:

Legal Citation(s): M.S. 84.922; M.S. 296A.18, s 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,486	1,937	2,482	2,919	2,919	2,918	2,918
Total Departmental Earnings	1,486	1,937	2,482	2,919	2,919	2,918	2,918
<u>Other Resources:</u>							
Earnings Transferred In	780	793	810	822	822	834	834
Rev Collected at Other Agency							
Other Receipts	93	172	182	200	200	202	202
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	475	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	2,359	2,427	3,474	3,941	3,941	3,954	3,954
<u>Expenditures:</u>							
Direct Expenditures	2,164	3,485	5,922	3,979	4,234	3,979	4,159
Indirect Expenditures	308	342	459	395	395	397	397
Total Expenditures	2,472	3,827	6,381	4,374	4,629	4,376	4,556
Current Difference	(113)	(1,400)	(2,907)	(433)	(688)	(422)	(602)

Background Information

The following earnings are deposited as non-dedicated receipts to the ATV account:

- ATV registrations
- ATV safety training

The following earnings are deposited as dedicated receipts:

- License issuing fee
- Investment income (earned on ELS appropriation only)

The following non-earnings are deposited or transferred in as non-dedicated receipts:

- ATV civil citations
- Unrefunded gas tax

The license-issuing fee is deposited to the account as a dedicated receipt to cover the transaction cost of vehicle registrations, transfers and duplicate registrations through ELS (electronic licensing system). [While the license-issuing fee is shown on the fiscal table under Other Receipts, in MAPS it is properly recorded as a dedicated receipt to the ELS appropriation in the ATV Account.]

Forecast Basis

Revenue projections are based on a review of actual receipts over a five-year period. ATV registration fees, the largest receipt item in the account, are anticipated to continue to grow, although the agency projects the rate of growth will moderate starting in FY2005 as shown.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as other resources transferred in.

Recent Changes

Effective July 1, 2003, the ATV registration fee, which covers a three year registration period, was raised in a two-step increase: to \$23 for machines in public use before January 1, 2005, and to \$30 for machines in public use on and after January 1, 2005.

Also effective July 1, 2003 the filing fee was increased to \$4.50 from \$2 for vehicle renewal registrations, duplicates and replacement registration cards and decals. The filing fee was increased to \$7 from \$2 for initial vehicle registrations and registration transfers. The filing fee is retained by the deputy registrars, or deposited to the ATV Account if the transaction is processed through the DNR's License Center.

Trails and Waterways received increased appropriations of \$600,000 in FY2004 and \$360,000 in FY2005 from the ATV Account for ATV trail operations. The division also received a one-time appropriation of \$600,000 in FY2004 from the ATV Account for OHV (off-highway vehicle) facility development.

Enforcement received increased appropriations in each of FY2004 and FY2005 from the ATV Account for the following:

- \$300,000 for increased officer staffing and enforcement of ATV use, both on and off designated trails
- \$665,000 for increased enforcement presence, and ATV training
- \$213,000 for enforcement grants to counties and for DNR grants administration

In FY2004 and FY2005 the Minnesota Conservation Corp, now a private non-profit organization, received a direct appropriation of \$150,000 from the ATV account. MCC crews complete a variety of annual projects as agreed upon in a work plan prepared in conjunction with Trails and Waterways.

Agency Analysis/Requested Changes

The agency prepares a detailed annual statement for the ATV Account as a component of the Natural Resources Fund.

The DNR's budget plan includes two change items that do not change the fees in this earnings group but the change items request additional appropriations from the All Terrain Vehicle Account in the Natural Resources Fund.

The first budget change item will provide an appropriation increase of \$180,000 in each of FY2006 and FY2007 from the ATV Account to the Enforcement program. The appropriation will be used to fund an off-highway vehicle safety and conservation grant program.

A second change item requests a one-time appropriation of \$75,000 in FY2006 to the Trails and Waterways program to conduct a study ATV use and the volume of gasoline consumed by this recreational activity.

NATURAL RESOURCES DEPT

WATER RECREATION

Fiscal Report

Revenue Category Description: Revenues relating to the titling, registration and recreational use of watercraft on state waters.

Requesting a Fee Change: No

Fund: NATURAL RESOURCES

Purpose: To fund water recreation programs including, but not limited to: 1) the boat and water safety programs (administration, enforcement and education), 2) acquisition, development and maintenance of public water access, 3) watercraft registration and titling, and 4) controlling aquatic exotic species such as zebra mussel and Eurasian watermilfoil.

Appr Name: T & W WATER RECREATION MARINA

Legal Citation(s): M.S. 86B.415, 86B.705, 86B.870, 296A.18, 609.101

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	31	41	36	36	36	36	36
Non-Dedicated Receipts	5,864	5,886	5,712	5,926	5,926	5,928	5,928
Total Departmental Earnings	5,895	5,927	5,748	5,962	5,962	5,964	5,964
<u>Other Resources:</u>							
Earnings Transferred In	7,804	7,930	8,100	8,221	8,221	8,345	8,345
Rev Collected at Other Agency							
Other Receipts	434	651	591	596	596	597	597
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	14,133	14,508	14,439	14,779	14,779	14,906	14,906
<u>Expenditures:</u>							
Direct Expenditures	11,384	9,898	13,729	11,451	12,301	11,451	12,301
Indirect Expenditures	3,275	2,736	3,743	3,118	3,118	3,118	3,118
Total Expenditures	14,659	12,634	17,472	14,569	15,419	14,569	15,419
Current Difference	(526)	1,874	(3,033)	210	(640)	337	(513)

Background Information

The following earnings are deposited as non-dedicated receipts to the Water Recreation account:

- Watercraft titling
- Watercraft registrations
- Watercraft surcharge
- Watercraft fines
- Exotic species civil fine
- DNR (watercraft related) restitution

The following earnings are deposited as dedicated receipts:

- License issuing fee
- Investment Income (earned on ELS appropriation only)
- Harbor and marina fees

The following non-earnings are deposited or transferred in as non-dedicated receipts:

- All other reimbursements
- Agency indirect costs (non-general fund)
- Refund of prior year expenditure
- Unrefunded gas tax
- Police state aid

The license-issuing fee is deposited to the account as a dedicated receipt to cover the transaction cost of watercraft registrations, transfers and other transactions processed through ELS (electronic licensing system). [While the license issuing fee is shown on the fiscal table under Other Receipts, in state accounting system it is properly recorded as a dedicated receipt to the ELS appropriation in the Water Recreation Account.]

Forecast Basis

Revenue projections are based on a review of actual receipts over a five-year period. Watercraft titling is a one-time fee, paid at the time of watercraft purchase. Watercraft registrations and the exotic species surcharge cover a three-year period. These three receipt items have increased at a modest rate over the past five years.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Recent Changes

Effective July 1, 2003 the filing fee was increased to \$4.50 from \$2 for vehicle renewal registrations, duplicates and replacement registration cards and decals. The filing fee was increased to \$7 from \$2 for initial vehicle registrations and registration transfers. The filing fee is retained by the deputy registrars, or deposited to the Water Recreation Account if the transaction is processed through the DNR's License Center.

The Division of Trails and Waterways received a one-time appropriation of \$700,000 in FY2004 from the Water Recreation Account for the development of the Mississippi River Whitewater Park in Minneapolis.

Ecological Services received an increase of \$559,000 in FY2004 and \$619,000 in FY2005 in its annual appropriations from the Water Recreation Account for activities related to the inspection and control of exotic species.

Enforcement received an increase of \$400,000 in its annual appropriations from the Water Recreation Account in each of FY2004 and FY2005 for DNR enforcement operations related to recreational boating.

The Minnesota Conservation Corp, now a private non-profit organization, received a direct appropriation for \$200,000 in each of FY2004 and FY2005 from the Water Recreation account. MCC crews complete a variety of annual projects as agreed upon in a work plan prepared in conjunction with Trails and Waterways.

Agency Analysis/Requested Changes

The agency prepares a detailed annual statement for the Water Recreation Account as a component of the Natural Resources Fund.

The DNR's budget plan includes two change items that do not change the fees in this earnings group but do request additional appropriations from the Water Recreation Account.

The first change item requests a decrease in appropriations of \$154,000 in each of FY2006 and FY2007 from the Water Recreation Account to the Trails and Waterways program. This change request seeks to move the annual funding for the installation and maintenance of fishing piers to another funding source.

The second change item requests increased appropriations in each of FY2006 and FY2007 from the Water Recreation Account as follows:

- \$650,000 to the Trails and Waterways program to address increasing costs of public water access facility management and rehabilitation;
- \$204,000 to the Ecological Services program. Of this amount, \$154,000 is for a grant program to increase invasive species management and to increase vegetation management plans, and \$50,000 to fund current aquatic plant management activities;
- \$150,000 to the Fish and Wildlife program to fund current aquatic plant management activities.

NATURAL RESOURCES DEPT

OFF HIGHWAY MOTORCYCLE

Fiscal Report

Revenue Category Description: Revenues related to the registration and recreational use of OHMs

Requesting a Fee Change: No

Fund: NATURAL RESOURCES

Purpose: To fund off-highway motorcycle programs: the acquisition, development and maintenance of trails; enforcement and local enforcement grants; and support costs.

Appr Name:

Legal Citation(s): M.S. 84.787; M.S. 296A.18 s 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	105	149	172	203	203	242	242
Total Departmental Earnings	105	149	172	203	203	242	242
<u>Other Resources:</u>							
Earnings Transferred In	239	243	248	252	252	256	256
Rev Collected at Other Agency							
Other Receipts	93	68	11	13	13	15	15
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	20	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	437	440	431	468	468	513	513
<u>Expenditures:</u>							
Direct Expenditures	372	286	754	376	386	376	386
Indirect Expenditures	41	32	72	56	56	58	58
Total Expenditures	413	318	826	432	442	434	444
Current Difference	24	122	(395)	36	26	79	69

Background Information

The following earnings are deposited as non-dedicated receipts to the OHM account:

- OHM registrations
- OHM safety training

The following earnings are deposited as dedicated receipts:

- License issuing fee
- Investment Income (earned on ELS appropriation only)

The following non-earnings are deposited or transferred in as non-dedicated receipts:

- OHM civil citations
- Unrefunded gas tax

The license-issuing fee is deposited to the account as a dedicated receipt to cover the transaction cost of vehicle registrations, transfers and duplicate registrations through ELS (electronic licensing system). [While the license issuing fee is shown on the fiscal table under Other Receipts, in MAPS it is properly recorded as a dedicated receipt to the ELS appropriation in the OHM Account.]

Forecast Basis

Revenue projections are based on a review of actual receipts over a five-year period. OHM registrations, the largest receipt item in the account, are anticipated to continue growing, although the rate of growth is expected to moderate starting in FY2005.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Recent Changes

Effective July 1, 2003 the filing fee was increased to \$4.50 from \$2 for vehicle renewal registrations, duplicates and replacement registration cards and decals. The filing fee was increased to \$7 from \$2 for initial vehicle registrations and registration transfers. The filing fee is retained by the deputy registrars, or deposited to the Off Highway Motorcycle Account if the transaction is processed through the DNR's License Center.

Trails and Waterways received increased appropriations of \$50,000 in FY2004 and \$30,000 in FY2005 from the OHM Account for OHM trail operations. The division also received a one-time appropriation of \$50,000 in FY2004 from the OHM Account for OHV (off-highway vehicle) facility development.

Enforcement received increased appropriations in each of FY2004 and FY2005 from the OHM Account for the following:

- \$28,000 for increased officer staffing and enforcement of OHM use, both on and off designated trails
- \$11,000 for enforcement grants to counties and for DNR grants administration

Agency Analysis/Requested Changes

The agency prepares a detailed annual statement for the OHM Account as a component of the Natural Resources Fund.

The DNR's budget plan includes a change item to that will increase appropriations by \$10,000 in each of FY2006 and FY2007 from the OHM Account to the Enforcement program. The appropriation will be used to fund an off-highway vehicle safety and conservation grant program.

NATURAL RESOURCES DEPT

OFF ROAD VEHICLE

Fiscal Report

Revenue Category Description: Revenues related to the registration and recreational use of ORVs

Requesting a Fee Change: No

Fund: NATURAL RESOURCES

Purpose: To fund off-road vehicle programs: the acquisition, development and maintenance of trails; enforcement and local enforcement grants; and administrative support costs.

Appr Name:

Legal Citation(s): M.S. 84.787; M.S. 296A.18 s 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	50	61	65	72	72	76	76
Total Departmental Earnings	50	61	65	72	72	76	76
<u>Other Resources:</u>							
Earnings Transferred In	853	867	886	899	899	912	912
Rev Collected at Other Agency							
Other Receipts	2	8	8	8	8	8	8
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency	0	5	0	0	0	0	0
Current Year Resources	905	931	959	979	979	996	996
<u>Expenditures:</u>							
Direct Expenditures	897	1,339	2,031	1,273	1,183	1,273	1,183
Indirect Expenditures	26	24	74	51	51	51	51
Total Expenditures	923	1,363	2,105	1,324	1,234	1,324	1,234
Current Difference	(18)	(432)	(1,146)	(345)	(255)	(328)	(238)

Background Information

The following earnings are deposited as non-dedicated receipts to the ORV account:
ORV registrations

The following earnings are deposited as dedicated receipts:
License issuing fee
Investment Income (earned on ELS appropriation only)

The following non-earnings are deposited or transferred in as non-dedicated receipts:
ORV civil citations
Unrefunded gas tax

The license-issuing fee is deposited to the account as a dedicated receipt to cover the transaction cost of vehicle registrations, transfers and duplicate registrations through ELS (electronic licensing system). [While the license issuing fee is shown on the table under Other Receipts, in MAPS it is properly recorded as a dedicated receipt to the ELS appropriation in the ORV Account.]

Forecast Basis

Revenue projections are based on a review of actual receipts over a five-year period. ORV registrations, the largest receipt item in the account, are anticipated to continue growing, although the rate of growth is expected to moderate starting in FY2005.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Recent Changes

Effective July 1, 2003 the filing fee was increased to \$4.50 from \$2 for vehicle renewal registrations, duplicates and replacement registration cards and decals. The filing fee was increased to \$7 from \$2 for initial vehicle registrations and registration transfers. The filing fee is retained by the deputy registrars, or deposited to the Off Road Vehicle Account if the transaction is processed through the DNR's License Center.

Trails and Waterways received increased appropriations of \$350,000 in FY2004 and \$210,000 in FY2005 from the ORV Account for ORV trail operations. The division also received a one-time appropriation of \$350,000 in FY2004 from the ORV Account for OHV (off-highway vehicle) facility development.

Enforcement received increased appropriations in each of FY2004 and FY2005 from the ORV Account for the following:

- \$7,000 for increased officer staffing and enforcement of ORV use, both on and off designated trails
- \$1,000 for enforcement grants to counties

Agency Analysis/Requested Changes

The agency prepares a detailed annual statement for the ORV Account as a component of the Natural Resources Fund.

The DNR's budget plan includes a change item to that will increase appropriations by \$10,000 in each of FY2006 and FY2007 from the ORV Account to the Enforcement program. The appropriation will be used to fund an off-highway vehicle safety and conservation grant program. Another provision of the change item reduces the annual appropriation by \$100,000 in each of FY2006 and FY2007 to the Trails and Waterways program for trail operations related to this type of recreational vehicles. This appropriation reduction is requested to sustain the long-term balance in the ORV Account.

NATURAL RESOURCES DEPT

GAME AND FISH

Fiscal Report

Revenue Category Description: Revenues from hunting and angling licenses and stamps; federal reimbursements; other misc receipts

Requesting a Fee Change: Yes

Fund: GENERAL, NATURAL RESOURCES, SPECIAL REVENUE, GAME AND FISH, PERMANENT SCHOOL

Purpose: To fund game and fish programs including but not limited to: 1) Fisheries operations to monitor fish populations, protect and restore habitat and stock fish in public waters; 2) Wildlife operations to manage wildlife populations, protect and restore habitats; 3) Ecological Services programs relating to the protection of ecosystems; and 4) enforce game and fish laws.

Appr Name: Various

Legal Citation(s): Citations listed on Agency Revenue Detail report

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	2,958	3,532	3,426	3,515	10,360	3,561	10,406
Non-Dedicated Receipts	66,757	69,652	72,850	74,419	67,599	74,919	68,102
Total Departmental Earnings	69,715	73,184	76,276	77,934	77,959	78,480	78,508
Other Resources:							
Earnings Transferred In	913	982	1,037	1,037	1,037	1,037	1,037
Rev Collected at Other Agency	171	175	170	170	170	170	170
Other Receipts	725	404	560	727	727	860	860
Resource Reductions:							
Earnings Transferred Out	548	980	913	942	942	988	988
Rev Collected for Other Agency							
Current Year Resources	70,976	73,765	77,130	78,926	78,951	79,559	79,587
Expenditures:							
Direct Expenditures	64,360	58,965	72,094	65,261	69,985	65,261	71,982
Indirect Expenditures	11,414	10,255	11,141	10,314	10,314	10,314	10,314
Total Expenditures	75,774	69,220	83,235	75,575	80,299	75,575	82,296
Current Difference	(4,798)	4,545	(6,105)	3,351	(1,348)	3,984	(2,709)

Background Information

The following departmental earnings are deposited to the fund (includes Game and Fish Operations, stamp and surcharge accounts, and lifetime license trust fund) as non-dedicated receipts:

Application fees	Turkey stamp
Game and fish commercial license	Sport Fish Restoration revenues
Fishing license	Wildlife Restoration revenues
Hunting license	Game and fish miscellaneous
Wildlife acquisition surcharge	Game and fish fines
Sports license	Game and fish forfeits
Waterfowl stamp	DNR restitution
Trout stamp	Trespass civil citations
Pheasant stamp	Aquatic plant management
Sale of fish/eggs	Aeration system permit

The following earnings are deposited as dedicated receipts:

- License issuing fees (deposited to the ELS account)
- Portion of hunting license fee
(dedicated to account 231, approp D01 for expenditure on chronic wasting disease)
- Wild rice license
- Adult hunter education
- Firearm safety training

The following non-earnings are deposited as dedicated receipts:

- Interest income (earned on cash balance in ELS account)
- Sale of buildings, surplus equipment

The following non-earnings are deposited or transferred in as non-dedicated receipts:

- Interest income (earned on available cash in the Game and Fish Operations, stamp and surcharge accounts, and lifetime license trust fund)
- Other reimbursements and refunds of prior year expenditures
- Agency indirect costs (non-general fund)
- Police state aid

The earnings totals shown on the previous fiscal table do not include Lottery in-lieu-of-tax receipts deposited to the Heritage Enhancement Account. Likewise, total expenditures reported for Fisheries, Wildlife, Enforcement and Ecological Services as shown on the fiscal table do not include actual and budgeted expenditures from the Heritage Enhancement Account.

In the previous fiscal table the amount shown under Earnings Transferred Out is total license issuing receipts that is deposited to six separate accounts in the Natural Resources Fund. This addresses the inaccuracy of how this specific receipt is reflected in this earnings reporting module. [In MAPS the license issuing fee is correctly deposited and recorded by account: Water Recreation, Snowmobile, ATV, OHM, ORV and cross country ski accounts.]

Forecast Basis

Receipts from licenses, stamps and surcharges are estimated using sales history data. Additional input comes from program staff, which assesses fish and wildlife population trends that may impact future license and stamp sales.

The projection of Sport Fish and Wildlife Restoration revenues is based on the history of federal revenues (federal apportionment) available to the DNR for these programs.

License issuing fees are calculated as a percent of license, stamp and surcharge sales.

Receipts generated from enforcement activities are projected based on a five-year history and planned changes in enforcement operations over the next three to five years. Other receipts are projected based on a five-year history and after factoring other known and relevant changes in operations.

Recent Changes

The following license fees were increased or modified in the 2003 Legislative session:

Game and fish commercial licenses

[Laws 2003, Chapter 128, Article 1, Sections 11, 63-72]

A number of the game and fish commercial licenses fees increased. Fee increases applied to aquatic farming; aquarium facilities; minnow dealers, retailers and haulers; fishing guides; private hatcheries; commercial fishing operators; commercial fish wholesalers and retailers; and frog dealers.

Prior to the fee increases, commercial game and fish licenses generated about \$160,000 per fiscal year. The DNR estimated its annual operating expenses at \$545,000 for program costs spent by Fish and Wildlife, Ecological Services, Enforcement and the License Center. The fee increases as passed into law during the 2003 legislative session reflect DNR considerations and the input of commercial license holders.

Appropriations from the Game and Fish Operations for this program effort were as follows:

- Fish and Wildlife received an appropriation increase of \$21,000 in FY2004 and \$52,000 in FY2005
- Ecological Services received an appropriation increase of \$6,000 in FY2004 and \$14,000 in FY2005
- Enforcement received an appropriation increase of \$47,000 in FY2004 and \$115,000 in FY2005
- License Center received an appropriation increase of \$5,000 in FY2004 and \$12,000 in FY2005

Resident and non-resident hunting licenses, stamps and fees

[Laws 2003, Chapter 128, Article 1, Sections 58-62, 73]

Licenses for small game and deer increased by a small amount for a majority of hunters so the license fees to hunt small game and deer could be lowered for young hunters (ages 12 to 17). Fees paid by non-residents to hunt deer by firearms and archery and to hunt antlered deer in more than one zone increased by 8%.

The migratory waterfowl and the pheasant stamp increased by 50% generating an additional \$260,000 annually in the waterfowl account and \$215,000 annually in the pheasant habitat account.

The trout and salmon validation stamp increased by 18% generating an additional \$135,000 annually to the trout and salmon management account.

The small game surcharge increased by 63% generating an additional \$740,000 in the wildlife acquisition account.

A special hunt application fee was established for a Camp Ripley archery deer hunt generating an additional \$11,500.

As a result of the above fee changes and increases for the various hunting licenses, stamps and the small game surcharge, the appropriations to fund expanded program efforts were increased as follows:

- to Fish and Wildlife, for additional efforts to recruit young hunters and identify hunting opportunities for youth, increased appropriations from the Game and Fish Operations Fund of \$35,000 in FY2004 and \$150,000 in FY2005
- to Fish and Wildlife, for additional efforts to manage wetlands and increase food sources for migrating birds, increased appropriations from the Migratory Waterfowl Account of \$100,000 in each of FY2004 and FY2005
- to Fish and Wildlife, for accelerated WMA acquisition, development and facility maintenance, increased appropriations from the Wildlife Acquisition Account of \$400,000 in FY2004 and \$600,000 in FY2005
- to Fish and Wildlife, for implementing a deer archery hunt at Camp Ripley, increased appropriations from the Game and Fish Operations Fund of \$25,000 in each of FY2004 and FY2005

Wild rice harvesting

[Laws 2003, Chapter 128, Article 1, Section 16]

License for harvesting wild rice increased, restructuring the previous license into daily and seasonal, and by adding a license for non-residents to harvest wild rice. The new fees are estimated to generate about \$15,000 in additional earnings, which are appropriated to the commissioner and will be used by the Fish and Wildlife program for accelerated wild rice management.

Water aeration systems

[Laws 2003, Chapter 128, Article 1, Section 118]

A new fee was established for a permit to operate a water aeration system in public waters during seasonal periods of ice cover. The DNR projected the new fee would generate about \$60,000 per fiscal year. Program costs were estimated at \$62,000 per year.

