



January 5, 2009

Senator Richard Cohen, Chair  
Senate Finance Committee  
121 State Capitol  
St. Paul, MN 55155

Representative Loren Solberg, Chair  
House Ways and Means Committee  
443 State Office Building  
St. Paul, MN 55155

Senator Thomas Bakk, Chair  
Senate Tax Committee  
226 State Capitol  
St. Paul, MN 55155

Representative Ann Lenczewski, Chair  
House Tax Committee  
509 State Office Building  
St. Paul, MN 55155

RE: Update: Notice of Reductions Pursuant to M.S. 16A.152, Subd. 4

Dear Senators and Representatives:

The purpose of this letter is to update you on our progress in implementing FY2009 allotment reductions. The attached table details allotment reductions by appropriation account. These allotment reductions total \$228,972,536.

As I indicated in my letter of December 22, 2008, agencies are currently preparing allotment reduction plans for the balance. Additional detail on specific agencies and appropriation accounts to be reduced will be transmitted when these plans are complete.

Again, I appreciate the assistance and cooperation you have provided in helping resolve the current year deficit and will continue to keep you informed of our progress.

Sincerely,

A handwritten signature in black ink that reads "Tom J. Hanson".

Tom J. Hanson  
Commissioner

Enclosure(s)

**FY 2009 Reductions Under M.S. 16A.152, Subdivision 4  
General Fund**

<b>FY 2009 SHORTFALL</b>		<b>\$ 426,300,000</b>
<b>RESERVE</b>		<b>\$ (154,900,000)</b>
<b>TOTAL ALLOTMENT REDUCTIONS</b>		<b>\$ 271,400,000</b>
<b>AGENCY</b>	<b>ITEM</b>	<b>Appropriation ID</b>
<b>REVENUE</b>		
	City Local Gov't Aid	008 53,509,805
	County Program Aid	090 43,948,672
	Residential Market Value Credit	083 12,476,875
	Agricultural Market Value Credit	085 79,958
<b>HUMAN SERVICES</b>		
	New Adult Mental Health Grants	S28 2,000,000
	Existing Mental Health Grants	S21/S28 6,000,000
	Consolidated Chemical Treatment (FB)	S33 17,000,000
	Community Service/Development Grants	S26 99,053
	Housing Grants	S29 250,000
	Limit Growth Disability Waiver Grants	S54 2,717,173
	Adoption Assistance Grants	S42 6,000,000
	Patient Incentive Grants	S98 491,000
	Outreach \$25 Bonus Payments Grants	S98 200,000
	MA Hospital Quarterly Payments Grants	S54 10,000,000
	Medical Education and Research Grants	S54 28,000,000
<b>UNIVERSITY OF MINNESOTA</b>		
	Operations & Maintenance	00U 18,058,784
	Agriculture & Extension Services	01U 1,569,947
	Health Science Special	02U 148,314
	Technology Special	03U 41,735
	System Specials	04U 181,220
<b>MNSCU</b>		
	MNSCU Operating Appropriation	GEN 20,000,000
<b>HOUSING FINANCE AGENCY</b>		
	Disaster Relief Contingency	A62 585,398
	Flood Capacity Building Grant	A66 514,602
	Economic Housing Dev. Challenge	A51 2,600,000
	Rehab Loan Program	A09 300,000
<b>DEED</b>		
	MN Investment Fund	001 700,000
	21st Century Special Revenue	121 1,500,000
<b>TOTAL</b>		<b>\$ 228,972,536</b>