Appropriations from the Game and Fish Operations for this program effort were as follows:

- Fish and Wildlife received an appropriation increase of \$17,000 in each of FY2004 and FY2005
- Ecological Services received appropriation increase of \$14,000 in each of FY2004 and FY2005
- Enforcement received appropriation increase of \$4,000 in each of FY2004 and FY2005

Aquatic plant management

[Laws 2003, Chapter 128, Article 1, Section 119]

The permit fee was increased to harvest aquatic plants in public waters. Typically such a permit allows a riparian landowner to remove aquatic vegetation to allow access from their property to the body of water. The DNR projected the permit fee increase would generate an additional \$385,000 per fiscal year, in addition to the \$115,000 deposited under the previous permit fee structure. Program costs were estimated at about \$500,000 per year.

Based on revenue estimates under the new fee structure, appropriations from the Game and Fish Operations for this program effort were increased as follows:

- Fish and Wildlife received an appropriation increase of \$80,000 in each of FY2004 and FY2005
- Ecological Services received appropriation increase of \$35,000 in each of FY2004 and FY2005
- Enforcement received appropriation increase of \$10,000 in each of FY2004 and FY2005

Additional appropriations from the Game and Fish Fund were established or increased for the FY2004-05 biennium and not associated with a specific fee increase. These appropriation changes include:

- to Trails and Waterways, for expenditures on the acquisition and development of water access sites under the Wallop Breaux program requirements, increased appropriations from Game and Fish Operations of \$861,000 in FY2004 and \$374,000 in FY2005
- to Fish and Wildlife, for expenditures to increase and improve wild turkey habitat, increased appropriations from the Turkey Management Account of \$25,000 in each of FY2004 and FY2005
- to Fish and Wildlife, for expenditures related to Indian treaty issues and treaty management, increased appropriations from Game and Fish Operations of \$175,000 in each of FY2004 and FY2005
- to Fish and Wildlife, for program expenditures on fish culture and stocking, increased appropriations of \$1 million from Game and Fish Operations in each of FY2004 and FY2005
- to Fish and Wildlife, for expenditures related to habitat improvements on existing WMAs, increased appropriations of \$600,000 from Game and Fish Operations in each of FY2004 and FY2005
- to Enforcement, for program expenditures increase the conservation officer hours devoted to game and fish law enforcement, increased appropriations of \$800,000 from Game and Fish Operations in each of FY2004 and FY2005.

Agency Analysis/Requested Changes

Direct and indirect expenditures

Direct expenditures are reported on the previous fiscal page as expenditures from the Game and Fish Fund by Trails and Waterways, Fish and Wildlife (except for the License Center), Ecological Services and Enforcement programs. Indirect expenditures include the License Center, Operations Support and the statewide indirect costs.

Game and Fish Fund statement and report

The DNR prepares a budgetary Game and Fish Fund statement at key times during each fiscal year. The fund statement is prepared according to specified reporting requirements. It provides an accurate financial report of historic revenues and expenditures as well as a forecast for the next two biennia. In addition, the DNR produces an annual report that discusses annual expenditures for program activities and related outcomes for the Game and Fish Fund.

The Fish and Wildlife program is proposing one new fee: the initiation of a special management species application and tagging. The first species to be managed under the proposal would be the lake sturgeon. Fish and Wildlife estimates that between 5,000 and 7,000 tags will be issued to sturgeon anglers at a cost of \$5 each, generating an estimated \$25,000 to \$35,000 in new earnings to Game and Fish Operations. The Fish and Wildlife program would receive an annual increase in appropriations from Game and Fish Operations to cover the costs of the species management activity.

The fund statement for the Game and Fish Fund, prepared by the DNR and covering fiscal years through FY2009, indicates a significant available balance in the Game and Fish Operations account. DNR's budget plan includes recommendations for increased appropriations from the fund, and each recommendation is described in detail in the change item narrative section of the

	FY2006	FY2007
Additional Earnings		
Special management species (noted in text above)	\$25,000	\$28,000
Additional Appropriations		
Special management species (noted in text above)	\$25,000	\$28,000
Reduction in appropriation for aquatic plant management	(200,000)	(200,000)
Maintain levels of existing operations and programs	2,065,000	4,213,000
Funding for fishing piers	154,000	154,000
Funding for water access sites under Wallop/Breaux program	253,000	249,000
Red Lake fisheries management	100,000	100,000
Comprehensive lakes management	85,000	85,000
Shoreland habitat management program expansion	200,000	200,000
ELS registration for deer, bear and turkey harvest	312,000	312,000
Full funding for ELS transaction costs	75,000	75,000
Stream restoration	64,000	64,000
Total Proposed Appropriations from Game and Fish Operations	3,133,000	5,280,000
Statutory Appropriations in Stamp and Surcharge Accounts	1,591,000	1,441,000
Total Change in Direct and Statutory Appropriations	4,724,000	6,721,000

In addition the DNR is requesting that the receipts to the stamp and surcharge accounts within the Game and Fish Fund be changed from non-dedicated to dedicated receipts. This recommendation will also designate the stamp and surcharge accounts (funds 231 through 238) as statutory; existing account balances and future receipts will be appropriated to the commissioner and available for expenditure according to the statutory purpose of each account. The change will increase expenditures in the Fish and Wildlife program by about \$1.6 million in FY2006 and \$1.4 million in FY2007.

NATURAL RESOURCES DEPT

DNR MISCELLANEOUS

Fiscal Report

Revenue Category Description: Miscellaneous grouping for documents, publications, aerial photos, cooperative agreements

Requesting a Fee Change: No

Purpose: Receipts from sale of documents, publications and aerial photos; payments for cooperative agreements deposited in special revenue accounts to be used for specific purposes.

Fund: SPECIAL REVENUE, FEDERAL, MISCELLANEOUS AGENCY, GIFT

Appr Name: Various

Legal Citation(s): Various, see Agency Revenue and Fee Detail Report

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	4,066	3,377	3,219	3,150	3,150	3,207	3,207
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,066	3,377	3,219	3,150	3,150	3,207	3,207
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4,066	3,377	3,219	3,150	3,150	3,207	3,207
Expenditures:							
Direct Expenditures	3,776	3,892	4,797	3,318	3,318	3,265	3,265
Indirect Expenditures							
Total Expenditures	3,776	3,892	4,797	3,318	3,318	3,265	3,265
Current Difference	290	(515)	(1,578)	(168)	(168)	(58)	(58)

Background Information

This earnings category is a collection of unrelated earnings that don't fit neatly into other earnings categories. The dissimilar nature of receipts in this grouping makes it difficult to assess the relationship of revenues to program expense at the earnings category level.

Decorative bough buyers permit

Established in the laws of 2001, this is a relatively new fee to the agency. It is meant to provide regulation and oversight to the harvesting and sale on the wholesale level of decorative materials and trees. Decorative material is defined in M.S. 88.641, subd 1b, and primarily covers the harvest and sale of conifer boughs, branches and tops to be used as seasonal decoration. Actual and estimated receipts are low—about \$1,000 per fiscal year. Actual and budgeted expenditures reflect the minimal number of staff hours associated with this program effort.

Sale of maps, documents, aerial photos and publications

Receipts from the sale of maps, resource-related documents, aerial photos and other publications are authorized to be deposited in one of numerous special revenue accounts and appropriated to the commissioner for purposes for which the money was received. Generally prices charged are set to cover production and printing costs. Handling and mailing costs are also recovered when applicable. This approach to pricing generally does not include the agency professional time required to research, create, write, photograph, edit or review such documents or publications.

Cooperative agreements

The agency is authorized to enter into agreements with public and private entities for the provision of statutorily prescribed natural resource services provided by the department. The contracts typically will specify the services to be provided, the amount to be paid and/or method of reimbursement. The agency enters into numerous cooperative agreements; all DNR divisions use the same statutory citation relating to cooperative agreements.

The DNR continues to question whether revenues from cooperative agreements fit the statutory definition of a departmental earning. The amount of service provided by the department and amount of payment or reimbursement is established by contract, not recovered through permit or fee. The amount expended for cooperative agreements should equal--although not necessarily on a fiscal year basis--the amount of revenues deposited to the numerous special revenue appropriations.

Forecast Basis

Sale of maps, documents, aerial photos and publications: Primarily based on historical activity levels, and identified future needs to print and distribute certain publications, maps and documents.

Cooperative agreements. Primarily based on historical activity levels, and identified future plans for partnerships, anticipated service agreements, joint projects and the like.

Recent Changes

No significant changes have occurred in this earnings category.

Agency Analysis/Requested Changes

No pricing or fee changes are requested for this earnings category.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	4,555	4,587	4,081	4,368	4,368	4,338	4,338
Total Non-Dedicated Receipts	4,555	4,587	4,081	4,368	4,368	4,338	4,338

<u>Fund Totals:</u>							
State Government Spec Revenue	4,555	4,587	4,081	4,368	4,368	4,338	4,338
Departmental Earnings Total	4,555	4,587	4,081	4,368	4,368	4,338	4,338

NURSING BOARD

MN BOARD OF NURSING

Fiscal Report

Revenue Category Description: Testing, licensing, regulations, and other fees relating to the activities of the board.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public by ensuring that the people who practice nursing are competent, ethical practitioners with the necessary knowledge and skills appropriate to their title and role.

Appr Name:

Legal Citation(s): M.S. 148.171-148.285, 214, 319A & M.R. 6301-6340

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,317	2,563	3,943	4,352	4,352	5,217	5,217
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	4,554	4,586	4,080	4,367	4,367	4,337	4,337
Total Departmental Earnings	4,554	4,586	4,080	4,367	4,367	4,337	4,337
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	3	5	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out	829	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	3,728	4,591	4,081	4,368	4,368	4,338	4,338
Expenditures:							
Direct Expenditures	2,455	2,319	2,561	2,390	2,390	2,390	2,390
Indirect Expenditures	1,027	892	1,111	1,113	1,113	1,113	1,113
Total Expenditures	3,482	3,211	3,672	3,503	3,503	3,503	3,503
Current Difference	246	1,380	409	865	865	835	835
Accumulated Ending Balance	2,563	3,943	4,352	5,217	5,217	6,052	6,052

Background Information

The Board's goal is to protect the public's health and safety by providing reasonable assurance that the people who practice nursing are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role. (Minnesota Statutes section 148.171-148.285)

Services provided to accomplish this mission are:

- Credential nurses who meet education and competence requirements
- Discipline nurses who violate the nurse practice act and pose a risk of harm to the public
- Survey and approve nursing education programs for evaluation of graduates for competence
- Communicate with the public, employers and nurses regarding expected standards of nursing practice and data related to the qualifications of individual nurses.

These services are based on the Board's desire to:

- Fulfill its responsibilities for public safety with respect for due process and adherence to laws and rules
- Deliver customer-centered services in a respectful, purposeful, responsible, timely, communicative and non-discriminatory manner
- Provide government services that are accessible, purposeful, responsible, and secure
- Carry out its business functions with efficiency, accountability, innovation, and collaboration

Forecast Basis

Fees are charged to applicants and licensees in a sufficient amount so that the total collected is as closely as possible equal to the anticipated expenditures (direct and indirect costs.) The Board is fee supported and not dependent on revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities.

Recent Changes

The board increased its annual license and renewal fees in July 2001.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	200	199	198	198	198	198	198
Total Non-Dedicated Receipts	200	199	198	198	198	198	198

<u>Fund Totals:</u>							
State Government Spec Revenue	200	199	198	198	198	198	198
Departmental Earnings Total	200	199	198	198	198	198	198

NURSING HOME ADMIN BOARD

NURSING HOME ADMINISTRATORS BD

Fiscal Report

Revenue Category Description: Fees for applications, examination, licensure, renewal and continuing education fees

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public's interest in providing quality care to residents of long-term care facilities by ensuring that licensed administrators are suitably qualified to fulfill their professional and administrative responsibilities.

Appr Name:

Legal Citation(s): M.S. 144A.18 - 144A.28; 214.055 & M.R. 6400

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	221	180	218	151	151	119	119
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	200	199	198	198	198	198	198
Total Departmental Earnings	200	199	198	198	198	198	198
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	69	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	131	199	198	198	198	198	198
Expenditures:							
Direct Expenditures	168	157	244	203	203	203	203
Indirect Expenditures	4	4	21	27	27	26	26
Total Expenditures	172	161	265	230	230	229	229
Current Difference	(41)	38	(67)	(32)	(32)	(31)	(31)
Accumulated Ending Balance	180	218	151	119	119	88	88

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

The board reduced its annual license and registration fees in 1997.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	114	112	93	101	101	101	101
Total Non-Dedicated Receipts	114	112	93	101	101	101	101
<u>Fund Totals:</u>							
State Government Spec Revenue	114	112	93	101	101	101	101
Departmental Earnings Total	114	112	93	101	101	101	101

OPTOMETRY BOARD

MN BOARD OF OPTOMETRY

Fiscal Report

Revenue Category Description: Application fees for initial licensure, license registration, annual license renewal, and profession

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Purpose: To protect the residents of Minnesota by assuring that all licensed optometrists meet state competency standards. The board closely reviews all applications for licensure, administers a jurisprudence examination to test applicants' knowledge of state optometry laws, conducts audits of required continuing education, and processes consumer complaints.

Legal Citation(s): M.S. 148.57, 148.59, 214, 319B.11, & MN Rules 6500

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	136	117	135	90	90	65	65
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	112	109	92	99	99	99	99
Total Departmental Earnings	112	109	92	99	99	99	99
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	2	3	1	2	2	2	2
Resource Reductions:							
Earnings Transferred Out	33	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	81	112	93	101	101	101	101
Expenditures:							
Direct Expenditures	90	82	117	101	101	101	101
Indirect Expenditures	10	12	21	25	25	26	26
Total Expenditures	100	94	138	126	126	127	127
Current Difference	(19)	18	(45)	(25)	(25)	(26)	(26)
Accumulated Ending Balance	117	135	90	65	65	39	39

OPTOMETRY BOARD

MN BOARD OF OPTOMETRY

Narrative

Background Information

The goal of the Board of Optometry is to promote, preserve and protect the public's health, safety, and welfare by providing reasonable assurance that Minnesota Licensed optometrists are competent, ethical practitioners, and have the necessary knowledge and skills appropriate to their title and role.

Administrative responsibilities of this program include:

- Establish education, practice and conduct standards for licensed optometrists.
- Review applicant education and training for compliance with optometry licensure requirements.
- Reasonably ensure that only applicants meeting qualifications for licensure are granted optometry licensure.
- Initial licensure and annual renewal of qualified professionals.
- Respond to inquiries, complaints, and other reported information from the public and other agencies concerning applicants, licensees, and unlicensed practitioners.
- Provide information about optometry licensure requirements and standards of practice.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected the previous year. No excessive changes are anticipated to the number of optometrists regulated.

Recent Changes

None

Requested Changes

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	479	422	430	430	430	430	430
Total Non-Dedicated Receipts	479	422	430	430	430	430	430

<u>Dedicated Receipts:</u>							
Special Revenue	0	0	0	0	763	0	832
Total Dedicated Receipts	0	0	0	0	763	0	832

<u>Fund Totals:</u>							
General	479	422	430	430	430	430	430
Special Revenue	0	0	0	0	763	0	832
Departmental Earnings Total	479	422	430	430	1,193	430	1,262

PEACE OFFICERS BOARD (POST)

PEACE OFFICER LICENSING

Fiscal Report

Revenue Category Description: Peace Officer Licensing

Requesting a Fee Change: No

Purpose: To cover the administrative costs of testing and licensing peace officers, part-time officers and constables.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 214.06, 626.843, 626.845

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	133	181	219	219	248	248
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	479	422	430	430	430	430	430
Total Departmental Earnings	479	422	430	430	430	430	430
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	479	422	430	430	430	430	430
<u>Expenditures:</u>							
Direct Expenditures	318	347	364	373	373	376	376
Indirect Expenditures	28	27	28	28	28	29	29
Total Expenditures	346	374	392	401	401	405	405
Current Difference	133	48	38	29	29	25	25
Accumulated Ending Balance	133	181	219	248	248	273	273

PEACE OFFICERS BOARD (POST)

PEACE OFFICER LICENSING

Narrative

Background Information

License and exam fees are paid by peace officers. Licenses are for a three-year period.

Forecast Basis

Fees are set to equal anticipated expenditures.

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	1,323	1,344	1,309	1,360	1,360	1,360	1,360
Total Non-Dedicated Receipts	1,323	1,344	1,309	1,360	1,360	1,360	1,360

<u>Fund Totals:</u>							
State Government Spec Revenue	1,323	1,344	1,309	1,360	1,360	1,360	1,360
Departmental Earnings Total	1,323	1,344	1,309	1,360	1,360	1,360	1,360

PHARMACY BOARD

MN BOARD OF PHARMACY

Fiscal Report

Revenue Category Description: Licensure and examination fees for pharmacists, pharmacies, drug wholesalers & drug manufacturers.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Purpose: To protect the public from adulterated, misbranded and illicit drugs; to protect the public from unethical or unprofessional conduct on the part of pharmacists or other licensees involved in pharmacy practice; and to provide a reasonable assurance of professional competency in the practice of pharmacy. To ensure that all professionals licensed meet the necessary qualifications and standards to competently practice their profession in Minnesota.

Legal Citation(s): M.S. 151.06, 151.13-.14, 214.06 & MN Rules 6800

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	525	254	459	612	612	813	813
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,323	1,344	1,309	1,360	1,360	1,360	1,360
Total Departmental Earnings	1,323	1,344	1,309	1,360	1,360	1,360	1,360
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	355	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	968	1,344	1,309	1,360	1,360	1,360	1,360
Expenditures:							
Direct Expenditures	1,127	1,040	1,048	1,044	1,044	1,044	1,044
Indirect Expenditures	112	99	108	115	115	117	117
Total Expenditures	1,239	1,139	1,156	1,159	1,159	1,161	1,161
Current Difference	(271)	205	153	201	201	199	199
Accumulated Ending Balance	254	459	612	813	813	1,012	1,012

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees and enforce compliance through regular inspections of all facilities where drugs are stored or dispensed.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No changes are anticipated to the number of professionals licensed.

Recent Changes

The last change in fees occurred in July 2000.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	274	296	263	275	275	275	275
Total Non-Dedicated Receipts	274	296	263	275	275	275	275

<u>Fund Totals:</u>							
State Government Spec Revenue	274	296	263	275	275	275	275
Departmental Earnings Total	274	296	263	275	275	275	275

PHYSICAL THERAPY BOARD

BOARD OF PHYSICAL THERAPY

Fiscal Report

Revenue Category Description: Fees for applications, initial licensure, and licensure renewal.

Requesting a Fee Change: No

Purpose: To protect the public by ensuring that physical therapists meet the necessary requirements for initial licensure; obtain the practice hours, continuing education and meet the requirements necessary for licensure renewal; and comply with practice standards.

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Legal Citation(s): M.S. 148.74, MN Rules 5600.0100 - 5601.3200

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	148	86	142	129	129	142	142
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	274	296	263	275	275	275	275
Total Departmental Earnings	274	296	263	275	275	275	275
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	72	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	202	296	263	275	275	275	275
Expenditures:							
Direct Expenditures	210	192	215	203	203	203	203
Indirect Expenditures	54	48	61	59	59	61	61
Total Expenditures	264	240	276	262	262	264	264
Current Difference	(62)	56	(13)	13	13	11	11
Accumulated Ending Balance	86	142	129	142	142	153	153

PHYSICAL THERAPY BOARD

BOARD OF PHYSICAL THERAPY

Narrative

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audiences.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No significant changes are anticipated to the amount of revenue generated from licensing and renewal activities. No changes are anticipated to the number of professionals licensed.

Recent Changes

None

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Non-Dedicated Receipts:							
State Government Spec Revenue	85	81	74	77	77	79	79
Total Non-Dedicated Receipts	85	81	74	77	77	79	79

Fund Totals:							
State Government Spec Revenue	85	81	74	77	77	79	79
Departmental Earnings Total	85	81	74	77	77	79	79

PODIATRY BOARD

MN BOARD OF PODIATRY

Fiscal Report

Revenue Category Description: Fees for Temporary Permit, Licensure, Renewal, Late Renewal, Corp. Registration & Civil Penalty

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Appr Name:

Purpose: To ensure that the public receives quality podiatric health care from competent podiatric health professionals. This is accomplished by licensing podiatrists whose qualifications meet the specifications established by the board.

Legal Citation(s): M.S.153.02, 153.16, 214.06, 319B & MN Rules 6900

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	27	18	35	45	45	54	54
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	84	79	73	76	76	78	78
Total Departmental Earnings	84	79	73	76	76	78	78
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	1	2	1	1	1	0	0
<u>Resource Reductions:</u>							
Earnings Transferred Out	16	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	69	81	74	77	77	78	78
<u>Expenditures:</u>							
Direct Expenditures	54	43	48	47	47	47	47
Indirect Expenditures	24	21	16	21	21	21	21
Total Expenditures	78	64	64	68	68	68	68
Current Difference	(9)	17	10	9	9	10	10
Accumulated Ending Balance	18	35	45	54	54	64	64

Background Information

The purpose of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audiences.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and credentialing agencies are set to recover all direct and indirect costs. The board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No significant changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

The board increased its licensure and renewal fees in 2000.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	9	10	8	8	8	8	8
Petroleum Tank Release Cleanup	10	7	8	8	8	8	8
State Government Spec Revenue	44	39	37	37	37	37	37
Environmental	14,930	17,428	19,319	19,598	21,389	19,780	21,878
Remediation	0	87	0	0	0	0	0
Total Non-Dedicated Receipts	14,993	17,571	19,372	19,651	21,442	19,833	21,931

<u>Dedicated Receipts:</u>							
Special Revenue	994	305	735	256	256	256	256
Environmental	137	0	0	0	0	0	0
Total Dedicated Receipts	1,131	305	735	256	256	256	256

<u>Fund Totals:</u>							
General	9	10	8	8	8	8	8
Petroleum Tank Release Cleanup	10	7	8	8	8	8	8
State Government Spec Revenue	44	39	37	37	37	37	37
Special Revenue	994	305	735	256	256	256	256
Environmental	15,067	17,428	19,319	19,598	21,389	19,780	21,878
Remediation	0	87	0	0	0	0	0
Departmental Earnings Total	16,124	17,876	20,107	19,907	21,698	20,089	22,187

POLLUTION CONTROL AGENCY

PCA INCOME AGREEMENTS

Fiscal Report

Revenue Category Description: PCA Income Agreements

Requesting a Fee Change: No

Purpose: Receive monies from various sources to complete specific tasks. Agreements are developed to specify what is to be done.

Fund: SPECIAL REVENUE

Appr Name: Various

Legal Citation(s): M.S. 115.06, Subd. 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	425	713	183	0	0	0	0
Resources:							
Dedicated Receipts	864	172	620	141	141	141	141
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	864	172	620	141	141	141	141
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	10	0	0	0	0	0	0
Resource Reductions:							
Earnings Transferred Out	0	0	92	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	874	172	528	141	141	141	141
Expenditures:							
Direct Expenditures	553	669	682	124	124	124	124
Indirect Expenditures	33	33	29	17	17	17	17
Total Expenditures	586	702	711	141	141	141	141
Current Difference	288	(530)	(183)	0	0	0	0
Accumulated Ending Balance	713	183	0	0	0	0	0

POLLUTION CONTROL AGENCY

PCA INCOME AGREEMENTS

Narrative

Background Information

Income agreements are developed with outside parties who provide resources to complete specific tasks.

Agency Analysis/Requested Changes

No change is recommended.

POLLUTION CONTROL AGENCY

LAND: UNDG STRG TANK CNTR CERT

Fiscal Report

Revenue Category Description: Underground Storage Tank Contractor Certification Fees

Requesting a Fee Change: No

Fund: PETROLEUM TANK RELEASE CLEANUP

Purpose: To collect the amounts to defray the cost of certifying persons who install, repair, remove or install new underground storage tanks.

Appr Name:

Legal Citation(s): M.S. 116.491, Subd. 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	10	7	8	8	8	8	8
Total Departmental Earnings	10	7	8	8	8	8	8
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	10	7	8	8	8	8	8
<u>Expenditures:</u>							
Direct Expenditures	10	7	8	8	8	8	8
Indirect Expenditures							
Total Expenditures	10	7	8	8	8	8	8
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

POLLUTION CONTROL AGENCY

LAND: UNDG STRG TANK CNTR CERT

Narrative

Background Information

- The purpose of the program is to certify persons who install, repair, or remove underground storage tanks.
- The current fee rate is \$50 per person.
- The receipts deposited to the account are only for PCA activities related to certification of the Underground Storage Tank contractors.
- This is one of the sources of revenue to the Petro Fund, which is appropriated to the Department of Commerce and the PCA for the purpose of dealing with petroleum tank related contamination of the land and water.
- Fees are deposited in the Petroleum Tank Release Cleanup Fund as a non-dedicated receipt. These receipts are independent of the appropriations out of this fund to the PCA.

Agency Analysis/Requested Changes

No change is recommended.

POLLUTION CONTROL AGENCY

LAND: VOL PETRO INVEST & CLNP

Fiscal Report

Revenue Category Description: Voluntary Petroleum Investigation and Cleanup Fees (VPIC)

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To provide services (i.e. closure and liability letters, review of investigations and cleanups, review development response action plans) requested by customers for petroleum contaminated property. Costs are recovered by the fees.

Appr Name: HW VPIC - PROP TRF - SP REV FD

Legal Citation(s): M.S. 115C.03, Subd. 9

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	3	25	44	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	130	133	115	115	115	115	115
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	130	133	115	115	115	115	115
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	130	133	115	115	115	115	115
<u>Expenditures:</u>							
Direct Expenditures	83	89	134	90	90	90	90
Indirect Expenditures	25	25	25	25	25	25	25
Total Expenditures	108	114	159	115	115	115	115
Current Difference	22	19	(44)	0	0	0	0
Accumulated Ending Balance	25	44	0	0	0	0	0

POLLUTION CONTROL AGENCY

LAND: VOL PETRO INVEST & CLNP

Narrative

Background Information

The current fee rate is \$120 per hour.

Agency Analysis/Requested Changes

No change is recommended in the current fee.

POLLUTION CONTROL AGENCY

LAND: WST DIS FAC OPER & CERT

Fiscal Report

Revenue Category Description: Waste Disposal Facility Operators and Inspectors Certification Fees

Requesting a Fee Change: No

Fund: GENERAL

Purpose: The certification of operators and inspectors of sewage, industrial sludge, non-hazardous liquid waste disposal and solid waste management facilities is required to assure that facilities are operated in a manner which meets the requirements of the permit for environmental protection. State statutes require that operators and inspectors of waste disposal and solid waste management facilities be trained and certified by the PCA.

Appr Name:

Legal Citation(s): M.S. 116.41, Subd. 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	9	10	8	8	8	8	8
Total Departmental Earnings	9	10	8	8	8	8	8
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	9	10	8	8	8	8	8
<u>Expenditures:</u>							
Direct Expenditures	9	10	8	8	8	8	8
Indirect Expenditures							
Total Expenditures	9	10	8	8	8	8	8
Current Difference	0	0	0	0	0	0	0

Background Information

- State statutes require that operators and inspectors of waste water disposal facilities be trained and certified by the PCA. This certification program is managed in the Water program area. The \$15 certification fee is deposited in the General Fund. The PCA receives a General Fund appropriation from which resources to operate the certification program are paid. The program is subsidized by the General Fund.
- State statutes require the operators of solid waste management facilities be certified by the PCA. This certification program is managed in the Land program area. The \$15 certification fee is deposited to the General Fund. The PCA receives an Environmental Fund appropriation from which the resources to operate the certification program are paid; however, the fees deposited and the appropriation are independent.

Agency Analysis/Requested Changes

No change is recommended.

POLLUTION CONTROL AGENCY

WATER: OPERATOR CERTIFICATION

Fiscal Report

Revenue Category Description: Water Quality Sewage Operator Certification Program

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To collect the fees for the certification of municipal and industrial sewage treatment plants to assure that sewage treatment plants are operated in a manner which meets the requirements of water quality permits and environmental protection

Appr Name:

Legal Citation(s): M.S. 115.77, Subd. 1 and 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	44	39	37	37	37	37	37
Total Departmental Earnings	44	39	37	37	37	37	37
Other Resources:							
Earnings Transferred In	11	6	16	12	12	12	12
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	55	45	53	49	49	49	49
Expenditures:							
Direct Expenditures	54	44	52	48	48	48	48
Indirect Expenditures	1	1	1	1	1	1	1
Total Expenditures	55	45	53	49	49	49	49
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

- State statute requires that operators of sewage treatment plants be certified by the PCA.
- The Water Program provides the administrative functions for the wastewater operator certification program.
- The fees are established in M.S. 115.77 and vary depending on the type of certification service that has been requested.
- The Minnesota Department of Health (MDH) administers the program for certification of water treatment plant operators and the PCA is responsible for the certification of wastewater treatment operators. The requirements for these certifications are defined in the same statute and rule. In 1996, when the responsibility for rulemaking was transferred from the Certification Council to MDH and PCA, the legislature elected not to separate the fees for the MDH and PCA certification programs. The agencies are appropriated the funds to cover the cost of their certification programs, which are drawn out of the certification account. The agencies deposit certification fees into this account and are not allowed to spend more money than they collect, but one agency may subsidize the other.

Agency Analysis/Requested Changes

No change is recommended.

POLLUTION CONTROL AGENCY

LAND: DRY CLEANER FEES

Fiscal Report

Revenue Category Description: Dry Cleaner Fees

Requesting a Fee Change:

Purpose: To provide a mesna for Minnesota Dry Cleaners to pay for clean up sites that have been contaminated due to dry-cleaning operations.

Fund:

Appr Name:

The Dry Cleaner Fees are collected by the Department of Revenue and deposited in the Remediation Fund.

Legal Citation(s): M.S. 115B.49, subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,895	1,681	722	270	270	72	72
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	0	0	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency	566	486	88	101	101	101	101
Other Receipts	46	21	10	1	1	1	1
<u>Resource Reductions:</u>							
Earnings Transferred Out	427	935	250	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	185	(428)	(152)	102	102	102	102
<u>Expenditures:</u>							
Direct Expenditures	399	531	300	300	300	174	174
Indirect Expenditures							
Total Expenditures	399	531	300	300	300	174	174
Current Difference	(214)	(959)	(452)	(198)	(198)	(72)	(72)
Accumulated Ending Balance	1,681	722	270	72	72	0	0

POLLUTION CONTROL AGENCY

LAND: DRY CLEANER FEES

Narrative

Background Information

- The fee was established in June of 1995 and has not been changed since it was established. This fee was created at the request of the dry cleaning industry that wanted a fund to draw from for Superfund or voluntary cleanups, after the first \$10,000 of expenditures. The PCA agreed to partner with the industry on this idea.
- There are two fees which are collected by the Department of Revenue:
 1. Dry Cleaning Operator Annual Registration Fees – all dry cleaning establishments pay an annual registration fee, the amount of which is based on the number of employees.
 2. Dry Cleaning Solvent Fees are collected by solvent retailers and are based on the type and amount of solvent used.

Agency Analysis/Requested Changes

No change is recommended.

POLLUTION CONTROL AGENCY

ADM SPT: LOW LVL RDCTV WST GEN

Fiscal Report

Revenue Category Description: Low Level Radioactive Waste Generator Fees

Requesting a Fee Change: No

Fund: ENVIRONMENTAL

Appr Name:

Purpose: To pay for costs incurred by the Agency in performing its responsibilities under the Midwest Low-Level Radioactive Waste Compact. The statutory purpose of the compact is to site a low level radioactive waste disposal facility within the boundaries of states belonging to the Midwest Compact. In lieu of the 1997 suspension of site development by Midwest Compact states, the Compact focus now is on maintaining disposal options for generators within the 6 state compact region. Fees are paid by generators that ship low level radioactive waste out of state.

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 116.834.

Legal Citation(s): M.S. 116C.834

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	5	10	10	10	10	10	10
Total Departmental Earnings	5	10	10	10	10	10	10
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5	10	10	10	10	10	10
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	5	10	10	10	10	10	10

POLLUTION CONTROL AGENCY

AIR: AIR QUALITY FEES

Fiscal Report

Revenue Category Description: Air Quality Fees

Requesting a Fee Change: Yes

Purpose: Fees are used to finance the air quality programs which include permitting, permit enforcement and other air quality functions to improve and protect air quality in Minnesota.

Fund: ENVIRONMENTAL

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 116.07, SUBD. 4d.

Legal Citation(s): M.S. 116.07, Subd. 4(d)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	8,888	10,035	9,742	9,742	10,274	9,742	10,581
Total Departmental Earnings	8,888	10,035	9,742	9,742	10,274	9,742	10,581
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	8,888	10,035	9,742	9,742	10,274	9,742	10,581
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	8,888	10,035	9,742	9,742	10,274	9,742	10,581

POLLUTION CONTROL AGENCY

LAND: HAZARDOUS WASTE FEES

Fiscal Report

Revenue Category Description: Hazardous Waste Fees

Requesting a Fee Change: No

Purpose: To collect the amount necessary to cover the costs of regulating hazardous waste recyclers, generators, transporters and waste treatment, storage or disposal facilities.

Fund: ENVIRONMENTAL

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 116.07, SUBD. 4d.

Legal Citation(s): M.S. 116.07, Subd. 4(d), M.S. 116.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,223	2,406	4,100	4,100	4,100	4,100	4,100
Total Departmental Earnings	2,223	2,406	4,100	4,100	4,100	4,100	4,100
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,223	2,406	4,100	4,100	4,100	4,100	4,100
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	2,223	2,406	4,100	4,100	4,100	4,100	4,100

POLLUTION CONTROL AGENCY

WATER: ISTS LICENSING

Fiscal Report

Revenue Category Description: Individual Sewage Treatment System (ISTS) Mandatory Licensing Program

Requesting a Fee Change: No

Fund: ENVIRONMENTAL

Purpose: To collect the amounts to defray the cost of licensing persons who design, install, maintain, pump or inspect individual sewage treatment systems.

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 115, SUBD. 4.

Legal Citation(s): M.S. 115.56, Subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	290	282	225	225	225	225	225
Total Departmental Earnings	290	282	225	225	225	225	225
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	290	282	225	225	225	225	225
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	290	282	225	225	225	225	225

POLLUTION CONTROL AGENCY

WATER: WATER QUALITY FEES

Fiscal Report

Revenue Category Description: Water Quality Fees

Requesting a Fee Change: No

Purpose: To collect the amount necessary to partially cover the reasonable costs of reviewing and acting upon applications for permits and implementing and enforcing the conditions of water permits pursuant to pollution control rules to protect and improve water quality.

Fund: ENVIRONMENTAL

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 116.07, SUBD. 4d.

Legal Citation(s): M.S. 116.07, Subd. 4(d)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	3,524	4,322	4,762	5,041	5,041	5,223	5,223
Total Departmental Earnings	3,524	4,322	4,762	5,041	5,041	5,223	5,223
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,524	4,322	4,762	5,041	5,041	5,223	5,223
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	3,524	4,322	4,762	5,041	5,041	5,223	5,223

POLLUTION CONTROL AGENCY

WATER: ISTS TANK FEE

Fiscal Report

Revenue Category Description: Tank Fee

Requesting a Fee Change: No

Purpose: An installer shall pay a fee of \$25 for each septic system tank installed in the previous calendar year. This fee is to address the need for increased activity in the areas of new technology review, technical assistance for local governments, and enforcement.

Fund: ENVIRONMENTAL

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 115.551.

Legal Citation(s): M.S. 115.551

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	373	480	480	480	480	480
Total Departmental Earnings	0	373	480	480	480	480	480
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	373	480	480	480	480	480
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	0	373	480	480	480	480	480

POLLUTION CONTROL AGENCY

POLLUTION PREVENTION FEE

Fiscal Report

Revenue Category Description: Fees collected from persons required to submit toxic chemical release form

Requesting a Fee Change: No

Fund: ENVIRONMENTAL

Purpose: To maintain a program that encourages toxic pollution prevention by providing technical assistance and grants to persons who use, generate or release toxic pollutants, hazardous substances or hazardous waste.

Appr Name:

EXEMPT FROM COST RECOVERY REQUIREMENTS IN M.S. 16A.1285 PER M.S. 115D.12.

Legal Citation(s): M.S. 115D.12

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	1,259	0	1,259
Total Departmental Earnings	0	0	0	0	1,259	0	1,259
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	0	0	1,259	0	1,259
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	0	0	0	0	1,259	0	1,259

POLLUTION CONTROL AGENCY

POLLUTION PREVENTION FEE

Narrative

Exempt from cost recovery requirements in M.S. 16A.1285 per M.S. 115D.12.

The Governor recommends the creation of a Department of Environmental Protection, and that all fees and fee activities of the Office of Environmental Assistance (OEA) be transferred to the new Department. For the purposes of this report, the OEA's pollution prevention fees are located in the Pollution Control Agency's Departmental Earnings Report.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	142	145	145	145	145	145	145
Total Non-Dedicated Receipts	142	145	145	145	145	145	145

<u>Fund Totals:</u>							
General	142	145	145	145	145	145	145
Departmental Earnings Total	142	145	145	145	145	145	145

PRIVATE DETECTIVE BOARD

PRIVATE DETECTIVE BD

Fiscal Report

Revenue Category Description: Private Detective and Protective Agents Licensing Fees

Requesting a Fee Change: No

Purpose: To license all private detectives, investigators and protective agents doing business in the State of Minnesota.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 326.3331, M.S. 326.3386, M.R. 7506.0140

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	2	23	33	33	43	43
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	142	145	145	145	145	145	145
Total Departmental Earnings	142	145	145	145	145	145	145
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	142	145	145	145	145	145	145
<u>Expenditures:</u>							
Direct Expenditures	131	116	126	126	126	126	126
Indirect Expenditures	9	8	9	9	9	9	9
Total Expenditures	140	124	135	135	135	135	135
Current Difference	2	21	10	10	10	10	10
Accumulated Ending Balance	2	23	33	43	43	53	53

PRIVATE DETECTIVE BOARD

PRIVATE DETECTIVE BD

Narrative

Background Information

Various fees are paid by private detectives and protective agents to be licensed in the State of Minnesota. Licenses are for a two-year period.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	1,009	1,091	1,021	1,002	1,002	1,002	1,002
Total Non-Dedicated Receipts	1,009	1,091	1,021	1,002	1,002	1,002	1,002

<u>Fund Totals:</u>							
State Government Spec Revenue	1,009	1,091	1,021	1,002	1,002	1,002	1,002
Departmental Earnings Total	1,009	1,091	1,021	1,002	1,002	1,002	1,002

PSYCHOLOGY BOARD

MN BOARD OF PSYCHOLOGY

Fiscal Report

Revenue Category Description: Fees for licensing and regulation of psychologists and psychological practitioners.

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To protect the public from the practice of psychology by unqualified persons and from unethical and unprofessional conduct by persons licensed to practice psychology.

Appr Name:

Legal Citation(s): M.S. 148.88 - 148.98 and MN Rules 7200

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	70	(103)	214	(9)	(9)	(56)	(56)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,005	1,087	1,018	999	999	999	999
Total Departmental Earnings	1,005	1,087	1,018	999	999	999	999
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	14	4	10	6	6	6	6
<u>Resource Reductions:</u>							
Earnings Transferred Out	233	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	786	1,091	1,028	1,005	1,005	1,005	1,005
<u>Expenditures:</u>							
Direct Expenditures	650	536	797	691	691	691	691
Indirect Expenditures	309	238	454	361	361	361	361
Total Expenditures	959	774	1,251	1,052	1,052	1,052	1,052
Current Difference	(173)	317	(223)	(47)	(47)	(47)	(47)
Accumulated Ending Balance	(103)	214	(9)	(56)	(56)	(103)	(103)

Background Information

The Board's functions are related to licensure and enforcement in accordance with the provisions of the Psychology Practice Act. Its functions are to:

- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Resolve consumer complaints received about licensees and applicants and make enforceable decisions regarding the future licensure of applicants and licensees who violate the Act.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and rules of conduct.
- Set educational standards.
- Provide information about licensure requirements and rules of conduct to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, licensees, sponsors of continuing education programs approved by the board, and other services are set to recover all direct and indirect costs. The Board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No significant changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

The board increased its licensing and renewal fees in 2001.

Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	13,924	18,555	18,826	18,962	25,146	19,056	25,240
Trunk Highway	22,490	23,817	25,942	25,499	868	25,754	1,558
Highway Users Tax Distribution	9,637	12,031	11,760	11,785	0	11,903	0
Environmental	4,763	0	0	0	0	0	0
Total Non-Dedicated Receipts	50,814	54,403	56,528	56,246	26,014	56,713	26,798

<u>Dedicated Receipts:</u>							
General	58	19	25	25	25	25	25
Special Revenue	13,507	17,423	18,779	19,829	64,412	19,829	64,177
Trunk Highway	17	14	15	15	15	15	15
Total Dedicated Receipts	13,582	17,456	18,819	19,869	64,452	19,869	64,217

<u>Fund Totals:</u>							
General	13,982	18,574	18,851	18,987	25,171	19,081	25,265
Special Revenue	13,507	17,423	18,779	19,829	64,412	19,829	64,177
Trunk Highway	22,507	23,831	25,957	25,514	883	25,769	1,573
Highway Users Tax Distribution	9,637	12,031	11,760	11,785	0	11,903	0
Environmental	4,763	0	0	0	0	0	0
Departmental Earnings Total	64,396	71,859	75,347	76,115	90,466	76,582	91,015

PUBLIC SAFETY DEPT

SECURITY

Fiscal Report

Revenue Category Description: Fees paid for contracted security services by the Capitol Complex Security Division.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover the cost of providing security for events that are held on the grounds of the state capitol.

Appr Name: CAPITOL SECURITY CONTRACTS

Legal Citation(s): M.S. 299E.02

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	58	19	20	20	20	20	20
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	58	19	20	20	20	20	20
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	5	2	2	2	2	2	2
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	63	21	22	22	22	22	22
<u>Expenditures:</u>							
Direct Expenditures	58	19	20	20	20	20	20
Indirect Expenditures	5	2	2	2	2	2	2
Total Expenditures	63	21	22	22	22	22	22
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

An event security fee for security services is charged to organizations that host events in the Capitol Complex area.

Forecast Basis

Historical trends

Recent Changes

Taste of MN moved to a new location.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

OFFICE OF PIPELINE SAFETY

Fiscal Report

Revenue Category Description: Inspection Fees

Requesting a Fee Change: No

Purpose: To recover the state share of all costs related to the Office of Pipeline Safety as provided in M.S. 299F.631 and 299J.12.

Fund: SPECIAL REVENUE

Appr Name: PIPELINE SAFETY

Legal Citation(s): M.S. 299F.631;299J.12;216D.08; MN Rules 7530 &7560

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	241	58	2	47	47	92	92
<u>Resources:</u>							
Dedicated Receipts	602	689	994	994	994	994	994
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	602	689	994	994	994	994	994
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	132	176	175	175	175	175	175
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	734	865	1,169	1,169	1,169	1,169	1,169
<u>Expenditures:</u>							
Direct Expenditures	869	864	1,054	1,054	1,054	1,054	1,054
Indirect Expenditures	48	57	70	70	70	70	70
Total Expenditures	917	921	1,124	1,124	1,124	1,124	1,124
Current Difference	(183)	(56)	45	45	45	45	45
Accumulated Ending Balance	58	2	47	92	92	137	137

Background Information

Each pipeline operator subject to the intrastate pipeline inspection authority under section 299F.56-299F.641 pay an inspection fee quarterly based on the actual expenses and obligations incurred by the Office of Pipeline Safety. Expenses include such items as inspector's salaries, travel costs and general support costs.

Forecast Basis

Fees are based on actual expenditures from the Pipeline Safety Account.

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

CERTIFICATION

Fiscal Report

Revenue Category Description: Certification of Commercial Motor Vehicle Inspectors Fee

Requesting a Fee Change: No

Purpose: To recover costs related to certifying commercial motor vehicle inspectors.

Fund: TRUNK HIGHWAY

Appr Name:

Legal Citation(s): M.S. 169.781, subd 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	7	6	7	7	7	7
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	40	31	35	35	35	35	35
Total Departmental Earnings	40	31	35	35	35	35	35
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	40	31	35	35	35	35	35
<u>Expenditures:</u>							
Direct Expenditures	30	30	31	32	32	32	32
Indirect Expenditures	3	2	3	3	3	3	3
Total Expenditures	33	32	34	35	35	35	35
Current Difference	7	(1)	1	0	0	0	0
Accumulated Ending Balance	7	6	7	7	7	7	7

Background Information

The Minnesota State Patrol certifies inspectors to provide safety inspections of commercial motor vehicles registered in Minnesota. A \$10 certification fee is charged.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

PATROL ESCORTS

Fiscal Report

Revenue Category Description: State Patrol Escort Fees & Air Patrol Services

Requesting a Fee Change: No

Purpose: To recover costs related to a state patrol escort and patrol flights.

Fund: SPECIAL REVENUE, TRUNK HIGHWAY

Legal Citation(s): M.S. 299D.03, subd. 1 (12); 299D.09

Appr Name: AIR PATROL SERVICE, MSP INTERAGENCY AGREEMENTS, ST PATROL ESCORT SVC, STATE PATROL-ESCORT SERVICES

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	60	292	158	158	158	158	158
<u>Resources:</u>							
Dedicated Receipts	1,726	957	760	760	760	760	760
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,726	957	760	760	760	760	760
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	111	47	45	45	45	45	45
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,837	1,004	805	805	805	805	805
<u>Expenditures:</u>							
Direct Expenditures	1,494	1,082	760	760	760	760	760
Indirect Expenditures	111	56	45	45	45	45	45
Total Expenditures	1,605	1,138	805	805	805	805	805
Current Difference	232	(134)	0	0	0	0	0
Accumulated Ending Balance	292	158	158	158	158	158	158

PUBLIC SAFETY DEPT

PATROL ESCORTS

Narrative

Background Information

Fees collected for this revenue are used to recover the costs incurred by the State Patrol for providing escort services and patrol flights to non-law enforcement agencies.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

VEHICLE REGISTRATION & TITLE

Fiscal Report

Revenue Category Description: Motor Vehicle Title Fees

Requesting a Fee Change: Yes

Purpose: To title motor vehicles for the purpose of providing consumer protection.

Fund: GENERAL, SPECIAL REVENUE

Appr Name: VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 168A.29, 168.54

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(3,587)	(4,539)	(6,083)	(6,083)	(7,481)	(5,482)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	3,500	0	3,535
Non-Dedicated Receipts	5,400	7,089	7,160	7,232	7,232	7,304	7,304
Total Departmental Earnings	5,400	7,089	7,160	7,232	10,732	7,304	10,839
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,400	7,089	7,160	7,232	10,732	7,304	10,839
<u>Expenditures:</u>							
Direct Expenditures	8,603	7,704	8,359	8,293	9,794	8,293	10,204
Indirect Expenditures	384	337	345	337	337	337	337
Total Expenditures	8,987	8,041	8,704	8,630	10,131	8,630	10,541
Current Difference	(3,587)	(952)	(1,544)	(1,398)	601	(1,326)	298
Accumulated Ending Balance	(3,587)	(4,539)	(6,083)	(7,481)	(5,482)	(8,807)	(5,184)

Background Information

A \$3.00 fee is collected for each issuance of an original certificate of title or transfer of interest of an owner and the issuance of a new certificate of title.

Forecast Basis

Historical trends with one-percent growth factor each year.

Recent Changes

An increase of \$1.00 was effective 7/1/02.

Agency Analysis/Requested Changes

The Governor is recommending a \$2.50 increase in the title fee and that the fee increase is deposited in the Vehicle Service Operating Acct. in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

MOTOR VEH MISCELLANEOUS FEE

Fiscal Report

Revenue Category Description: Motor Vehicle
Administrative Fees

Requesting a Fee Change: Yes

Purpose: Administrative fees for tax exempt vehicles and miscellaneous motor vehicle fees are charged to cover the costs of processing these applications.

Fund: GENERAL, SPECIAL REVENUE, HIGHWAY USERS
TAX DISTRIBUTION

Appr Name: ADVERTISING REVENUES, EDUCATION &
COMPLIANCE ACCT, VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): see narrative

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(416)	(347)	(342)	(342)	(329)	(132)
Resources:							
Dedicated Receipts	0	138	155	155	1,117	155	1,127
Non-Dedicated Receipts	794	1,058	992	992	227	1,002	229
Total Departmental Earnings	794	1,196	1,147	1,147	1,344	1,157	1,356
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	794	1,196	1,147	1,147	1,344	1,157	1,356
Expenditures:							
Direct Expenditures	1,152	1,076	1,094	1,086	1,086	1,086	1,086
Indirect Expenditures	58	51	48	48	48	48	48
Total Expenditures	1,210	1,127	1,142	1,134	1,134	1,134	1,134
Current Difference	(416)	69	5	13	210	23	222
Accumulated Ending Balance	(416)	(347)	(342)	(329)	(132)	(306)	90

Background Information

Fees are charged related to miscellaneous motor vehicle services provided:

- Vehicles that are tax-exempt are issued distinctive tax-exempt plates; a \$5 administrative fee is charged to recover the cost of issuing the tax-exempt plates.
- Vehicles owned or leased by the State of Minnesota must display distinctive tax-exempt license plates. A \$20 administrative fee is paid at the time of registration and is valid for the life of the vehicle or until the vehicle is no longer owned or leased by the State of Minnesota.
- A \$10 fee is charged for allowing an owner to pay tax by installments if the tax for a vehicle is more than \$400. Motor Vehicle lessors may transfer license plates from one rental vehicle to another previously unregistered vehicle, provided the new vehicle is registered within ten days. Full tax is due plus a transfer fee of \$15. The remainder of the tax on the previous vehicle may be refunded. The intent of the \$15 fee is to absorb the revenue loss because of the refunds that will be issued.
- Inspections on salvaged vehicles are provided for a fee of \$20.
- Advertising in information brochures sent with registration renewal.

Legal Citation:

M.S. 16B.581; 168.012; 168.013; 168.29; 168.018; 168.017; 168.10; 168A.152; 168.31

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending a \$15 increase in the salvage vehicle inspections fee and that this fee increase is deposited in the Vehicle Services Operating Acct. in the Special Revenue Fund. Fees currently being deposited in the Highway User Tax Distribution Fund will also be directed to the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

INTERSTATE REG & RECIPROCITY

Fiscal Report

Revenue Category Description: Fuel Tax Filing Fee and Fuel Tax License Fee

Requesting a Fee Change: No

Purpose: Applicants paying license fees under the international fuel tax agreement, shall pay a fuel tax license fee and an annual application filing fee to cover the costs of the program.

Fund: SPECIAL REVENUE, HIGHWAY USERS TAX DISTRIBUTION

Appr Name: DRIVER SERVICES OPERATING ACCT, VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S.168D.06

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(369)	(719)	(1,101)	(1,101)	(1,479)	(1,479)
Resources:							
Dedicated Receipts	0	0	0	0	155	0	157
Non-Dedicated Receipts	160	165	155	155	0	157	0
Total Departmental Earnings	160	165	155	155	155	157	157
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	160	165	155	155	155	157	157
Expenditures:							
Direct Expenditures	512	503	525	521	521	521	521
Indirect Expenditures	17	12	12	12	12	12	12
Total Expenditures	529	515	537	533	533	533	533
Current Difference	(369)	(350)	(382)	(378)	(378)	(376)	(376)
Accumulated Ending Balance	(369)	(719)	(1,101)	(1,479)	(1,479)	(1,855)	(1,855)

PUBLIC SAFETY DEPT

INTERSTATE REG & RECIPROCITY

Narrative

Background Information

These fees are collected from applicants paying fees under the international fuel tax agreement.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending that fees collected will be directed to the Vehicle Services Operating Account in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

SPECIAL PLATES

Fiscal Report

Revenue Category Description: License plate fees - special plates & impound reinstatement fee

Requesting a Fee Change: No

Purpose: To issue license plates to each vehicle bearing the state name and number assigned. Personalized plates and special plates may be issued at additional fees.

Fund: GENERAL, SPECIAL REVENUE, HIGHWAY USERS TAX DISTRIBUTION

Appr Name: SPECIAL LICENSE PLATE REQUEST, VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 169A.60, 168.12, 168.126

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(197)	1,200	1,779	1,779	2,398	2,398
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	6,325	0	6,388
Non-Dedicated Receipts	5,249	6,484	6,600	6,625	300	6,691	303
Total Departmental Earnings	5,249	6,484	6,600	6,625	6,625	6,691	6,691
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,249	6,484	6,600	6,625	6,625	6,691	6,691
<u>Expenditures:</u>							
Direct Expenditures	5,409	5,059	5,992	5,977	5,977	5,977	5,977
Indirect Expenditures	37	28	29	29	29	29	29
Total Expenditures	5,446	5,087	6,021	6,006	6,006	6,006	6,006
Current Difference	(197)	1,397	579	619	619	685	685
Accumulated Ending Balance	(197)	1,200	1,779	2,398	2,398	3,083	3,083

Background Information

A variety of license plates are available to the residents of Minnesota. These fees are collected to recover the costs of handling and manufacturing the plates. Department of Public Safety, Driver & Vehicle Services contracts with the Department of Corrections to manufacture both the registration tabs and the motor vehicle license plates.

Current Fees:

- | | |
|--|--------|
| • Sequenced double plate with no special handling | \$4.25 |
| • Sequenced single plate with no special handling | \$3 |
| • Sequenced double plate with special handling | \$7 |
| • Sequenced single plate with special handling | \$5.50 |
| • Non-sequenced double plate with special handling | \$14 |
| • Non-sequenced single plate with special handling | \$10 |
| • Generic duplicate plate fee | \$10 |
| • Duplicate sticker | \$1 |

Forecast Basis

Historical trends

Recent Changes

Fees increased 7/1/03

Agency Analysis/Requested Changes

The Governor is recommending fees collected that under current law are deposited in the Highway User Tax Distribution Fund be directed to the Vehicle Services Operating Account in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

DRIVER'S LICENSE

Fiscal Report

Revenue Category Description: Drivers License Fees

Requesting a Fee Change: Yes

Purpose: To license all drivers of motorized vehicles. In addition, the miscellaneous fees collected recover the costs of providing data on drivers license records and accident records, revoking and suspending drivers licenses and the cost of re-examining.

Fund: GENERAL, SPECIAL REVENUE, TRUNK HIGHWAY

Appr Name: ADVERTISING REVENUES, DRIVER SERVICES OPERATING ACCT, HAZMAT BACKGROUND CHECKS

Legal Citation(s): See Narrative

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(445)	848	3,081	3,081	5,394	6,719
Resources:							
Dedicated Receipts	27	0	1,050	2,100	28,924	2,100	28,523
Non-Dedicated Receipts	21,644	23,230	25,349	24,906	2,941	25,162	3,632
Total Departmental Earnings	21,671	23,230	26,399	27,006	31,865	27,262	32,155
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	21,671	23,230	26,399	27,006	31,865	27,262	32,155
Expenditures:							
Direct Expenditures	20,727	20,538	22,745	23,272	26,806	23,267	25,765
Indirect Expenditures	1,389	1,399	1,421	1,421	1,421	1,421	1,421
Total Expenditures	22,116	21,937	24,166	24,693	28,227	24,688	27,186
Current Difference	(445)	1,293	2,233	2,313	3,638	2,574	4,969
Accumulated Ending Balance	(445)	848	3,081	5,394	6,719	7,968	11,688

Background Information

Non-dedicated fees are collected for the purpose of licensing all drivers of motorized vehicles. Services provided include:

- Copies of electronic transmittal of public information concerning driver licenses and Minnesota identification card applicants
- Vehicle endorsement
- License driver training schools
- Provide copies of accident reports
- Re-issue driver licenses that are suspended or revoked
- Issue disability parking certificates
- Issue driver licenses with a symbol indicating that the license holder has appointed to serve as a designated parent

Dedicated fees are collected for advertising in driver's manual.

Legal Citation:

M.S. 171.12, subd. 8; 171.02, subd. 3; 171.13; 171.29; 171.36; 169.09, subd. 13; 171.06; 171.20, subd. 4; 170.23; 169.345, subd. 3; 171.07; 299A.01; 171.324

Forecast Basis

Historical trends

Recent Changes

A fee of \$100 for conducting a background check on persons applying for a hazardous materials endorsement on their MN driver's license has been added effective 7/1/04.

Agency Analysis/Requested Changes

The Governor is recommending a driver license fee increase of \$1.50 and a filing fee increase of an additional \$1.50. New fees include a Multiple Road Test fee of \$20, a Multiple Written Test fee of \$10 and an Expedited Service Fee of \$20. Driver License Record fee for the retrieval of paper documents is recommended to increase by \$5 and the fee for electronic retrieval of records will increase by \$2.50. All increased revenues with the exception of the \$2.50 fee increase for Driver License Records (electronic) will be directed to the Driver Vehicle Operating Account in the Special Revenue Fund. All fees currently being deposited in the Trunk Highway Fund will be directed to the Special Revenue Fund. All but \$833,000 in FY 2006 and \$1,523,000 in FY 2007 of the fees currently being deposited in the Trunk Highway will be depositing in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

VEHICLE REGISTRATION - SPECIAL REVENUE

Fiscal Report

Revenue Category Description: Motor Vehicle Title Fees - Special Revenue

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To title motor vehicles for the purpose of providing consumer protection and to fund the purchase of motor vehicles used by the Bureau of Criminal Apprehension, State Patrol and Alcohol & Gambling Enforcement programs.

Appr Name: TRANSPORTATION SERVICE FUND

Legal Citation(s): M.S. 168A.29

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	642	1,301	966	7	7	7	7
Resources:							
Dedicated Receipts	4,964	4,922	4,800	4,800	4,800	4,800	4,800
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	4,964	4,922	4,800	4,800	4,800	4,800	4,800
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	57	62	50	50	50	50	50
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,021	4,984	4,850	4,850	4,850	4,850	4,850
Expenditures:							
Direct Expenditures	4,362	5,319	5,809	4,850	4,850	4,850	4,850
Indirect Expenditures							
Total Expenditures	4,362	5,319	5,809	4,850	4,850	4,850	4,850
Current Difference	659	(335)	(959)	0	0	0	0
Accumulated Ending Balance	1,301	966	7	7	7	7	7

PUBLIC SAFETY DEPT

VEHICLE REGISTRATION - SPECIAL REVENUE

Narrative

Background Information

A fee of \$3.50 is collected with each certificate of title. This fee is deposited in the special revenue fund and credited to the public safety motor vehicle account. The Department of Public Safety uses these funds to purchase law enforcement vehicles.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

LICENSING DWI REINSTATEMENT

Fiscal Report

Revenue Category Description: Licensing - DWI Reinstatement

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE, TRUNK HIGHWAY

Purpose: To recover cost of revoking and suspending drivers licenses and related costs of reinstatement (re-examining).

Appr Name: DRIVER SERVICES OPERATING ACCT, DWI REINSTATEMENT-SP REV

Legal Citation(s): M.S. 171.29, subd 2

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	19	941	296	(191)	(191)	(587)	(587)
Resources:							
Dedicated Receipts	5,390	9,924	10,235	10,235	11,317	10,235	11,317
Non-Dedicated Receipts	6,470	4,550	4,706	4,706	3,624	4,706	3,624
Total Departmental Earnings	11,860	14,474	14,941	14,941	14,941	14,941	14,941
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	4,726	9,149	9,460	9,460	9,460	9,460	9,460
Rev Collected for Other Agency							
Current Year Resources	7,134	5,325	5,481	5,481	5,481	5,481	5,481
Expenditures:							
Direct Expenditures	5,838	5,602	5,617	5,527	5,527	5,527	5,527
Indirect Expenditures	374	368	351	350	350	350	350
Total Expenditures	6,212	5,970	5,968	5,877	5,877	5,877	5,877
Current Difference	922	(645)	(487)	(396)	(396)	(396)	(396)
Accumulated Ending Balance	941	296	(191)	(587)	(587)	(983)	(983)

Background Information

A person whose driver's license has been revoked for driving under the influence of alcohol or a controlled substance shall pay a \$250 fee plus a \$380 surcharge before the driver's license is reinstated. Dedicated fees are transferred and services are provided:

- Bureau of Criminal Apprehension – laboratory costs
- MN State Patrol – vehicle forfeitures
- Department of Health – traumatic brain injury and spinal cord injury accounts
- Department of Finance – remote electronic alcohol monitoring pilot program

The non-dedicated portion of this fee is returned to the General Fund and the Trunk Highway Fund.

Forecast Basis

Historical trends

Recent Changes

The surcharge was increased from \$145 to \$380 effective 7/1/03.

Agency Analysis/Requested Changes

The Governor is recommending that the Trunk Highway Fund portion of the revenues collected be directed to the Driver Services Operating Account in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

MOTOR VEHICLE DEALERS

Fiscal Report

Revenue Category Description: Motor vehicle dealer license fees

Requesting a Fee Change: Yes

Fund: GENERAL, SPECIAL REVENUE

Purpose: The license fees are charged to all dealers of new and used motor vehicles, boat and snowmobile trailers in an effort to provide some degree of consumer protection.

Appr Name: VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 168.27, subd 11

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(302)	(532)	(774)	(774)	(1,012)	(986)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	215	0	217
Non-Dedicated Receipts	418	421	450	450	450	455	455
Total Departmental Earnings	418	421	450	450	665	455	672
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	418	421	450	450	665	455	672
<u>Expenditures:</u>							
Direct Expenditures	678	615	652	648	837	648	844
Indirect Expenditures	42	36	40	40	40	40	40
Total Expenditures	720	651	692	688	877	688	884
Current Difference	(302)	(230)	(242)	(238)	(212)	(233)	(212)
Accumulated Ending Balance	(302)	(532)	(774)	(1,012)	(986)	(1,245)	(1,198)

Background Information

All motor vehicle dealers are required to be licensed. Each initial application for license shall be accompanied by a fee of \$40 in addition to the annual fee of \$100.

Forecast Basis

Historical trend

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending a \$50 increase in Dealer License fee effective 7/1/05 with the revenue increases being deposited in the Vehicle Services Operating Account in the Special Revenue Fund.

PUBLIC SAFETY DEPT

MOTOR VEHICLE TRANSFERS

Fiscal Report

Revenue Category Description: A fee collected on the initial registration and each subsequent transfer of title within the state.

Requesting a Fee Change: Yes

Fund: GENERAL, ENVIRONMENTAL

Purpose: From this revenue, funds are appropriated to state agencies for environmental issues involved with motor vehicles such as tire waste management and cleanup activities.

Appr Name:

Legal Citation(s): M.S. 115A.908, subd. 1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	4,700
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	4,763	4,707	4,636	4,700	9,400	4,700	9,400
Total Departmental Earnings	4,763	4,707	4,636	4,700	9,400	4,700	9,400
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency	4,763	4,707	4,636	4,700	4,700	4,700	4,700
Current Year Resources	0	0	0	0	4,700	0	4,700
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	0	0	0	0	4,700	0	4,700
Accumulated Ending Balance	0	0	0	0	4,700	0	9,400

Background Information

In 1984, the Minnesota Legislature established the Motor Vehicle Transfer Fund (MVTf) to pay for environmental issues involved with motor vehicles, such as waste tire management and cleanup of tire dumps. A \$4 fee on initial vehicle registration and at transfer of a vehicle is collected by the motor vehicle registrar and was deposited in the Motor Vehicle Transfer Account in the Environmental Fund. Effective 7/1/03, the \$4 fee is deposited into the General Fund through June 30, 2007. Revenue returns to the environmental fund July 1, 2007.

Forecast Basis

Historical Trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending a \$4 increase in the Motor Vehicle Transfer fee with all the revenues being directed to the General Fund.

PUBLIC SAFETY DEPT

BICYCLE REGISTRATION

Fiscal Report

Revenue Category Description: Registration for bicycles.

Requesting a Fee Change: Yes

Purpose: To register bicycles under a statewide registration system in an effort to deal more effectively with the problems associated with theft and to aid in the recovery of stolen bicycles.

Fund: SPECIAL REVENUE

Appr Name: BICYCLE TRANSPORTATION ACCT

Legal Citation(s): M.S. 168C.04

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	124	78	20	(12)	(12)	(12)	(12)
<u>Resources:</u>							
Dedicated Receipts	50	43	40	40	0	40	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	50	43	40	40	0	40	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	24	21	20	20	0	20	0
Rev Collected for Other Agency							
Current Year Resources	26	22	20	20	0	20	0
<u>Expenditures:</u>							
Direct Expenditures	68	74	50	20	0	20	0
Indirect Expenditures	4	6	2	0	0	0	0
Total Expenditures	72	80	52	20	0	20	0
Current Difference	(46)	(58)	(32)	0	0	0	0
Accumulated Ending Balance	78	20	(12)	(12)	(12)	(12)	(12)

Background Information

A fee of \$9 is collected for the registration of bicycles. The fees collected are deposited in the bicycle transportation account in the Special Revenue Fund. The registration is valid for three calendar years. One-half of the fees are transferred to the Commissioner of Transportation for the development of bicycle transportation and recreational facilities on public highways. Services provided include bicycle lanes, off-road bicycle trails, bicycle mapping, bicycle safety programs, public information and education.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending the repeal of Bicycle Registration program.

PUBLIC SAFETY DEPT

LICENSING-MOTORCYCLE

Fiscal Report

Revenue Category Description: Two wheeled vehicle endorsement and renewals.

Requesting a Fee Change: No

Purpose: Over 50% of all revenues collected are deposited in the motorcycle safety account. The funds are used to establish and maintain a motorcycle safety education program. Receipts exceeding \$750,000 are split 90/10 between the Trunk Highway and General Funds.

Fund: GENERAL, SPECIAL REVENUE, TRUNK HIGHWAY

Appr Name: DRIVER SERVICES OPERATING ACCT, MOTORCYCLE SAFETY

Legal Citation(s): M.S. 171.06, subd. 2a

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	268	679	1,295	2,030	2,030	2,765	2,765
Resources:							
Dedicated Receipts	750	750	750	750	850	750	850
Non-Dedicated Receipts	656	846	800	800	700	800	700
Total Departmental Earnings	1,406	1,596	1,550	1,550	1,550	1,550	1,550
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,406	1,596	1,550	1,550	1,550	1,550	1,550
Expenditures:							
Direct Expenditures	985	971	806	806	806	806	806
Indirect Expenditures	10	9	9	9	9	9	9
Total Expenditures	995	980	815	815	815	815	815
Current Difference	411	616	735	735	735	735	735
Accumulated Ending Balance	679	1,295	2,030	2,765	2,765	3,500	3,500

Background Information

The Motorcycle Safety Account was established to provide motorcycle safety education programs. The rate for adding a two-wheel vehicle endorsement to a driver's license is \$18.50 and \$13 for each renewal. \$11 of the endorsement fee and \$7 for each renewal is deposited in the Motorcycle Safety Account. The remainder of the fee is deposited in the General Fund as a non-dedicated receipt. Receipts in excess of \$750,000 are deposited 90 percent to the Trunk Highway Fund and 10 percent to the General Fund.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending that the Trunk Highway Fund portion of the fees collected be directed to the Driver Vehicle Services Operating Account in the Special Revenue Fund effective 7/1/05.

PUBLIC SAFETY DEPT

MOTOR VEHICLE SPECIAL LISTS

Fiscal Report

Revenue Category Description: Fees collected for providing copies of motor vehicle registration data.

Requesting a Fee Change: Yes

Purpose: To recover the cost of furnishing copies of motor vehicle registration data to the public upon request.

Fund: GENERAL, SPECIAL REVENUE

Appr Name: VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 168.33, subd. 3; 168.345, subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	139	212	281	281	350	370
Resources:							
Dedicated Receipts	0	0	0	0	20	0	20
Non-Dedicated Receipts	178	106	105	105	105	106	106
Total Departmental Earnings	178	106	105	105	125	106	126
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	178	106	105	105	125	106	126
Expenditures:							
Direct Expenditures	37	31	34	34	34	34	34
Indirect Expenditures	2	2	2	2	2	2	2
Total Expenditures	39	33	36	36	36	36	36
Current Difference	139	73	69	69	89	70	90
Accumulated Ending Balance	139	212	281	350	370	420	460

Background Information

Copies of motor vehicle registration data are furnished to the public upon request. A \$4 fee and surcharge of \$0.50 are collected per request.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending a \$5 increase for the retrieval of paper documents. The fee increase will be deposited in the Vehicle Services Operating Account in the Special Revenue Fund.

PUBLIC SAFETY DEPT

PHOTO PROCESSING

Fiscal Report

Revenue Category Description: Patrol Photo Processing Fee

Requesting a Fee Change: No

Purpose: To recover costs related to processing film for State Patrol clientele.

Fund: TRUNK HIGHWAY

Appr Name: PATROL PHOTO PROCESSING

Legal Citation(s): M.S. 13.03, subd. 10

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2	2	6	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	15	14	15	15	15	15	15
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	15	14	15	15	15	15	15
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	15	14	15	15	15	15	15
<u>Expenditures:</u>							
Direct Expenditures	15	10	21	15	15	15	15
Indirect Expenditures							
Total Expenditures	15	10	21	15	15	15	15
Current Difference	0	4	(6)	0	0	0	0
Accumulated Ending Balance	2	6	0	0	0	0	0

PUBLIC SAFETY DEPT

PHOTO PROCESSING

Narrative

Background Information

Accident photos taken by the Minnesota State Patrol are provided as a service. A cost recovery fee is charged per roll of film.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

FLEET REGISTRATION

Fiscal Report

Revenue Category Description: Administrative fee.

Requesting a Fee Change: No

Purpose: A unique registration category is established for vehicles of a fleet. Vehicles registered in the fleet must be issued a distinctive license plate. Instead of a filing fee, the applicant shall pay an equivalent administrative fee for each vehicle in the fleet.

Fund: SPECIAL REVENUE, HIGHWAY USERS TAX DISTRIBUTION

Appr Name: VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 168.127, subd. 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
Resources:							
Dedicated Receipts	0	0	0	0	40	0	40
Non-Dedicated Receipts	40	43	40	40	0	40	0
Total Departmental Earnings	40	43	40	40	40	40	40
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	40	43	40	40	40	40	40
Expenditures:							
Direct Expenditures	40	43	40	40	40	40	40
Indirect Expenditures							
Total Expenditures	40	43	40	40	40	40	40
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

A fee of \$3.50 is collected from applicants registering a fleet.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending that the fee be deposited in the Vehicle Services Operating Account in the Special Revenue Fund effective 7/1/05. The fee is currently being deposited as a non-dedicated receipt in the Highway User Tax Distribution Fund.

PUBLIC SAFETY DEPT

MOTOR VEHICLE FILING

Fiscal Report

Revenue Category Description: Motor Vehicle Filing Fee

Requesting a Fee Change: Yes

Purpose: A filing fee of \$4.50 is imposed on every motor vehicle registration renewal, excluding pro rate transactions and \$7.00 is imposed on every other type of vehicle transaction including pro rate transactions to recover the cost of processing.

Fund: GENERAL, SPECIAL REVENUE, HIGHWAY USERS TAX DISTRIBUTION

Appr Name: VEHICLE SERVICE OPERATING ACCT

Legal Citation(s): M.S. 168.33, subd. 7

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	1,774	4,499	7,005	7,005	9,545	9,666
Resources:							
Dedicated Receipts	0	0	0	0	5,400	0	5,454
Non-Dedicated Receipts	5,002	5,673	5,500	5,500	1,000	5,555	1,010
Total Departmental Earnings	5,002	5,673	5,500	5,500	6,400	5,555	6,464
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,002	5,673	5,500	5,500	6,400	5,555	6,464
Expenditures:							
Direct Expenditures	3,027	2,766	2,819	2,785	3,564	2,785	3,612
Indirect Expenditures	201	182	175	175	175	175	175
Total Expenditures	3,228	2,948	2,994	2,960	3,739	2,960	3,787
Current Difference	1,774	2,725	2,506	2,540	2,661	2,595	2,677
Accumulated Ending Balance	1,774	4,499	7,005	9,545	9,666	12,140	12,343

Background Information

A filing fee of \$4.50 is imposed on every motor vehicle registration renewal, excluding pro rate transactions. A fee of \$7.00 is imposed on every other type of vehicle transaction, including pro rate transactions. These rates were effective 7/1/02.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending a \$20 expedited service fee be collected effective 7/1/05 and that the fee be deposited in the Vehicle Services Operating Account in the Special Revenue Fund. In addition, all filing fees amounts that under current law are deposited in the Highway User Tax Distribution Fund would be directed to the Special Revenue Fund.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	2,621	3,106	3,040	2,761	2,761	2,761	2,761
Total Non-Dedicated Receipts	2,621	3,106	3,040	2,761	2,761	2,761	2,761

<u>Dedicated Receipts:</u>							
General	1,389	1,383	1,370	1,370	1,370	1,370	1,370
State Government Spec Revenue	0	25,838	26,783	27,534	44,743	28,349	35,436
Special Revenue	5,633	6,657	6,804	3,569	3,884	3,569	3,884
Total Dedicated Receipts	7,022	33,878	34,957	32,473	49,997	33,288	40,690

<u>Fund Totals:</u>							
General	4,010	4,489	4,410	4,131	4,131	4,131	4,131
State Government Spec Revenue	0	25,838	26,783	27,534	44,743	28,349	35,436
Special Revenue	5,633	6,657	6,804	3,569	3,884	3,569	3,884
Departmental Earnings Total	9,643	36,984	37,997	35,234	52,758	36,049	43,451

PUBLIC SAFETY DEPT

9-1-1 USER FEE

Fiscal Report

Revenue Category Description: A telephone surcharge is collected by phone companies to cover 911 services.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: The 911 emergency number is designed to provide immediate access to emergency services. The surcharge is used to cover the costs of providing this service to every Minnesotan.

Appr Name: 911 EMERGENCY SERVICE, DEBT SERVICE
911 ACT, ENHANCED 911 SERVICE

Legal Citation(s): M.S. 403.11, 403.113, 473.901

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	3,674	498	498	503	503
Resources:							
Dedicated Receipts	0	25,838	26,783	27,534	44,743	28,349	35,436
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	0	25,838	26,783	27,534	44,743	28,349	35,436
Other Resources:							
Earnings Transferred In	0	1,628	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	0	938	978	1,020	1,020	1,077	1,077
Rev Collected for Other Agency							
Current Year Resources	0	26,528	25,805	26,514	43,723	27,272	34,359
Expenditures:							
Direct Expenditures	0	22,854	28,981	26,509	43,718	27,261	34,348
Indirect Expenditures							
Total Expenditures	0	22,854	28,981	26,509	43,718	27,261	34,348
Current Difference	0	3,674	(3,176)	5	5	11	11
Accumulated Ending Balance	0	3,674	498	503	503	514	514

Background Information

The 911 law was passed in 1977. The Minnesota Statewide 911 Program provides technical assistance to the cities and counties implementing, maintaining, and improving 911 systems. The 911 Program enforces rules that set system standards and pays the state share of 911 costs from funds collected through a monthly statewide telephone surcharge. The fee is currently 40 cents.

Forecast Basis

Historical trends.

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending that the 911 fee be increased to 65 cents for FY 2006 and 50 cents for FY 2007.

PUBLIC SAFETY DEPT

GAMBLING ENFORCEMENT

Fiscal Report

Revenue Category Description: License fee for gambling devices and the fee collected for the Indian Reservation Gambling Compact.

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: To license manufacturers & distributors of gambling devices and to conduct background investigations on individuals selling gambling devices and employees of Indian Casinos.

Appr Name: GAMBLING ENF BKGRDS, INDIAN GAMING SP REV

Legal Citation(s): M.S. 3.9221; 299L.02, subd. 7; 299L.07, subd. 5,6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	627	597	669	730	730	776	776
<u>Resources:</u>							
Dedicated Receipts	283	373	390	390	390	390	390
Non-Dedicated Receipts	382	412	430	430	430	430	430
Total Departmental Earnings	665	785	820	820	820	820	820
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	665	785	820	820	820	820	820
<u>Expenditures:</u>							
Direct Expenditures	641	663	707	721	721	730	730
Indirect Expenditures	54	50	52	53	53	53	53
Total Expenditures	695	713	759	774	774	783	783
Current Difference	(30)	72	61	46	46	37	37
Accumulated Ending Balance	597	669	730	776	776	813	813

Background Information

Background investigations are conducted on individuals manufacturing and distributing gambling devices. New licensees pay an investigative fee. Persons distributing and manufacturing gambling devices pay gambling device license fees. Fees are based on the number of new or used devices made or sold per year. Temporary permits are granted to persons possessing gambling devices for the purpose of displaying the device at trade shows or events where gambling devices are displayed.

Forecast Basis

Fees for distributing and manufacturing gambling devices are based on the number of new or used devices made or sold per year. Historical trends.

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

EMERGENCY MANAGEMENT

Fiscal Report

Revenue Category Description: Hazardous Chemical Report Fee & Hazardous Materials Incident Response Fee

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover a portion of the costs of data management, the operation of the emergency management center and the costs of establishing and maintaining regional Hazardous Material Incident Response Teams.

Appr Name:

Legal Citation(s): M.S. 299K.09; 299K.095; M.R. 7507-0500

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	49	116	120	120	124	124
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	593	621	625	625	625	625	625
Total Departmental Earnings	593	621	625	625	625	625	625
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	593	621	625	625	625	625	625
<u>Expenditures:</u>							
Direct Expenditures	509	517	578	579	579	604	604
Indirect Expenditures	35	37	43	42	42	45	45
Total Expenditures	544	554	621	621	621	649	649
Current Difference	49	67	4	4	4	(24)	(24)
Accumulated Ending Balance	49	116	120	124	124	100	100

Background Information

The Emergency Planning and Community Right-to-Know Act (EPCRA) Program is responsible for implementing the (federal) Superfund Amendments and Reauthorization ACT (SARA Title III) in Minnesota. The EPCRA collects from facilities information and fees related to hazardous materials storage and release. The information and fees are used to prepare communities for emergencies caused by hazardous materials. Such facilities are potentially subject to two different fees:

Hazardous Chemical Inventory Fee:

*Facilities that report the storage of hazardous materials under Section 312 of SARA are required to pay a fee based on the number of chemicals stored:

1 to 9 chemicals	\$25
10 to 49 chemicals	\$100
50+ chemicals	\$1,000

*Late payment fees: Fees double if not paid within 60 days and triple if not paid within 120 days.

Hazardous Materials Incident Response Act Fee has two parts:

*Facilities that report the storage of an extremely hazardous substance (EHS) under Section 302 of SARA are required to pay a fixed annual fee of \$75 per facility (with the exception of farmers).

*Facilities that report releases and/or transfers under Section 313 of SARA are required to pay an annual fee based on the amount released and transferred.

0 pounds	\$200
1 to 25,000 pounds	\$400
25,001 or more pounds	\$800

This report does not reflect revenues collected by MNDOT.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

CRIMINAL JUSTICE DATA NETWORK

Fiscal Report

Revenue Category Description: Connect charge and monthly access charges to the Criminal Justice Data Network.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover a portion of the costs of maintaining the criminal justice data network.

Appr Name: CRIMINAL JUSTICE DATA NETWORK

Legal Citation(s): M.S. 299C.46, subd. 3; 299C.48

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,380	1,061	939	579	579	80	80
<u>Resources:</u>							
Dedicated Receipts	1,333	1,351	1,300	1,300	1,300	1,300	1,300
Non-Dedicated Receipts	233	231	230	230	230	230	230
Total Departmental Earnings	1,566	1,582	1,530	1,530	1,530	1,530	1,530
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,566	1,582	1,530	1,530	1,530	1,530	1,530
<u>Expenditures:</u>							
Direct Expenditures	2,849	1,660	1,842	1,942	1,942	1,942	1,942
Indirect Expenditures	36	44	48	87	87	87	87
Total Expenditures	2,885	1,704	1,890	2,029	2,029	2,029	2,029
Current Difference	(1,319)	(122)	(360)	(499)	(499)	(499)	(499)
Accumulated Ending Balance	1,061	939	579	80	80	(419)	(419)

Background Information

The Criminal Justice Data Communications Network is a statewide network that provides instant access to a series of computerized systems that index criminal justice information concerning crimes and criminals of state and national interest. This system is used by the criminal justice community to exchange information.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

FIRE INSPECTIONS

Fiscal Report

Revenue Category Description: Fire safety inspections of daycares and hotels

Requesting a Fee Change: Yes

Purpose: Inspectors approved by the State Fire Marshal conduct inspections of daycare facilities and hotels to ensure fire prevention and protection.

Fund: SPECIAL REVENUE

Appr Name: FIRE MARSHAL INSPECTION, HOTEL FIRE SAFETY INSPECTION

Legal Citation(s): 245A.151; 299F.46, subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(2)	(111)	(413)	(413)	(677)	(677)
<u>Resources:</u>							
Dedicated Receipts	63	314	255	255	495	255	495
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	63	314	255	255	495	255	495
<u>Other Resources:</u>							
Earnings Transferred In	0	196	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	63	510	255	255	495	255	495
<u>Expenditures:</u>							
Direct Expenditures	60	574	518	481	721	481	721
Indirect Expenditures	5	45	39	38	38	38	38
Total Expenditures	65	619	557	519	759	519	759
Current Difference	(2)	(109)	(302)	(264)	(264)	(264)	(264)
Accumulated Ending Balance	(2)	(111)	(413)	(677)	(677)	(941)	(941)

Background Information

Effective August 1, 2002 fees were allowed to be collected for fire inspections of day care facilities. The State Fire Marshal approves local fire code inspectors who conduct these inspections. Day care facilities are required to be licensed and an inspection to determine compliance with the Minnesota Uniform Fire code is part of the licensing requirements.

Every hotel is required to have a fire inspection at least once in three years to be in compliance with the Hotel and Motel Fire Safety Act of 1990. Hotels are charged an inspection fee plus a per room charge.

Forecast Basis

Historical

Recent Changes

None

Agency Analysis/Requested Changes

The Governor is recommending that MS299F.46 be amended to require inspection of additional lodging facilities such as resorts, dormitories, bed and breakfasts, lodging houses, youth/family camps, juvenile group homes, and migrant worker camps. The Governor also recommends that MS299F.46 be amended to establish inspection fees for these facilities, and remove the fee exemption provided for hotels with fewer than 35 rooms and resorts classified as 1C.

PUBLIC SAFETY DEPT

FIRE SAFETY

Fiscal Report

Revenue Category Description: Fire Protection Systems Contractor's License Fee & Fireworks Operator Permit Fee

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: To license fire protection system contractors that install, modify or inspect fire protection systems, parts or related equipment and to issue permits to operators that have been certified by the state fire marshal to supervise the display of fireworks.

Appr Name: FIRE PROTECTION CERTIFICATION

Legal Citation(s): M.S. 299M.03-04; 624.22, subd. 3; 299F.011

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	143	359	491	491	653	653
Resources:							
Dedicated Receipts	0	8	10	10	10	10	10
Non-Dedicated Receipts	484	499	480	476	476	476	476
Total Departmental Earnings	484	507	490	486	486	486	486
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	484	507	490	486	486	486	486
Expenditures:							
Direct Expenditures	315	270	335	301	301	301	301
Indirect Expenditures	26	21	23	23	23	23	23
Total Expenditures	341	291	358	324	324	324	324
Current Difference	143	216	132	162	162	162	162
Accumulated Ending Balance	143	359	491	653	653	815	815

Background Information

The Fire Marshal Division regulates the fire protection sprinkler industry through licensing and inspection of fire protection sprinkler systems and review plans for storage of flammable liquids.

- License Fees: Journeyman - \$75; Contractor - \$500
- Surcharge \$0.002/dollar of the cost of the project paid by fire protection contractors before beginning fire protection or related work.
- Permits in communities without a permit program pay \$0.012/dollar of the cost of the project.
- Resubmittal Fee of \$100 is charged for sprinkler plans that must be resubmitted for the second time because of failure to meet the minimum requirements of the fire code.
- The Fireworks Certification Fee of \$100 is valid for a period of four years from the date of issuance.
- Flammable Liquids Plan Review - \$100

Forecast Basis

Historical trends

Recent Changes

Two new fees have been added to this activity: Flammable Liquids Plan Review Fee effective 7/1/02 and Fire Protection Exam Fee effective 7/1/03

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

LIQUOR LICENSING

Fiscal Report

Revenue Category Description: License fees and fee identification cards

Requesting a Fee Change: No

Purpose: To license and provide identification cards to manufacturers, wholesalers and importers of liquor, wine and malt beverages and common carriers of liquor and malt beverages.

Fund: GENERAL, SPECIAL REVENUE, MISCELLANEOUS AGENCY

Appr Name: ALCOHOL ENFORCEMENT - BOND, ALCOHOL ENFORCEMENT ACCT

Legal Citation(s): M.S. 340.301, subd. 6; 340.302, subd. 3; 340A.315

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	448	1,090	1,593	1,593	2,130	2,130
<u>Resources:</u>							
Dedicated Receipts	0	525	500	500	500	500	500
Non-Dedicated Receipts	929	1,039	1,000	1,000	1,000	1,000	1,000
Total Departmental Earnings	929	1,564	1,500	1,500	1,500	1,500	1,500
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	0	350	375	350	350	350	350
Rev Collected for Other Agency							
Current Year Resources	929	1,214	1,125	1,150	1,150	1,150	1,150
<u>Expenditures:</u>							
Direct Expenditures	450	544	594	585	585	585	585
Indirect Expenditures	31	28	28	28	28	28	28
Total Expenditures	481	572	622	613	613	613	613
Current Difference	448	642	503	537	537	537	537
Accumulated Ending Balance	448	1,090	1,593	2,130	2,130	2,667	2,667

Background Information

Various fees are collected to license manufacturers, wholesalers and importers of liquor, wine and malt beverages and common carriers of liquor and malt beverages.

Forecast Basis

Historical trends

Recent Changes

Sales after 1:00 a.m. permit fee has been added for establishments selling intoxicating liquor between the hours of 1:00 a.m. and 2:00 a.m.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

PERSONAL PROTECTION

Fiscal Report

Revenue Category Description: Personal Protection Permit Fee

Requesting a Fee Change: No

Fund: GENERAL

Purpose: A portion of this fee is paid to the Bureau of Criminal Apprehension for providing permit status via a connection to the Criminal Justice Data Communications Network.

Appr Name:

Legal Citation(s): M.S. 624.714, subd. 3(f)

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	(385)	(368)	(368)	(495)	(495)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	304	200	0	0	0	0
Total Departmental Earnings	0	304	200	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	304	200	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	0	683	175	119	119	119	119
Indirect Expenditures	0	6	8	8	8	8	8
Total Expenditures	0	689	183	127	127	127	127
Current Difference	0	(385)	17	(127)	(127)	(127)	(127)
Accumulated Ending Balance	0	(385)	(368)	(495)	(495)	(622)	(622)

Background Information

The Minnesota Citizens' Personal Protection Act of 2003 allows law-abiding citizens their right to self-protection by authorizing them to obtain a permit to carry a pistol. The county sheriff collects a new application processing fee up to \$100. In the first year \$21.50 is submitted to the commissioner and deposited into the General Fund. In subsequent years \$10 is submitted to the commissioner and deposited in the General Fund. These fees are to cover the cost of entering this information into the Criminal Justice Data Network and the Law Enforcement Message Switch (LEMS) maintained by the Bureau of Criminal Apprehension.

Forecast Basis

Historical trends

Recent Changes

This fee is currently on hold, there is a court order pending.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

NON-CRIMINAL JUSTICE

Fiscal Report

Revenue Category Description: Non-criminal justice records request fee

Requesting a Fee Change: Yes

Fund: GENERAL, SPECIAL REVENUE

Purpose: This fee recovers the costs of processing requests for criminal history record information for non-criminal justice use, subject to the information consent of the individual subject of the data.

Appr Name: NON-CRIMINAL BACKGROUND

Legal Citation(s): M.S 299C.10; 13.87, subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	1,292	648	(467)	(641)	(641)	(669)	(669)
<u>Resources:</u>							
Dedicated Receipts	2,267	2,251	2,454	2,454	2,529	2,454	2,529
Non-Dedicated Receipts	0	0	75	0	0	0	0
Total Departmental Earnings	2,267	2,251	2,529	2,454	2,529	2,454	2,529
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,267	2,251	2,529	2,454	2,529	2,454	2,529
<u>Expenditures:</u>							
Direct Expenditures	2,911	3,366	2,703	2,482	2,557	2,482	2,557
Indirect Expenditures							
Total Expenditures	2,911	3,366	2,703	2,482	2,557	2,482	2,557
Current Difference	(644)	(1,115)	(174)	(28)	(28)	(28)	(28)
Accumulated Ending Balance	648	(467)	(641)	(669)	(669)	(697)	(697)

PUBLIC SAFETY DEPT

NON-CRIMINAL JUSTICE

Narrative

Background Information

The Bureau of Criminal Apprehension (BCA) has the use of these fees to cover the costs of processing requests for criminal history record information for non-criminal use and to cover a portion of the costs related to the maintenance and improvement of the criminal history record system.

Fees effective April 1, 2000

Background record check for subject of the record & nonprofit	\$ 8 per request
Background record check	\$15
FBI background check handling fee	\$ 2
Public data fee	\$ 4
Computer transactions fee	\$ 2
Special Runs	\$40
Public data fee internet access	\$5

Forecast Basis

Historical trends

Recent Changes

An Internet web site containing public criminal history data is a new service that the BCA is providing. A fee is allowed until August 1, 2005 to cover the costs of setting up the program.

Agency Analysis/Requested Changes

The Governor is recommending that the current \$5 fee to access public criminal history data over the internet be continued and that the fees collected are directed to the Special Revenue Fund to cover the costs of providing this service over the internet.

PUBLIC SAFETY DEPT

CRIME ALERT

Fiscal Report

Revenue Category Description: Criminal Alert Network

Requesting a Fee Change: No

Purpose: A fee is charged to the members of the Crime Alert Network to recover a portion of the costs for sending electronic transmission of information regarding crime, including missing children and crime prevention information.

Fund: SPECIAL REVENUE

Appr Name: CRIME ALERT NETWORK

Legal Citation(s): M.S. 299A.61, subd. 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	41	41	28	28	14	14
<u>Resources:</u>							
Dedicated Receipts	23	24	30	30	30	30	30
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	23	24	30	30	30	30	30
<u>Other Resources:</u>							
Earnings Transferred In	62	0	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	85	24	30	30	30	30	30
<u>Expenditures:</u>							
Direct Expenditures	44	24	43	44	44	44	44
Indirect Expenditures							
Total Expenditures	44	24	43	44	44	44	44
Current Difference	41	0	(13)	(14)	(14)	(14)	(14)
Accumulated Ending Balance	41	41	28	14	14	0	0

Background Information

The Minnesota Crime Alert Network is a statewide communications network that enables law enforcement agencies to quickly alert the public about crime or criminals that may affect them. Members of this network pay a yearly fee and receive electronic transmissions of information regarding crime, including missing and endangered children and crime prevention information. More than 7,200 Minnesota law enforcement agencies, business, schools and community members participate in the Network making it an efficient network of communication between law enforcement agencies and the communities they serve. A yearly fee of one dollar per month was established.

Forecast Basis

Historical trends

Recent Changes

None

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

PUBLIC SAFETY DEPT

AUTO THEFT PREVENTION

Fiscal Report

Revenue Category Description: Auto Theft Surcharge

Requesting a Fee Change: No

Purpose: Auto insurance companies providing comprehensive insurance coverage will collect a surcharge per vehicle every six months. The revenue will be used to provide programs to reduce auto theft. Program will moving to the Department of Commerce effective 7/1/05.

Fund: SPECIAL REVENUE

Appr Name: AUTO THEFT PREVENTION PROG

Legal Citation(s): M.S. 168A.40

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	186	570	700	262	262	262	262
<u>Resources:</u>							
Dedicated Receipts	3,053	3,194	3,235	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	3,053	3,194	3,235	0	0	0	0
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	1,300	1,300	1,300	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	1,753	1,894	1,935	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures	1,363	1,755	2,367	0	0	0	0
Indirect Expenditures	6	9	6	0	0	0	0
Total Expenditures	1,369	1,764	2,373	0	0	0	0
Current Difference	384	130	(438)	0	0	0	0
Accumulated Ending Balance	570	700	262	262	262	262	262

Background Information

Insurance companies pay a 50-cent surcharge per vehicle for every six months of coverage. The automobile theft prevention program has grants with local enforcement agencies to help combat automobile theft.

Forecast Basis

Historical trends

Recent Changes

This program will be moving to the Department of Commerce effective 7/1/05.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	4,177	3,960	5,164	4,536	4,536	4,536	4,536
Total Non-Dedicated Receipts	4,177	3,960	5,164	4,536	4,536	4,536	4,536

<u>Dedicated Receipts:</u>							
Special Revenue	2,277	1,995	1,707	1,664	1,664	1,623	1,623
Total Dedicated Receipts	2,277	1,995	1,707	1,664	1,664	1,623	1,623

<u>Fund Totals:</u>							
General	4,177	3,960	5,164	4,536	4,536	4,536	4,536
Special Revenue	2,277	1,995	1,707	1,664	1,664	1,623	1,623
Departmental Earnings Total	6,454	5,955	6,871	6,200	6,200	6,159	6,159

PUBLIC UTILITIES COMM

ENERGY COST ASSESSMENT

Fiscal Report

Revenue Category Description: Assessment of Gas and Electric Utility Companies

Requesting a Fee Change: No

Purpose: To recover the costs of regulating the rates and services provided by gas and electric utility companies.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 216B.243; 216B.62

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(150)	(238)	(180)	(180)	(240)	(240)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,965	2,141	2,671	2,429	2,429	2,429	2,429
Total Departmental Earnings	1,965	2,141	2,671	2,429	2,429	2,429	2,429
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,965	2,141	2,671	2,429	2,429	2,429	2,429
Expenditures:							
Direct Expenditures	2,032	2,111	2,416	2,292	2,292	2,292	2,292
Indirect Expenditures	83	118	197	197	197	197	197
Total Expenditures	2,115	2,229	2,613	2,489	2,489	2,489	2,489
Current Difference	(150)	(88)	58	(60)	(60)	(60)	(60)
Accumulated Ending Balance	(150)	(238)	(180)	(240)	(240)	(300)	(300)

Background Information

The Public Utilities Commission typically recovers nearly all (approximately 97%) of its direct and indirect energy regulation costs (including statewide indirect costs) as well as the direct and indirect costs of the Attorney General's office through assessments to the gas and electric companies it regulates. M.S. 216B.62 sets the maximum limitations for direct and indirect costs. A regulated gas or electric company's direct charges (assessment) per calendar year cannot exceed two-fifths of one percent of the gross jurisdictional revenues it reported for the previous year. M.S. 216B.243 provides for the recovery of costs associated with certificates of need for large energy facilities.

Forecast Basis

During the FY 2006-06 biennium it is assumed that 55% of the Commission's expenditures will be attributable to energy regulation and 50% of energy-related expenditures will be billed as direct assessments and 50% will be billed as indirect assessments. It is also assumed that legislation will be enacted as necessary to assure total recovery of the costs associated with certificates of need for large energy facilities. Fee review anticipates nearly approximately 97% recovery of costs associated with energy regulation.

Recent Changes

None

Agency Analysis/Requested Changes

There is no need for any fee change during the FY 2006-07 biennium.

PUBLIC UTILITIES COMM

TELEPHONE COSTS ASSESSMENT

Fiscal Report

Revenue Category Description: Assessment of Telephone Utility Companies

Requesting a Fee Change: No

Purpose: To recover the costs of regulating the rates and services provided by telephone utility companies.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 237.295

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	78	(383)	(180)	(180)	(240)	(240)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,212	1,819	2,493	2,107	2,107	2,107	2,107
Total Departmental Earnings	2,212	1,819	2,493	2,107	2,107	2,107	2,107
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,212	1,819	2,493	2,107	2,107	2,107	2,107
Expenditures:							
Direct Expenditures	1,927	1,908	1,994	1,871	1,871	1,871	1,871
Indirect Expenditures	207	372	296	296	296	296	312
Total Expenditures	2,134	2,280	2,290	2,167	2,167	2,167	2,183
Current Difference	78	(461)	203	(60)	(60)	(60)	(76)
Accumulated Ending Balance	78	(383)	(180)	(240)	(240)	(300)	(316)

Background Information

The Public Utilities Commission typically recovers nearly all (approximately 97%) of its direct and indirect telecommunications costs (including statewide indirect costs) as well as the direct and indirect costs of the Attorney General's office through assessments to the telecommunications companies it regulates. M.S. 237.295 sets the maximum limitations for direct and indirect costs. A regulated telecommunications company's direct charges (assessment) per calendar year cannot exceed two-fifths of one percent of the gross jurisdictional revenues it reported for the previous year.

Forecast Basis

During the FY2006-07 biennium it is assumed that 45% of the Commission's expenditures will be attributable to telecommunications regulation and 50% of the expenditures will be billed as direct assessments and 50% will be billed as indirect assessments. Fee review anticipates approximately 97% recovery of costs associated with telecommunications regulation.

Recent Changes

None

Agency Analysis/Requested Changes

There is no need for any fee change during the FY 2006-07 biennium.

PUBLIC UTILITIES COMM

ADMIN. HEARINGS

Fiscal Report

Revenue Category Description: Assessments for Administrative Hearings charges

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The assessment of administrative hearings costs recovers the cost to the Public Utilities Commission for contested case hearings by the Office of Administrative Hearings.

Appr Name: ADMINISTRATIVE HEARINGS

Legal Citation(s): M.S. 516B.243, 216B.62, subd. 6 and 237.295

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	48	29	67	67	67	67	67
<u>Resources:</u>							
Dedicated Receipts	387	173	267	267	267	267	267
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	387	173	267	267	267	267	267
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	387	173	267	267	267	267	267
<u>Expenditures:</u>							
Direct Expenditures	406	135	267	267	267	267	267
Indirect Expenditures							
Total Expenditures	406	135	267	267	267	267	267
Current Difference	(19)	38	0	0	0	0	0
Accumulated Ending Balance	29	67	67	67	67	67	67

Background Information

M.S. 216B.62, subd. 6 and 237.295, subd. 5 require that administrative hearings costs for contested cases hearings paid from a special revolving fund be subsequently assessed to the utilities involved and the utilities payments be deposited into that fund. Expenditures and receipts vary with contested case activity.

Forecast Basis

Case activity will remain at least at the base level for FY2005 for the biennium 2006-07.

Recent Changes

Case activity increased due to recent rate case filings for several gas utilities.

Agency Analysis/Requested Changes

There is no need for any fee changes during the FY2006-07 biennium.

PUBLIC UTILITIES COMM

EAS BALLOTING CHARGES

Fiscal Report

Revenue Category Description: Balloting Costs for extended area service.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The assessment of Extended Area Service (EAS) balloting costs recovers costs billed to the Public Utilities Commission for balloting telephone exchanges that have petitioned for EAS.

Appr Name: EXTENDED AREA SERVICE BALLOT

Legal Citation(s): M.S. 237.295, Subd. 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	30	3	30	30	30	30	30
<u>Resources:</u>							
Dedicated Receipts	36	29	10	10	10	10	10
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	36	29	10	10	10	10	10
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	36	29	10	10	10	10	10
<u>Expenditures:</u>							
Direct Expenditures	63	2	10	10	10	10	10
Indirect Expenditures							
Total Expenditures	63	2	10	10	10	10	10
Current Difference	(27)	27	0	0	0	0	0
Accumulated Ending Balance	3	30	30	30	30	30	30

Background Information

M.S. 237.61, subd. 6 required the Commission to complete a proceeding and issue a final order to establish an orderly and equitable process and standards for determining the configurations and cost allocations for Extended Area Service (EAS) in the State. The Commission issued its orders on October 24, 1995 and February 26, 1996. Those orders, and subsequent orders, allow filing and processing of EAS cases on an ongoing basis.

Forecast Basis

The forecast is based on a small amount of EAS balloting activity during each fiscal year.

Recent Changes

No recent changes.

Agency Analysis/Requested Changes

No fee change is requested.

PUBLIC UTILITIES COMM

TAP SURCHARGE REVENUES

Fiscal Report

Revenue Category Description: Telephone Assistance Plan (TAP) Revenues

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: The TAP fund benefits low income Minnesotans who are senior or disabled by funding a monthly credit for telephone service.

Appr Name: TELEPHONE ASSISTANCE PLAN - IT

Legal Citation(s): M.S. 237.69; 237.71; 237.70, Subd. 6

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2,755	2,895	3,608	3,712	3,712	3,563	3,563
<u>Resources:</u>							
Dedicated Receipts	1,854	1,793	1,430	1,387	1,387	1,346	1,346
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,854	1,793	1,430	1,387	1,387	1,346	1,346
<u>Other Resources:</u>							
Earnings Transferred In	0	76	0	0	0	0	0
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out	314	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	1,540	1,869	1,430	1,387	1,387	1,346	1,346
<u>Expenditures:</u>							
Direct Expenditures	1,391	1,152	1,320	1,530	1,530	1,530	1,530
Indirect Expenditures	9	4	6	6	6	6	6
Total Expenditures	1,400	1,156	1,326	1,536	1,536	1,536	1,536
Current Difference	140	713	104	(149)	(149)	(190)	(190)
Accumulated Ending Balance	2,895	3,608	3,712	3,563	3,563	3,373	3,373

Background Information

The Telephone Assistance Program (TAP) is a program required under MSS 237.69-237.711. MS 237.70 provides for a TAP surcharge not to exceed ten cents per month on wireline access lines (i.e., not wireless). The program is currently funded by a five cent per month surcharge. At current rates the surcharge generates about 1.3 million dollars annually. The purpose of the program is to provide credits against local phone service bills for households that meet certain income guidelines (i.e., participation in certain low-income programs). Households apply for the program with their local phone company and are granted the state credit (\$1.75 per month) if they can demonstrate eligibility. The affected phone companies report credits granted to the MPUC and submit claims for reimbursement from the TAP fund. After receiving all necessary reports, the MPUC reimburses the company for its claimed credits.

Effective in August 2003, TAP eligibility has been tied to Lifeline increasing TAP participation to nearly 53,000 households. Effective July 2004, Lifeline eligibility criteria was expanded to include of the National School Lunch program and Temporary Assistance for Needy recipients.

Meanwhile the TAP income continues to decline due to telecommunications customers switching to wireless phone service. The fund is currently overfunded, however, due to low participation levels prior to August 2003 and the decrease in benefit level (from a bifurcated \$6.98 and \$1.75 in the past to \$1.75 currently).

A TAP workgroup has been formed to look into ways to evaluate TAP. Some options being considered include streamlining the application process, working with other government agencies such as the Department of Human Services, Department of Revenue and others to inform likely recipients of the availability of TAP funds. The workgroup is scheduled to present options to the Commission in December 2004.

There is some interest, both inside and outside the TAP workgroup, to increase the TAP credit from \$1.75 to \$3.50 per month in order to maximize the federal Lifeline benefits.

There is a possibility for legislative advocacy to include wireless carriers in TAP.

Forecast Basis

Forecast assumes 72,000 household participation level receiving \$1.75 per month assistance from FY2006 and beyond. A seven percent decrease annually in lines funding the plan is also assumed. Forecast may need to be updated after TAP workgroup's recommendations are implemented

Recent Changes

See above.

Agency Analysis/Requested Changes

TAP is currently overfunded. MPUC is considering several options to eliminate the overfunding while assuring those needing telephone assistance funds are aware of and enroll in TAP.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	144	0	0	0	0	0	0
Total Non-Dedicated Receipts	144	0	0	0	0	0	0

<u>Dedicated Receipts:</u>							
Special Revenue	0	446	439	439	439	439	439
Total Dedicated Receipts	0	446	439	439	439	439	439

<u>Fund Totals:</u>							
General	144	0	0	0	0	0	0
Special Revenue	0	446	439	439	439	439	439
Departmental Earnings Total	144	446	439	439	439	439	439

RACING COMMISSION

RACING COMMISSION FEES

Fiscal Report

Revenue Category Description: CLASS C
OCCUPATIONAL LICENSES

Requesting a Fee Change: No

Fund: GENERAL, SPECIAL REVENUE

Purpose: To equitably assess those desiring to be employed at licensed racetracks where parimutuel racing is conducted for the privilege of engaging in certain occupations related to horse racing.

Appr Name: RACING COMMISSION CONTROL

Legal Citation(s): M.S. 240.08 and M.S. 240.10---MN Rules 7877-8

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	446	439	439	439	439	439
Non-Dedicated Receipts	144	0	0	0	0	0	0
Total Departmental Earnings	144	446	439	439	439	439	439
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	144	446	439	439	439	439	439
<u>Expenditures:</u>							
Direct Expenditures	377	409	421	421	421	421	421
Indirect Expenditures							
Total Expenditures	377	409	421	421	421	421	421
Current Difference	(233)	37	18	18	18	18	18

RACING COMMISSION

RACING COMMISSION FEES

Narrative

Background Information

Class A, B, C, and D license fees are described in M.S. 240.05.

The Class A ownership license fee is \$253,000 annually. M.S. 240 specifies that the commission may issue only one (1) such license in the seven county metro area. Therefore, revenue estimates currently assume one Class A license in FY 2006 and FY 2007 respectively.

The Class B license fees are based on the number of live and simulcast racing days conducted by the Class A licensee for which permission has been granted by the commission to conduct pari-mutuel racing. The fee for conducting live racing is \$500/day and the fee for full-card simulcasting is \$100/day. Estimates for Class B license revenue assumes 60-70 days of live racing and year-round simulcasting.

The Class D licensees (county agricultural societies/county fairs) are required to pay \$50 for each day on which racing is conducted. No fairs are currently licensed.

Class C licenses are issued to all individuals working at licensed racetracks. Examples are: jockeys, grooms, pony riders, and all Canterbury employees such as; pari-mutuel clerks, management staff, and card club employees.

3,254 licenses were issued in 2002, 3,805 in 2003, and 3,367 so far in 2004.

The Department Earnings report reflects the Governor's budget recommendations for the commission for the '06-'07 biennium.

Forecast Basis

The current level of racing and pari-mutuel activity will be maintained by licensee (Canterbury Park).

Recent Changes

The changes implemented in the 2004-05 biennial budget shifted the Racing Commission's direct appropriation from the general fund to the special revenue fund.

Agency Analysis/Requested Changes

None.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	374	633	413	413	413	413	413
Total Dedicated Receipts	374	633	413	413	413	413	413

<u>Fund Totals:</u>							
Special Revenue	374	633	413	413	413	413	413
Departmental Earnings Total	374	633	413	413	413	413	413

REVENUE DEPT

REVENUE RECAPTURE FEE

Fiscal Report

Revenue Category Description: Revenue Recapture Fee

Requesting a Fee Change: No

Purpose: The administrative fee the Department charges to taxpayers when refunds are recaptured for debt owed to state agencies, county governments and certain federal agencies.

Fund: SPECIAL REVENUE

Appr Name: REVENUE RECAPTURE 110

Legal Citation(s): M.S. 270A.07, Subd. 1

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	139	0	63	0	0	0	0
Resources:							
Dedicated Receipts	374	633	413	413	413	413	413
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	374	633	413	413	413	413	413
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	374	633	413	413	413	413	413
Expenditures:							
Direct Expenditures	513	570	476	413	413	413	413
Indirect Expenditures							
Total Expenditures	513	570	476	413	413	413	413
Current Difference	(139)	63	(63)	0	0	0	0
Accumulated Ending Balance	0	63	0	0	0	0	0

Background Information

Beginning in 1980, state law authorized the Department of Revenue to offset taxpayer refunds for debt owed to state agencies, county governments and certain federal agencies. The department offsets all or a portion of a taxpayer's refund for the debt owed and turns the amount over to the agency to which the debt is owed. Under the law, tax debt owed to the department must be offset from the tax refund paid first - before debt owed to other agencies can be offset. Delinquent child support payments are the second item that must be offset, and amounts that have not been paid for restitution to crime victims must be offset third.

The charge is a \$15 fee for each refund check offset for debt owed to it. Four dollars are retained in the Department of Revenue for administrative fees and the remaining \$11 are deposited in the General Fund.

Agency Analysis/Requested Changes

No change is requested to the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	3,636	9,026	9,614	9,670	9,670	9,727	9,727
Petroleum Tank Release Cleanup	26,768	25,476	25,000	30,000	30,000	28,256	28,256
Special Revenue	0	0	618	618	618	618	618
Environmental	0	5	0	0	0	0	0
Total Non-Dedicated Receipts	30,404	34,507	35,232	40,288	40,288	38,601	38,601

<u>Dedicated Receipts:</u>							
Special Revenue	544	486	1,118	1,118	1,118	1,118	1,118
Environmental	566	0	0	0	0	0	0
Remediation	0	486	88	101	101	101	101
Total Dedicated Receipts	1,110	972	1,206	1,219	1,219	1,219	1,219

<u>Fund Totals:</u>							
General	3,636	9,026	9,614	9,670	9,670	9,727	9,727
Petroleum Tank Release Cleanup	26,768	25,476	25,000	30,000	30,000	28,256	28,256
Special Revenue	544	486	1,736	1,736	1,736	1,736	1,736
Environmental	566	5	0	0	0	0	0
Remediation	0	486	88	101	101	101	101
Departmental Earnings Total	31,514	35,479	36,438	41,507	41,507	39,820	39,820

REVENUE DEPT - OTHER

MN ASSESSORS-ED & LIC FEES

Fiscal Report

Revenue Category Description: Education and Licensing Fees Relating to Minnesota Assessors

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover the administration costs of the Board of Assessors. Receipts are deposited in the state's general fund.

Appr Name:

Legal Citation(s): M.S. 270.44, M.R. 1950.1070

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(13)	(6)	(15)	(15)	(25)	(25)
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	45	64	50	50	50	50	50
Total Departmental Earnings	45	64	50	50	50	50	50
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	45	64	50	50	50	50	50
Expenditures:							
Direct Expenditures	58	57	59	60	60	60	60
Indirect Expenditures							
Total Expenditures	58	57	59	60	60	60	60
Current Difference	(13)	7	(9)	(10)	(10)	(10)	(10)
Accumulated Ending Balance	(13)	(6)	(15)	(25)	(25)	(35)	(35)

REVENUE DEPT - OTHER

MN ASSESSORS-ED & LIC FEES

Narrative

Background Information

The fees were established to recover the costs of administration of the Board of Assessors.

Forecast Basis

Based on historical information.

Recent Changes

N/A

Agency Analysis/Requested Changes

No changes recommended at this time.

REVENUE DEPT - OTHER

FILING FEE

Fiscal Report

Revenue Category Description: Paper Filing Fee for Commercial Preparer

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Tax preparers that file a paper tax return must pay a fee of \$5 to reimburse the state for the added cost of paper filings versus electronic submission. This language permits the state to receive funds for the additional costs it incurs for processing paper tax returns that should have been filed electronically.

Appr Name:

Legal Citation(s): M.S. 289A.08, Subd.16

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	56	56	56	56	56
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	180	100	100	100	100	100
Total Departmental Earnings	0	180	100	100	100	100	100
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	180	100	100	100	100	100
Expenditures:							
Direct Expenditures	0	124	100	100	100	100	100
Indirect Expenditures							
Total Expenditures	0	124	100	100	100	100	100
Current Difference	0	56	0	0	0	0	0
Accumulated Ending Balance	0	56	56	56	56	56	56

REVENUE DEPT - OTHER

FILING FEE

Narrative

Background Information

Tax preparers that file a paper tax return must pay a fee of \$5 to reimburse the state for the added cost of paper filings versus electronic submission. This language permits the state to receive funds for the additional costs it incurs for processing paper tax returns that should have been filed electronically.

Forecast Basis

Historical Basis from FY2005 and out.

Recent Changes

New in FY2004.

Agency Analysis/Requested Changes

No requested change at this time.

REVENUE DEPT - OTHER

PETROLEUM

Fiscal Report

Revenue Category Description: Petroleum Distributer Fees

Requesting a Fee Change: No

Purpose: To identify wholesalers, bulk users, and sellers of petroleum products to assist in monitoring and tracking those entities liable for paying gasoline and special fuel taxes. The petroleum distributor fees are collected for the Department of Commerce.

Fund: GENERAL, SPECIAL REVENUE

Appr Name: PETROLEUM INSPECTION FEES

Legal Citation(s): M.S. 296A.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	3,586	7,262	12,237	12,237	17,268	17,268
Resources:							
Dedicated Receipts	0	0	618	618	618	618	618
Non-Dedicated Receipts	3,586	3,676	4,357	4,413	4,413	4,470	4,470
Total Departmental Earnings	3,586	3,676	4,975	5,031	5,031	5,088	5,088
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	3,586	3,676	4,975	5,031	5,031	5,088	5,088
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	3,586	3,676	4,975	5,031	5,031	5,088	5,088
Accumulated Ending Balance	3,586	7,262	12,237	17,268	17,268	22,356	22,356

REVENUE DEPT - OTHER

PROPANE

Fiscal Report

Revenue Category Description: Liquefied Petroleum Gas Fee

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households. The liquefied petroleum gas fee is collected for the Department of Commerce.

Appr Name: LIQUIFIED PETRO GAS FEE

Legal Citation(s): M.S. 239.785

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	544	1,030	1,530	1,530	2,030	2,030
Resources:							
Dedicated Receipts	544	486	500	500	500	500	500
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	544	486	500	500	500	500	500
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	544	486	500	500	500	500	500
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	544	486	500	500	500	500	500
Accumulated Ending Balance	544	1,030	1,530	2,030	2,030	2,530	2,530

REVENUE DEPT - OTHER

PETROLEUM TANK CLEANUP

Fiscal Report

Revenue Category Description: Petroleum Tank Cleanup Fees

Requesting a Fee Change: No

Fund: PETROLEUM TANK RELEASE CLEANUP

Purpose: Provide funds for the clean up of leaking petroleum storage tanks. The petroleum tank cleanup fees are collected for the Department of Commerce.

Appr Name:

Legal Citation(s): M.S. 115C.08

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	26,768	25,476	25,000	30,000	30,000	28,256	28,256
Total Departmental Earnings	26,768	25,476	25,000	30,000	30,000	28,256	28,256
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency	26,768	25,476	25,000	30,000	30,000	28,256	28,256
Current Year Resources	0	0	0	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

REVENUE DEPT - OTHER

LAND: DRY CLEANER FEES

Fiscal Report

Revenue Category Description: Drycleaner solvent and operator fees

Requesting a Fee Change: No

Fund: ENVIRONMENTAL, REMEDIATION

Purpose: To provide resources for the cleanup of environmental hazards. The drycleaner solvent and operator fees are collected for the Pollution Control Agency.

Appr Name: DRY CLEANING ENVIROMENTAL, DRYCLEANING ENVIRONMENTAL

Legal Citation(s): M.S.115B.49

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	566	486	88	101	101	101	101
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	566	486	88	101	101	101	101
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency	566	486	88	101	101	101	101
Current Year Resources	0	0	0	0	0	0	0
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	11,815	12,137	12,270	12,776	12,776	12,990	12,990
Total Non-Dedicated Receipts	11,815	12,137	12,270	12,776	12,776	12,990	12,990

<u>Dedicated Receipts:</u>							
General	2	1	1	1	1	1	1
Special Revenue	721	942	931	936	936	941	941
Miscellaneous Agency	1	1	1	1	1	1	1
Total Dedicated Receipts	724	944	933	938	938	943	943

<u>Fund Totals:</u>							
General	11,817	12,138	12,271	12,777	12,777	12,991	12,991
Special Revenue	721	942	931	936	936	941	941
Miscellaneous Agency	1	1	1	1	1	1	1
Departmental Earnings Total	12,539	13,081	13,203	13,714	13,714	13,933	13,933

SECRETARY OF STATE

UNIFORM COMMERCIAL CODE FEES

Fiscal Report

Revenue Category Description: Fees for UCC documents, farm liens and state & federal liens.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To have a central depository for business and financial institutions to obtain information on liens recorded against business across the state.

Appr Name:

Legal Citation(s): M.S. 336.9-(403-407), 413, 5.12, 336A.04, .09

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,512	2,694	2,772	2,770	2,770	2,842	2,842
Total Departmental Earnings	2,512	2,694	2,772	2,770	2,770	2,842	2,842
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,512	2,694	2,772	2,770	2,770	2,842	2,842
<u>Expenditures:</u>							
Direct Expenditures	1,344	532	361	361	361	375	375
Indirect Expenditures							
Total Expenditures	1,344	532	361	361	361	375	375
Current Difference	1,168	2,162	2,411	2,409	2,409	2,467	2,467

Background Information

These fees are collected for filing and searching for UCC & CNS documents

Forecast Basis

The Office of the Secretary of State included the recent changes in the revenue projections.

Recent Changes

Effective August 1, 2004 there was a reduction from \$20 to \$15 for doing UCC filings online, paper filings will continue to be \$20. It is also expected that about a third of the customers who now file with the satellite offices on paper (approximately 1,000 per week) would also convert to online filings, and that would be a revenue increase to the state that would offset the reduction in revenues. We project that these changes will produce a net increase of \$13,000 per fiscal year to the general fund over the current revenues.

Effective July 1, 2004 there was a one-year \$10 per filing increase on CNS filings made at county and state filing offices in Minnesota, only for fiscal year 2005. The \$10 Technology surcharge will be used to bring CNS into the same online filing environment currently used for UCC. The \$10 surcharge is collected and placed in the general fund with projected revenue of \$62,000. In FY 2005 an appropriation of \$62,000 was made to the Office of the Secretary of State to pay the costs of the CNS programming.

Agency Analysis/Requested Changes

The Secretary of State's Office collects revenue far in excess of expenditures. When broken down by separate EARNINGS GROUPS and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

SECRETARY OF STATE

ELECTION FEES

Fiscal Report

Revenue Category Description: Filings for individuals who run for public office. Fees for providing copies of documents.

Requesting a Fee Change: No

Purpose: To have official notification of candidates running for office to be placed on the ballot.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 204B.11, 207A.02, 204C.35, 16A.48

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	83	5	89	7	7	89	89
Total Departmental Earnings	83	5	89	7	7	89	89
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	83	5	89	7	7	89	89
<u>Expenditures:</u>							
Direct Expenditures	894	1,330	1,831	1,737	1,737	1,816	1,816
Indirect Expenditures							
Total Expenditures	894	1,330	1,831	1,737	1,737	1,816	1,816
Current Difference	(811)	(1,325)	(1,742)	(1,730)	(1,730)	(1,727)	(1,727)

Background Information

Candidates file every other year, unless there is a special election. Fees are also collected for providing Maps and copies of documents.

Forecast Basis

The forecast is based on the current statutory fees and history.

Recent Changes

None.

Agency Analysis/Requested Changes

The Secretary of State also has indirect expenditures, which are not delineated in this report.

SECRETARY OF STATE

BUSINESS SERVICES FEES

Fiscal Report

Revenue Category Description: Business Services filing fees, orders fees and Intl. Student exchange fees.

Requesting a Fee Change: No

Fund: GENERAL

Purpose: Primary purpose is to have a central depository for the general public to register and obtain information related to businesses operating in Minnesota.

Appr Name: SECRETARY OF STATE

Legal Citation(s): M.S. 300, 301,302A, 303, 318, 330, 333, & etc.

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	2	1	1	1	1	1	1
Non-Dedicated Receipts	7,942	8,060	8,138	8,160	8,160	8,185	8,185
Total Departmental Earnings	7,944	8,061	8,139	8,161	8,161	8,186	8,186
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	7,944	8,061	8,139	8,161	8,161	8,186	8,186
<u>Expenditures:</u>							
Direct Expenditures	1,138	738	736	780	780	784	784
Indirect Expenditures							
Total Expenditures	1,138	738	736	780	780	784	784
Current Difference	6,806	7,323	7,403	7,381	7,381	7,402	7,402

Background Information

These fees are collected for filing documents for domestic, foreign & non-profit corporations, cooperatives, partnerships, trademarks, assumed names, limited liability companies, and all related documents: for registering foreign exchange students. Also includes fees for orders and expedited fees.

Forecast Basis

The office included the recent changes in the revenue projections.

Recent Changes

For Fiscal year 2005 only, a bill was passed to set the fee for all certificates of limited partnership at \$200 and the fee for amendments at \$100, producing a one-time additional revenue stream of approximately \$75,000 which would be used to offset the one-time costs of the programming required to implement the bill. The two filings under Article 14 of the bill will produce approximately \$2,000 in revenue each fiscal year. In addition, there were other changes such as to the limited liability company statutes and auctioneer license filings. These changes provide for a new kind of business transaction, a conversion where this filing may either change a business corporation into a Limited Liability company or change a Limited Company into a corporation. This change would also produce approximately \$2,000 in revenue each fiscal year. The auctioneer license will remain with the counties and no longer be filed with the Secretary of State, which is approximately a reduction of \$3,300 in revenue each fiscal year.

Agency Analysis/Requested Changes

The Secretary of State's Office collects revenue far in excess of expenditures. When broken down by separate EARNINGS GROUPS and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

SECRETARY OF STATE

COMPUTER INFO FEES DIRECT ACC

Fiscal Report

Revenue Category Description: Fees are charged to offset the costs of providing services for the sale of computer database info.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: Fees are to cover the costs of providing information from our data bases which includes express filings & orders. Credit card fees are also deposited into the Special Revenue fund.

Appr Name: DIRECT ACCESS

Legal Citation(s): M.S. 338.9-418, M.S. 336.9

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	100	160	475	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	721	942	931	936	936	941	941
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	721	942	931	936	936	941	941
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	721	942	931	936	936	941	941
<u>Expenditures:</u>							
Direct Expenditures	661	627	1,406	936	936	941	941
Indirect Expenditures							
Total Expenditures	661	627	1,406	936	936	941	941
Current Difference	60	315	(475)	0	0	0	0
Accumulated Ending Balance	160	475	0	0	0	0	0

Background Information

Fees are charged to offset the costs of providing services from our database.

Forecast Basis

This forecast is based on the current statutory fees and history.

Recent Changes

None.

Agency Analysis/Requested Changes

Fees are charged to offset the costs of providing services for the sale of computer data base information.

SECRETARY OF STATE

ANNUAL REPORT FEES

Fiscal Report

Revenue Category Description: Annual Business Renewals

Requesting a Fee Change: No

Purpose: To file annual registration in order to maintain an accurate data base of public information on businesses.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S.303.07, 302.21, 317A.821, 317A.827, 302A.621

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,694	1,225	1,226	1,230	1,230	1,235	1,235
Total Departmental Earnings	1,694	1,225	1,226	1,230	1,230	1,235	1,235
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,694	1,225	1,226	1,230	1,230	1,235	1,235
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	1,694	1,225	1,226	1,230	1,230	1,235	1,235

Background Information

These fees are collected primarily for filing various annuals reports.

Forecast Basis

The forecast is based on the current statutory fees and history.

Recent Changes

None.

Agency Analysis/Requested Changes

The Secretary of State's Office collects revenue far in excess of expenditures. When broken down by separate EARNINGS GROUPS and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

SECRETARY OF STATE

COMPUTER INFO FEES-VR

Fiscal Report

Revenue Category Description: The fees are from the production of lists of registered voters.

Requesting a Fee Change: No

Purpose: To provide lists of registered voters to the public for a specific use.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 201.091, 16A.48

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	23	15	45	17	17	47	47
Total Departmental Earnings	23	15	45	17	17	47	47
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	23	15	45	17	17	47	47
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	23	15	45	17	17	47	47

Background Information

These fees are collected from the sale of lists of registered voters to the public for a specific use.

Forecast Basis

This forecast is based on the current statutory fees and history.

Recent Changes

None.

Agency Analysis/Requested Changes

The Secretary of State's Office collects revenue far in excess of expenditures. When broken down by separate EARNINGS GROUPS and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

SECRETARY OF STATE

NOTARIES

Fiscal Report

Revenue Category Description: Notary commission fees

Requesting a Fee Change: No

Purpose: When making application for a commission the applicant must submit, along with the information required a nonrefundable fee of \$40.

Fund: GENERAL

Appr Name:

Legal Citation(s): M.S. 359.01, Subd. 3

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	0	0	0	592	592	592	592
Total Departmental Earnings	0	0	0	592	592	592	592
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	0	0	0	592	592	592	592
<u>Expenditures:</u>							
Direct Expenditures	0	0	0	45	45	45	45
Indirect Expenditures							
Total Expenditures	0	0	0	45	45	45	45
Current Difference	0	0	0	547	547	547	547

Background Information

The transfer of the notary function from the Department of Commerce to the Office of the Secretary of State is scheduled to occur at the start of the next biennium. The fees collected will be for new notary commissions and renewals.

Forecast Basis

No changes are anticipated in the fee structure or income to the general fund as a whole, nor any increases or decreases in the costs of administering the programs, other than the allocation just described. Thus the transfer has no net impact.

Recent Changes

Effective FY2006 the transfer of the notary function will occur. The change is reflected in the revenue projections for the Office of the Secretary of State.

Agency Analysis/Requested Changes

The Secretary of State's Office collects revenue far in excess of expenditures. When broken down by separate EARNINGS GROUPS and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	1,212	1,199	1,204	1,196	1,196	1,196	1,196
Total Non-Dedicated Receipts	1,212	1,199	1,204	1,196	1,196	1,196	1,196

<u>Fund Totals:</u>							
State Government Spec Revenue	1,212	1,199	1,204	1,196	1,196	1,196	1,196
Departmental Earnings Total	1,212	1,199	1,204	1,196	1,196	1,196	1,196

SOCIAL WORK BOARD

BOARD OF SOCIAL WORK

Fiscal Report

Revenue Category Description: Fees for applications, initial licensure and licensure renewal, and continuing education fees.

Requesting a Fee Change: Yes

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To ensure that social workers meet the necessary requirements for initial licensure; obtain the supervision and continuing education necessary for licensure renewal; and comply with ethical standards.

Appr Name:

Legal Citation(s): M.S. 148B.18 - 148B.28 and MN Rules 8740

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	750	678	1,025	567	567	728	728
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	1,212	1,199	1,204	1,195	1,195	1,195	1,195
Total Departmental Earnings	1,212	1,199	1,204	1,195	1,195	1,195	1,195
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	19	15	19	15	15	15	15
<u>Resource Reductions:</u>							
Earnings Transferred Out	369	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	862	1,214	1,223	1,210	1,210	1,210	1,210
<u>Expenditures:</u>							
Direct Expenditures	824	778	1,452	908	908	908	908
Indirect Expenditures	110	89	229	141	141	141	141
Total Expenditures	934	867	1,681	1,049	1,049	1,049	1,049
Current Difference	(72)	347	(458)	161	161	161	161
Accumulated Ending Balance	678	1,025	567	728	728	889	889

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audience.
- Review applicant's education and training for compliance with board requirements for licensure.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover all direct and indirect costs. The board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. No changes are anticipated to the amount of revenue generated from licensing and renewal activities. No significant changes are anticipated to the number of professionals licensed.

Recent Changes

The board increased its licensure and renewal fees in 2000.

Requested Changes

None

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Agency Request	Current Law	Agency Request
<u>Non-Dedicated Receipts:</u>							
General	6,519	6,058	6,776	6,302	7,580	6,302	7,901
Total Non-Dedicated Receipts	6,519	6,058	6,776	6,302	7,580	6,302	7,901

<u>Fund Totals:</u>							
General	6,519	6,058	6,776	6,302	7,580	6,302	7,901
Departmental Earnings Total	6,519	6,058	6,776	6,302	7,580	6,302	7,901

STATE AUDITOR

AUDIT FEES

Fiscal Report

Revenue Category Description: AUDIT PRACTICE
DIVISION - AUDIT FEES

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To recover applicable costs related to audit, standards, legal, and support staff, including reimbursable travel expenses, necessary training, and other operating costs of the Audit Practice Division. To recover the costs of audit examinations, which are conducted primarily for the financial reviews of local governments and their related entities.

Appr Name:

Legal Citation(s): M.S. 6.56 to 6.58

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Agency Request	Current Law	Agency Request
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	6,519	6,058	6,776	6,302	7,580	6,302	7,901
Total Departmental Earnings	6,519	6,058	6,776	6,302	7,580	6,302	7,901
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	6,519	6,058	6,776	6,302	7,580	6,302	7,901
<u>Expenditures:</u>							
Direct Expenditures	6,519	6,058	6,776	6,302	7,580	6,302	7,901
Indirect Expenditures							
Total Expenditures	6,519	6,058	6,776	6,302	7,580	6,302	7,901
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

The State Auditor's Audit Practice Division plays a primary role in the Office of the State Auditor's Office (OSA) ability to perform its oversight functions by examining the accounting systems of local governments. Under M.S. 6.58, all costs of the audit examination must be recovered through fees, generating a significant source of reimbursement for the state. These fees are non-dedicated revenues deposited in the General Fund. Audit work is billed on an hourly basis, plus reimbursable travel expenses, for each audited local government.

The Office of the State Auditor is committed to providing quality audit services to - local governments in Minnesota at fees that recover the costs of the examination. Audit staff work closely with local governments to reduce audit costs wherever possible.

Forecast Basis

The current departmental earnings forecast is based on the assumption that the General Fund Expenditure Appropriation for the State Auditor's Audit Practice Division will be the same as the 2005 Appropriation.

Recent Changes

As required by law, the State Auditor reviews fees annually to verify the appropriateness of the fee structure and to ensure that total costs and expenses for examinations are recovered. As approved in conjunction with the Commissioner of Finance, a January 2004 and January 2005 fee increase was deemed necessary to keep the cost recovery formula in balance. The January 2004 and January 2005 increases were due primarily to increasing salary and healthcare costs.

Agency Analysis/Requested Changes

Increasing salary and health care costs continue to put pressure on hourly rates, however the State Auditor is hopeful that an increase in client rates in January 2006 will not be necessary.

The State Auditor has submitted a change item requesting the restoration of staff in the Audit Practice Division to 2003 levels. An increase in the Audit Practice Division is needed to meet the demand by local governments for audits by the State Auditor. Already the State Auditor has had to turn down, or delay, requests from local governments that want (and in some cases need) an audit by the State Auditor. For example, some charter cities in Minnesota require that once in a given number of years that they are audited by the State Auditor. The State Auditor recently had to delay a required audit for the City of Faribault due to the lack of funds and personnel within the Audit Practice Division.

Because the Audit Practice Division recovers its costs, an increase in the Audit Practice Division's appropriation will be off set by an increase in revenue collected for the state General Fund, meaning that an increased appropriation for the Audit Practice Division will have no effect on the bottom line of the General Fund.

The Governor supports this change request because sufficient revenues are raised to cover the associated costs with no impact to the General Fund.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
General	339	337	250	0	0	0	0
Special Revenue	1,229	1,263	1,228	1,228	1,228	1,223	1,223
Total Dedicated Receipts	1,568	1,600	1,478	1,228	1,228	1,223	1,223

<u>Fund Totals:</u>							
General	339	337	250	0	0	0	0
Special Revenue	1,229	1,263	1,228	1,228	1,228	1,223	1,223
Departmental Earnings Total	1,568	1,600	1,478	1,228	1,228	1,223	1,223

SUPREME COURT

DATA PRACTICES/COST OF COPIES

Fiscal Report

Revenue Category Description: Reimbursement for copies

Requesting a Fee Change: No

Purpose: To reimburse the cost of providing copies to library patrons

Fund: SPECIAL REVENUE

Legal Citation(s): M.S. 13.03 Subd. 10

Appr Name: COPY COST REIMB

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	5	5	12	8	8	7	7
<u>Resources:</u>							
Dedicated Receipts	7	7	8	8	8	8	8
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	7	7	8	8	8	8	8
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	7	7	8	8	8	8	8
<u>Expenditures:</u>							
Direct Expenditures	7	0	12	9	9	9	9
Indirect Expenditures							
Total Expenditures	7	0	12	9	9	9	9
Current Difference	0	7	(4)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	5	12	8	7	7	6	6

Background Information

The State Law Library charges library patrons \$.20 per page for the use of library copy equipment to make copies. If library staff makes the copies for the patrons, \$.25 per page is charged. Revenue estimates are based on historic use patterns.

Forecast Basis

The State Law Library will charge a fee adequate to cover the equipment lease, maintenance costs and supplies needed to produce the copies made by library patrons.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

SUPREME COURT

REG OF ATTRNY ACTIONS & ETH PR

Fiscal Report

Revenue Category Description: Fees charged to attorneys for late annual registration.

Requesting a Fee Change: No

Purpose: Fund the operational costs of collecting the annual attorney registration fee.

Fund: SPECIAL REVENUE

Appr Name: ATTORNEY REGIS OPERATIONS, ATTORNEY REGIST OPERATION

Legal Citation(s): M.S. 481.01; Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	312	319	316	311	311	301	301
Resources:							
Dedicated Receipts	85	81	85	85	85	85	85
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	85	81	85	85	85	85	85
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	85	81	85	85	85	85	85
Expenditures:							
Direct Expenditures	78	84	90	95	95	100	100
Indirect Expenditures							
Total Expenditures	78	84	90	95	95	100	100
Current Difference	7	(3)	(5)	(10)	(10)	(15)	(15)
Accumulated Ending Balance	319	316	311	301	301	286	286

SUPREME COURT

REG OF ATTRNY ACTIONS & ETH PR

Narrative

Background Information

The Attorney Registration Office collects registration fee monies from attorneys that regulate the practice of law. This operation is supported solely from late fees collected from attorneys.

Forecast Basis

The projected dedicated revenues and operating costs were based on actual data from prior years. No major changes in the number of clients served or in operating expenses are anticipated in FY06-07. This office will operate within the dedicated revenues collected by the current fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

SUPREME COURT

FEES FR USERS OF TCIS COMP SYS

Fiscal Report

Revenue Category Description: Fees from Users of State Court Computer System

Requesting a Fee Change: No

Fund: GENERAL

Purpose: To cover costs for TCIS data base access for non-court users.

Appr Name: TC1S ACCESS, TCIS ACCESS

Legal Citation(s): M.S. 13.03

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	15	3	3	0	0	0	0
Resources:							
Dedicated Receipts	339	337	250	0	0	0	0
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	339	337	250	0	0	0	0
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	339	337	250	0	0	0	0
Expenditures:							
Direct Expenditures	351	337	253	0	0	0	0
Indirect Expenditures							
Total Expenditures	351	337	253	0	0	0	0
Current Difference	(12)	0	(3)	0	0	0	0
Accumulated Ending Balance	3	3	0	0	0	0	0

SUPREME COURT

FEES FR USERS OF TCIS COMP SYS

Narrative

Background Information

A fee is charged to non-court governmental agencies to access the TCIS database. TCIS is the database containing all court records. Typically, these are court services/probation agencies. Each agency is charged a monthly base rate and a transaction rate.

Forecast Basis

The revenue projections are based on actual prior year receipts. Revenue is expected to decline and be eliminated as MNCIS is rolled out.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

SUPREME COURT

MISCELLANEOUS COURT FEES

Fiscal Report

Revenue Category Description: Alternative dispute resolution registration fee

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To cover the costs of certifying mediators and arbitrators, disseminating a roster statewide, and supporting the activities of the Board.

Appr Name: ALTER DISPUTE RESOLUTION, ALTERNATIVE DISPUTE RESOLUTION

Legal Citation(s): M.S. 481.01

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	43	52	69	83	83	97	97
<u>Resources:</u>							
Dedicated Receipts	51	53	55	55	55	55	55
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	51	53	55	55	55	55	55
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	51	53	55	55	55	55	55
<u>Expenditures:</u>							
Direct Expenditures	42	36	41	41	41	41	41
Indirect Expenditures							
Total Expenditures	42	36	41	41	41	41	41
Current Difference	9	17	14	14	14	14	14
Accumulated Ending Balance	52	69	83	97	97	111	111

Background Information

The Alternative Dispute Resolution Review Board is charged with the responsibility of reviewing the credentials of mediators and arbitrators seeking to be certified for the statewide roster of qualified neutrals distributed to all courts. In addition the Board establishes policies and procedures for the maintenance of the neutral lists. An annual fee is charged to qualified neutrals for registration on the list.

Forecast Basis

The activities of the Board and staff are maintained by the certification and registration fees collected from qualified neutrals. The projected dedicated revenues and operating costs were based on actual data from prior years. No major changes in the number of clients served or in operating costs are anticipated in FY06-07. This office will operate within the dedicated revenues collected by the current fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes are recommended in the current fee structure.

SUPREME COURT

CIVIL LEGAL SERVICES DEDICATED

Fiscal Report

Revenue Category Description: Fees charged to MN attorneys to support legal services for the poor.

Requesting a Fee Change: No

Purpose: To provide partial funding for legal services for the poor by assessing MN attorneys.

Fund: SPECIAL REVENUE

Appr Name: CIVIL LEGAL SERVICE-DED, CIVIL LEGAL SERVICES-DED

Legal Citation(s): M.S. 481.01 and Court Rules

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	26	15	21	21	21	21	21
Resources:							
Dedicated Receipts	1,035	1,077	1,035	1,035	1,035	1,035	1,035
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	1,035	1,077	1,035	1,035	1,035	1,035	1,035
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	1,035	1,077	1,035	1,035	1,035	1,035	1,035
Expenditures:							
Direct Expenditures	1,046	1,071	1,035	1,035	1,035	1,035	1,035
Indirect Expenditures							
Total Expenditures	1,046	1,071	1,035	1,035	1,035	1,035	1,035
Current Difference	(11)	6	0	0	0	0	0
Accumulated Ending Balance	15	21	21	21	21	21	21

SUPREME COURT

CIVIL LEGAL SERVICES DEDICATED

Narrative

Background Information

The Supreme Court collects registration fees from attorneys that regulate the practice of law. A portion of the Attorney Registration Fee is used to support legal services for the poor in Minnesota. This funding is administered by the Legal Services Advisory Committee which is appointed by the Supreme Court. Funds are distributed in the form of grants.

Forecast Basis

Revenue and cost projections were based on actual data from prior years. No major changes in the number of attorneys assessed are anticipated in FY06-07. Grant distribution will be based on the revenue received. This initiative will operate within the dedicated revenues collected by the current fees.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

SUPREME COURT

TESTING/TRAINING INTERPRETERS

Fiscal Report

Revenue Category Description: Fee for testing and training court interpreters

Requesting a Fee Change: No

Purpose: To supplement funding available to train and test court interpreters through a user fee

Fund: SPECIAL REVENUE

Appr Name: INTERPRETER

Legal Citation(s): M.S. 480.175

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	2	26	34	39	39	41	41
Resources:							
Dedicated Receipts	51	45	45	45	45	40	40
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	51	45	45	45	45	40	40
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	51	45	45	45	45	40	40
Expenditures:							
Direct Expenditures	27	37	40	43	43	45	45
Indirect Expenditures							
Total Expenditures	27	37	40	43	43	45	45
Current Difference	24	8	5	2	2	(5)	(5)
Accumulated Ending Balance	26	34	39	41	41	36	36

SUPREME COURT

TESTING/TRAINING INTERPRETERS

Narrative

Background Information

Fees which underwrite the cost of administering a certification and testing program for court interpreters are established by the Supreme Court. The fees vary depending on the estimated costs of the various courses. Course costs vary from \$25-\$125.

Forecast Basis

The revenue forecast is based on the historic number of participants for each of the various courses.

Recent Changes

None.

Agency Analysis/Requested Changes

No changes are recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	212	209	163	165	165	165	165
Trunk Highway	7,629	6,806	7,936	7,936	7,936	7,936	7,936
Total Non-Dedicated Receipts	7,841	7,015	8,099	8,101	8,101	8,101	8,101

<u>Dedicated Receipts:</u>							
Special Revenue	15	31	275	275	275	275	275
State Airports	331	342	500	500	500	500	500
Trunk Highway	3,373	2,673	2,950	2,950	2,950	2,950	2,950
Miscellaneous Agency	0	0	2	2	2	2	2
Total Dedicated Receipts	3,719	3,046	3,727	3,727	3,727	3,727	3,727

<u>Fund Totals:</u>							
General	212	209	163	165	165	165	165
Special Revenue	15	31	275	275	275	275	275
State Airports	331	342	500	500	500	500	500
Trunk Highway	11,002	9,479	10,886	10,886	10,886	10,886	10,886
Miscellaneous Agency	0	0	2	2	2	2	2
Departmental Earnings Total	11,560	10,061	11,826	11,828	11,828	11,828	11,828

TRANSPORTATION DEPT

ADVERTISING PERMITS

Fiscal Report

Revenue Category Description: Permits for the erection of advertising devices along interstate highways

Requesting a Fee Change: No

Fund: TRUNK HIGHWAY

Purpose: To promote the safety of the traveling public, and to conserve the natural beauty of areas adjacent to highways, permits are issued to regulate and control the placement and characteristics of advertising devices along highways.

Appr Name:

Legal Citation(s): MS 173.13, Subd 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	214	494	673	673	852	852
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	543	611	510	510	510	510	510
Total Departmental Earnings	543	611	510	510	510	510	510
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	543	611	510	510	510	510	510
Expenditures:							
Direct Expenditures	279	280	280	280	280	280	280
Indirect Expenditures	50	51	51	51	51	51	51
Total Expenditures	329	331	331	331	331	331	331
Current Difference	214	280	179	179	179	179	179
Accumulated Ending Balance	214	494	673	852	852	1,031	1,031

Background Information

Permits for placement of advertising devices along state highways. This revenue code results in a positive adjustment to the Trunk Highway fund balance.

Forecast Basis

Revenues are expected to remain fairly constant each year of the biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

TRANSPORTATION DEPT

AIRP, COMM, OPER&AIRCRAFT D LI

Fiscal Report

Revenue Category Description: Licenses for airports, aviation dealers, and persons engaged in commercial operations at airports.

Requesting a Fee Change: No

Fund: GENERAL

Appr Name:

Purpose: To promote safety in aeronautics, Mn/DOT will license any person engaged in commercial operations in or at an approved airport, such as an aircraft dealer, or persons involved in air instruction. The agency also issues licenses for airports, restricted landing sites, and other air navigation facilities.

Legal Citation(s): MS 360.015, MS360.63, MS360.018

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(12)	(26)	(39)	(39)	(50)	(50)
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	13	12	13	15	15	15	15
Total Departmental Earnings	13	12	13	15	15	15	15
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	13	12	13	15	15	15	15
<u>Expenditures:</u>							
Direct Expenditures	21	22	22	22	22	22	22
Indirect Expenditures	4	4	4	4	4	4	4
Total Expenditures	25	26	26	26	26	26	26
Current Difference	(12)	(14)	(13)	(11)	(11)	(11)	(11)
Accumulated Ending Balance	(12)	(26)	(39)	(50)	(50)	(61)	(61)

TRANSPORTATION DEPT

AIRP, COMM, OPER & AIRCRAFT D LI

Narrative

Background Information

The aeronautics program promotes aviation and air safety by inspecting and licensing public, private, and personal-use airports, helipads, seaplane bases, and restricted landing areas. Mn/DOT also will license any person engaged in commercial operations at an approved air site in accordance with rules set by state statutes and/or the agency. Aircraft registration also helps offset the cost of maintaining this aspect of the aeronautics program.

Forecast Basis

The number of aeronautics licenses remains fairly stable from year to year.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

TRANSPORTATION DEPT

LABORATORY TESTING & INSPECT

Fiscal Report

Revenue Category Description: Laboratory sampling, testing, and inspection of road materials for other government agencies.

Requesting a Fee Change: No

Fund: TRUNK HIGHWAY

Appr Name:

Purpose: Mn/DOT will test aggregates, soil, concrete, pipes, posts, and other materials to provide technical assistance and to ensure purchase of safe materials being used in capital projects throughout the state. As costs of the service are fully recovered, and Mn/DOT labs and lab personnel are more fully utilized at non-peak times, the benefits of this service are mutual to Mn/DOT and cities or counties.

Legal Citation(s): MS131.69, Subd 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	0	0	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	944	250	1,000	1,000	1,000	1,000	1,000
Total Departmental Earnings	944	250	1,000	1,000	1,000	1,000	1,000
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	944	250	1,000	1,000	1,000	1,000	1,000
<u>Expenditures:</u>							
Direct Expenditures	800	212	847	847	847	847	847
Indirect Expenditures	144	38	153	153	153	153	153
Total Expenditures	944	250	1,000	1,000	1,000	1,000	1,000
Current Difference	0	0	0	0	0	0	0
Accumulated Ending Balance	0	0	0	0	0	0	0

Background Information

As additional state aid funds for counties and municipalities become available for capital projects, there should be an increase in usage of services from MnDOT labs. Rates are reviewed yearly in an attempt to fully recover department costs. Work performed for which no rates exist is charged back on the basis of actual costs as identified in the MAPS system.

Forecast Basis

Revenues are not expected to change dramatically in the next biennium.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

TRANSPORTATION DEPT

MOTOR CARRIER PERMITS & FEES

Fiscal Report

Revenue Category Description: Motor Carrier Permits and Fees

Requesting a Fee Change: No

Fund: GENERAL, TRUNK HIGHWAY

Purpose: Motor carrier permits and fees ensure compliance with state laws, rules, and regulations governing motor carrier operations, so that transportation of persons and property on Minnesota's public highways is safe and meets the needs of carriers, shippers, passengers, and the traveling public.

Appr Name:

Legal Citation(s): MS 221.0355, Subd 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	(417)	(245)	1,076	1,076	2,263	2,263
Resources:							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	4,034	3,926	4,900	4,900	4,900	4,900	4,900
Total Departmental Earnings	4,034	3,926	4,900	4,900	4,900	4,900	4,900
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	4,034	3,926	4,900	4,900	4,900	4,900	4,900
Expenditures:							
Direct Expenditures	4,197	3,540	3,375	3,501	3,501	3,501	3,501
Indirect Expenditures	254	214	204	212	212	212	212
Total Expenditures	4,451	3,754	3,579	3,713	3,713	3,713	3,713
Current Difference	(417)	172	1,321	1,187	1,187	1,187	1,187
Accumulated Ending Balance	(417)	(245)	1,076	2,263	2,263	3,450	3,450

Background Information

Since January 1995, all intrastate for-hire property carriers were made exempt from cab card fees. They are required to register, but at no cost to them. This results in a loss of income to our program. With less emphasis placed on economic regulation there is a transition to more safety training and regulation in the motor carrier program.

Forecast Basis

This activity should remain relatively stable as long as other economic factors in the state maintain consistent motor carrier involvement.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

TRANSPORTATION DEPT

TRANSPORTATION PERMITS

Fiscal Report

Revenue Category Description: Oversize or overweight vehicle permits

Requesting a Fee Change: No

Fund: TRUNK HIGHWAY

Purpose: To regulate the movement of oversize/overweight vehicles on the trunk highway system and to compensate for damage to the highways.

Appr Name:

Legal Citation(s): MS 169.86, Subd 5

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	1,175	2,967	3,917	3,917	4,846	4,846
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	2,228	2,621	1,800	1,800	1,800	1,800	1,800
Total Departmental Earnings	2,228	2,621	1,800	1,800	1,800	1,800	1,800
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	2,228	2,621	1,800	1,800	1,800	1,800	1,800
<u>Expenditures:</u>							
Direct Expenditures	892	702	720	738	738	756	756
Indirect Expenditures	161	127	130	133	133	136	136
Total Expenditures	1,053	829	850	871	871	892	892
Current Difference	1,175	1,792	950	929	929	908	908
Accumulated Ending Balance	1,175	2,967	3,917	4,846	4,846	5,754	5,754

TRANSPORTATION DEPT

TRANSPORTATION PERMITS

Narrative

Background Information

The positive difference of income over expenditures for this permit revenue source continues to accumulate as planned compensation for damage to highways caused by overweight vehicles.

Permits sold in FY03 and FY04:	FY03	FY04
Singles @ \$15	38,037	43,999
Singles over \$15.00	11,707	13,843
Permit revisions	5,031	5,572
Annual Permits	<u>2,899</u>	<u>8,942</u>
Total Permits	57,674	72,356

Forecast Basis

Stable usage for exceptional vehicle access.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current rate structure.

TRANSPORTATION DEPT

AIR TRANSP REVOLVING ACCT.

Fiscal Report

Revenue Category Description: Air Transportation
Revolving Account

Requesting a Fee Change: No

Fund: STATE AIRPORTS

Purpose: To provide air transportation for state officials traveling on government business. The fares for the flights are used to maintain the airplanes and correlating expenses.

Appr Name: AIR TRANSPORT SERVIC

Legal Citation(s): M.S. 360.024

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	418	420	147	0	0	0	0
<u>Resources:</u>							
Dedicated Receipts	331	342	500	500	500	500	500
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	331	342	500	500	500	500	500
<u>Other Resources:</u>							
Earnings Transferred In	11	0	0	0	0	0	0
Rev Collected at Other Agency	0	16	3	3	3	3	3
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	342	358	503	503	503	503	503
<u>Expenditures:</u>							
Direct Expenditures	288	535	551	426	426	426	426
Indirect Expenditures	52	96	99	77	77	77	77
Total Expenditures	340	631	650	503	503	503	503
Current Difference	2	(273)	(147)	0	0	0	0
Accumulated Ending Balance	420	147	0	0	0	0	0

Background Information

The aircraft available in this activity are used for transporting government officials and their staff. This will increase the efficiency of state government by reducing the time necessary for travel involved in governmental duties. Using centrally located air transportation services increases the ability of state government to respond more productively and immediately to constituent needs in Greater Minnesota. The air transportation service is operated as a revolving account. Rates for use of the aircraft are set so that the costs of operating the aircraft, maintenance of the aircraft, and recovery of acquisition costs are covered by the account. Rates are periodically reviewed and adjusted so that the fund maintains a positive balance.

Forecast Basis

This activity operates from a revolving fund, and would expect little change from year to year. Continued department emphasis on electronic communication channels such as electronic conferencing has decreased ridership, but it is predicted that in the next biennium the planes should be back to full passenger capacity.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

TRANSPORTATION DEPT

DOT: MISCELLANEOUS

Fiscal Report

Revenue Category Description: Miscellaneous Income

Requesting a Fee Change: No

Purpose: Miscellaneous revenue includes rent collection on use of highway right of way, revenues from agreements with local governments for highway construction and maintenance, sale of sand, gravel, and salt at cost to other governmental units, and refunds on Mn/DOT accounts receivable.

Fund: SPECIAL REVENUE, TRUNK HIGHWAY, MISCELLANEOUS AGENCY

Appr Name: DAMAGE DEPOSIT, EXCESS R/W RENT, PAVEMENT STRIPE REV ACCT, RAIL BANK MAINTENANCE, TOWER LEASES

Legal Citation(s): MS Chapter 221

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	0	4,030	5,118	7,047	7,047	7,434	7,434
Resources:							
Dedicated Receipts	3,388	2,704	3,227	3,227	3,227	3,227	3,227
Non-Dedicated Receipts	2,159	1,552	2,375	2,375	2,375	2,375	2,375
Total Departmental Earnings	5,547	4,256	5,602	5,602	5,602	5,602	5,602
Other Resources:							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	5,547	4,256	5,602	5,602	5,602	5,602	5,602
Expenditures:							
Direct Expenditures	1,302	2,689	3,119	4,425	4,425	4,425	4,425
Indirect Expenditures	215	479	554	790	790	790	790
Total Expenditures	1,517	3,168	3,673	5,215	5,215	5,215	5,215
Current Difference	4,030	1,088	1,929	387	387	387	387
Accumulated Ending Balance	4,030	5,118	7,047	7,434	7,434	7,821	7,821

Background Information

Mn/DOT Leases, External: Mn/DOT will continue to utilize available resources (vacant land and buildings) in a fiscally prudent manner until needed for construction purposes. Many leases are long-term such as parking for churches, or hay cutting along state roads. Also some lease collections are for inter-governmental co-operation property utilization. These earnings are collected as miscellaneous income and are not identified with specific operating expenditures in the department.

Mn/DOT Agreements with Local Governments: To continue providing Mn/DOT expertise to local units of government for project engineering and finalization. Agreements are billed on an actual time used basis.

Sale of Gravel, Sand, and Salt: The agency sells gravel, sand, and salt to local units of government where locations are convenient, supplies are adequate and at a cost basis. Activity is expected to remain constant at current levels.

Pavement Striping Revenue Account: After extensive analysis it was determined to be more cost effective to the state to own a striper than to keep leasing one whenever that procedure was needed for roadway purposes. By contracted some time and materials out to other agencies, the agency hopes to recover more than the expenses of owning a striping machine, thereby creating a fund for future striper purchases.

Forecast Basis

Road maintenance services regarding the above activities are not scheduled to change in the near future.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
General	39	37	35	35	35	35	35
Total Non-Dedicated Receipts	39	37	35	35	35	35	35

<u>Dedicated Receipts:</u>							
Special Revenue	74	23	40	40	40	40	40
Total Dedicated Receipts	74	23	40	40	40	40	40

<u>Fund Totals:</u>							
General	39	37	35	35	35	35	35
Special Revenue	74	23	40	40	40	40	40
Departmental Earnings Total	113	60	75	75	75	75	75

VETERANS AFFAIRS DEPT

VETERAN'S AFFAIRS

Fiscal Report

Revenue Category Description: Reimbursement for burials and unrestricted donations.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE

Purpose: To collect allowable reimbursement from the federal department of veterans affairs (\$300.00), and donations for the development and maintenance of the cemetery.

Appr Name: CEM DEV & MAINT ACCT-INT-ITC

Legal Citation(s): M.S. 197.236

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	284	307	309	178	178	65	65
<u>Resources:</u>							
Dedicated Receipts	74	23	40	40	40	40	40
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	74	23	40	40	40	40	40
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	8	65	100	100	100	100	100
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	82	88	140	140	140	140	140
<u>Expenditures:</u>							
Direct Expenditures	59	86	271	253	253	205	205
Indirect Expenditures							
Total Expenditures	59	86	271	253	253	205	205
Current Difference	23	2	(131)	(113)	(113)	(65)	(65)
Accumulated Ending Balance	307	309	178	65	65	0	0

Background Information

The department receives a reimbursement of \$300 per veteran burial from the US DVA (federal) for war time veterans. The department currently charges various fees ranging from \$250 to \$750 for dependents of veterans. This department receives private donation which are unrestricted. Donations are usually received from Veterans Organizations who adopt a project at the cemetery. The department follows the State of MN policies and procedures when acquiring any purchases. These are considered gifts and processed with gift acceptance letters through the State Treasurer's Office. We completed a rifle room during the past biennial budget period. That room has proven a comfortable room for the volunteers who help out at the cemetery in numerous ways.

Forecast Basis

Our numbers are based on current burials, lower interest rates, and an increase in the amount of fees we charge for dependents.

Recent Changes

The department is currently funding a full time Groundskeeper position and an intermittent employee from the burial reimbursements.

Agency Analysis/Requested Changes

The commissioner has the authority by statute to change the fees charged for the dependents and will continue to analyze all aspects of the cemetery funding during the next two fiscal years.

VETERANS AFFAIRS DEPT

GUARDIANSHIP FEES

Fiscal Report

Revenue Category Description: Guardianship Fees

Requesting a Fee Change: No

Purpose: To collect fees from guardianship clients to help defray costs for guardianship services. These fees are deposited into the General fund.

Fund: GENERAL

Appr Name:

Legal Citation(s): MS 196.051, Subd 4

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	39	37	35	35	35	35	35
Total Departmental Earnings	39	37	35	35	35	35	35
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	39	37	35	35	35	35	35
<u>Expenditures:</u>							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures	0	0	0	0	0	0	0
Current Difference	39	37	35	35	35	35	35

Background Information

The department collects fees from our guardianship clients, based upon their ability to pay, to help defray costs for the services provided by the State of Minnesota, Department of Veterans Affairs.

Forecast Basis

The forecast is based upon the number of clients we have that fall within our standard for a fee.

Recent Changes

The department currently has approximately 50 guardianship clients. This number is down from approximately 150 clients. Due to budget reductions we have scaled back the number of clients, but hope to increase the number some time in the future. We have reduced our numbers partially through attrition, and help from the US Department of Veterans Affairs.

Agency Analysis/Requested Changes

This department is restricted by the courts, as to the fees we charge. The maximum fee is currently 5% of the client's income per month.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	27,914	28,853	29,598	30,327	30,327	31,076	31,076
Federal	0	43	50	50	50	50	50
Total Dedicated Receipts	27,914	28,896	29,648	30,377	30,377	31,126	31,126

<u>Fund Totals:</u>							
Special Revenue	27,914	28,853	29,598	30,327	30,327	31,076	31,076
Federal	0	43	50	50	50	50	50
Departmental Earnings Total	27,914	28,896	29,648	30,377	30,377	31,126	31,126

VETERANS HOME BOARD

VETERANS COST OF CARE

Fiscal Report

Revenue Category Description: Maintenance charges and VA per diems for services provided to veterans homes residents.

Requesting a Fee Change: No

Fund: SPECIAL REVENUE, FEDERAL

Purpose: To partially recover the cost of care of residents at the state veterans homes.

Appr Name: Various

Legal Citation(s): M.S. 198.34

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Resources:</u>							
Dedicated Receipts	27,914	28,896	29,648	30,377	30,377	31,126	31,126
Non-Dedicated Receipts	0	0	0	0	0	0	0
Total Departmental Earnings	27,914	28,896	29,648	30,377	30,377	31,126	31,126
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts							
<u>Resource Reductions:</u>							
Earnings Transferred Out							
Rev Collected for Other Agency							
Current Year Resources	27,914	28,896	29,648	30,377	30,377	31,126	31,126
<u>Expenditures:</u>							
Direct Expenditures	59,524	58,286	59,887	62,049	62,049	64,457	64,457
Indirect Expenditures							
Total Expenditures	59,524	58,286	59,887	62,049	62,049	64,457	64,457
Current Difference	(31,610)	(29,390)	(30,239)	(31,672)	(31,672)	(33,331)	(33,331)

VETERANS HOME BOARD

VETERANS COST OF CARE

Narrative

Background Information

The veterans homes provide skilled nursing care and domiciliary (board and care) services to veterans and their spouses. These services are provided in nursing homes located in Minneapolis, Hastings, Silver Bay, Luverne, and Fergus Falls.

Forecast Basis

Receipt projections are based on the history of the receipts collected. For maintenance charges this is based on the actual experience of the individual homes – average collected per resident times the projected average census. Per diems received from the U.S. Veteran's Administration are also based on the actual experience of number of residents, by level of care for which per diems were collected, times the per diem rates. Per diem rates are set each year by the Veterans Administration. A 2.5% increase for per diems and maintenance charges has been built into the forecast. Actual increases for per diems can vary from 0% - 10%. Maintenance charges are based on the resident's ability to pay. On July 1 of each year the homes calculate their cost of care, in accordance with our rules. Individual resident's maintenance charges are reviewed and recalculated at least once a year or whenever there is substantial change in the resident's income or assets. The veterans homes are also supported by a direct appropriation from the general fund.

Recent Changes

None.

Agency Analysis/Requested Changes

No change is recommended in the current fee structure.

(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Non-Dedicated Receipts:</u>							
State Government Spec Revenue	288	298	276	286	286	286	286
Total Non-Dedicated Receipts	288	298	276	286	286	286	286

<u>Fund Totals:</u>							
State Government Spec Revenue	288	298	276	286	286	286	286
Departmental Earnings Total	288	298	276	286	286	286	286

VETERINARY MEDICINE BOARD

MN BD OF VETERINARY MEDICINE

Fiscal Report

Revenue Category Description: Fees for licensure, renewal, examination, corporation registration, and administrative penalty

Requesting a Fee Change: No

Fund: STATE GOVERNMENT SPEC REVENUE

Purpose: To ensure that the public receives quality care from competent professionals. To protect Minnesota citizens by ensuring that veterinary practitioners meet and maintain competency standards.

Appr Name:

Legal Citation(s): M.S. 156, M.S. 319B and MN Rules 9100

The beginning and ending accumulated balances do not necessarily represent amounts in an account balance, but are shown to illustrate a five-year trend of cost recovery.

Revenue Category Summary (Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	FY 2006		FY 2007	
				Current Law	Governor Recomm.	Current Law	Governor Recomm.
Accumulated Balance Forward	121	31	116	89	89	92	92
<u>Resources:</u>							
Dedicated Receipts	0	0	0	0	0	0	0
Non-Dedicated Receipts	278	289	272	280	280	280	280
Total Departmental Earnings	278	289	272	280	280	280	280
<u>Other Resources:</u>							
Earnings Transferred In							
Rev Collected at Other Agency							
Other Receipts	10	9	4	6	6	6	6
<u>Resource Reductions:</u>							
Earnings Transferred Out	57	0	0	0	0	0	0
Rev Collected for Other Agency							
Current Year Resources	231	298	276	286	286	286	286
<u>Expenditures:</u>							
Direct Expenditures	200	147	185	166	166	166	166
Indirect Expenditures	121	66	118	117	117	118	118
Total Expenditures	321	213	303	283	283	284	284
Current Difference	(90)	85	(27)	3	3	2	2
Accumulated Ending Balance	31	116	89	92	92	94	94

Background Information

The goal of the board is to promote, preserve and protect the public health, safety, and welfare by providing reasonable assurance that the persons who practice are competent, ethical practitioners with necessary knowledge and skills appropriate to their title and role.

Services provided under this program include:

- License and renew qualified professionals.
- Ensure that only applicants who meet the qualifications for licensure are granted licensure.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, licensees, and unlicensed practitioners.
- Set standards of practice and conduct with licensees.
- Set educational standards.
- Provide information about licensure requirements and standards of practice to the public and other interested audiences.
- Review applicants' education and training for compliance with board requirements for licensure.
- Regulate professional firms owned by licensees.

Forecast Basis

Fees charged to applicants, prospective applicants, licensees, and credentialing agencies are set to recover all direct and indirect costs. The board is fee supported and receives no revenue from the General Fund. Revenues are projected based on actual revenue collected last year. A slight increase is anticipated to the amount of revenue generated from licensing and renewal activities. A slight increase is anticipated to the number of professionals licensed.

Recent Changes

The board increased its licensure and renewal fees in 1999.

Requested Changes

No change is recommended in the current fee structure.

ZOOLOGICAL BOARD

ZOO RECEIPTS

Narrative

The Zoo receipts are exempt from the departmental earnings and cost recovery statute (M.S. 16A.1285) per M.S. 85A.02, Subd. 2. The Zoo receipts are deposited in a special revenue fund account and dedicated to the Zoo.

				FY 2006		FY 2007	
(Dollars in Thousands)	Actual FY 2003	Actual FY 2004	Budgeted FY 2005	Current Law	Governor Recomm.	Current Law	Governor Recomm.
<u>Dedicated Receipts:</u>							
Special Revenue	8,667	8,948	9,244	9,231	9,231	9,231	9,231
Total Receipts	8,667	8,948	9,244	9,231	9,231	9,231	9,231