

# Minnesota Biennial Budget

FY 2012 - 2013



2012 - 2013

*Departmental Earnings Report Overview and Summary*  
*Governor's Budget*  
*February 15, 2011*

# DEPARTMENTAL EARNINGS

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### Part three: agency-by-agency departmental earnings reports

In addition to the summary document, each agency with departmental earnings has its own reports, with the following content:

- The agency’s departmental earnings summary (the first page of each agency level document) displays earnings aggregated into Non-Dedicated and Dedicated revenues by fund for each agency.
- A revenue category report for each group of departmental earnings identified and reported by the agency. Each revenue category report consists for three sections: category description, fiscal information and narrative.

These reports are available at: <http://www.mmb.state.mn.us/earn-report-12>

#### **List of agencies with departmental earnings:**

Accountancy Board	Cosmetologist Examiners Board
Administration	Dentistry Board
Agriculture	Dietetics and Nutrition Practice Board
Animal Health Board	Education
Architecture, Engineering Board	Emergency Medical Services Board
Attorney General	Employment and Economic Development
Barber Examiners Board	Explore Minnesota Tourism
Behavioral Health And Therapy Board	Gambling Control Board
Capitol Area Architectural Planning Board	Health
Chiropractic Examiners Board	Historical Society
Combative Sports Commission	Human Rights
Commerce	Human Services
Corrections	Iron Range Resources

# DEPARTMENTAL EARNINGS

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## STATE-WIDE SUMMARY – TABLE OF CONTENTS

***List of agencies with departmental earnings, continued:***

Labor And Industry	Private Detectives Board
Legal Professions Boards	Psychology Board
Marriage and Family Therapy Board	Public Facilities Authority
Mediation Services	Public Safety
Medical Practice Board	Public Utilities Commission
Minnesota Management and Budget	Racing Commission
Natural Resources	Revenue
Nursing Board	Secretary of State
Nursing Home Administrators' Board	Social Work
Office of Higher Education	State Auditor
Optometry Board	Supreme Court
Peace Officers Board	Transportation
Pharmacy Board	Trial Courts
Physical Therapy Board	Veterans Affairs
Podiatric Medicine Board	Veterinary Medicine Board
Pollution Control Agency	Water and Soil Resources Board

# DEPARTMENTAL EARNINGS

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## INTRODUCTION

### Definition and purpose

Departmental earnings are defined<sup>1</sup> as any charge for goods and services and any regulatory, licensure, or other similar charges levied by a state agency and paid by individuals, businesses, or other nonstate entities. It does not include charges between agencies. The purpose of the report is to show whether fees and charges defined as a departmental earning are recovering the cost of the activity for which they are collected.

Departmental earnings must be reviewed in even-numbered years to provide for a structured review and to allow for agency input in the fee setting process as set forth in state statute<sup>2</sup>. All fee changes, i.e., new fees, fee increases and fee decreases must be shown as change items in the biennial budget.

### Cost recovery statutory requirements

All fees must be set at a level that neither significantly over recovers nor under recovers costs<sup>3</sup>. Such costs are to include direct services and overhead costs, unless otherwise provided by law. Statute further requires that recovery of costs be limited to deficits incurred two fiscal years immediately preceding the setting, adjustment or authorization of the departmental earning.

### Report format

The departmental earnings report, similar to agency biennial budget documents, displays actual earnings and expenditures for fiscal years 2009 and 2010, budgeted receipts and expenditures for fiscal year 2011<sup>4</sup>, forecast receipts and expenditures for fiscal years 2011 and 2012 and Governor's recommendations for fiscal years 2012 and 2013. All dollar amounts are expressed to the nearest thousand.

### The departmental earnings report includes three parts:

**Part one: a detailed listing of departmental earnings by agency by category.** The revenue category names on this listing are more detailed than in the agency sections of the report. This additional detail helps the reader identify specific fees and charges more easily.

#### Part two: a statewide departmental earnings summary, which includes:

- Fiscal reports aggregated as follows:
  - Table one: All departmental earnings by revenue class
  - Table two: All departmental earnings by bill area
  - Table three: All departmental earnings by fund group, fund type, alphabetically by fund name
    - Figure one: All departmental earnings by fund type pie chart
    - Figure two: All departmental earnings by fund type bar chart
  - Table four: Dedicated and non-dedicated revenues by fund (alphabetical)
    - Figure three: All departmental earnings by dedicated and non-dedicated revenue pie chart
    - Figure four: All departmental earnings by dedicated and non-dedicated revenue bar chart
  - Table five: All departmental earnings by agency (alphabetical)
- A summary of the Governor's recommendations on changes to departmental earnings.
- A short glossary explaining terms like fund, fund type, revenue class, and revenue category.

#### Part three: agency-by-agency departmental earnings reports, which include:

- The agency's departmental earnings summary (the first page of each agency level document) displays earnings aggregated into non-dedicated and dedicated revenues by fund for each agency.
- A revenue category report for each group of departmental earnings identified and reported by the agency. Each revenue category report consists for three sections: category description, fiscal information and narrative.

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<sup>1</sup> Minnesota Statute 16A.1285, subdivision 1

<sup>2</sup> Minnesota Statutes section 16A.1283

<sup>3</sup> Minnesota Statute 16A.1285, subdivision 2

<sup>4</sup> FY 2011 data is as of July 2010 month end. This was the most recent data available when the budget system was prepared for developing the 2012-13 biennial budget. Agencies may have made additional spending decisions since then; these decisions include potential changes to departmental earnings estimates.

# DEPARTMENTAL EARNINGS

## LIST OF DEPARTMENTAL EARNINGS BY AGENCY

Items marked with an “\*\*” indicate that the Governor recommends a fee change in the category. For further information, see the summary of fee changes later in this summary, the detailed revenue category report in each agency’s departmental earning report (at <http://www.mmb.state.mn.us/earn-report-12> ) or the budget change page in each agency’s budget document (at <http://www.mmb.state.mn.us/gov-bill-11> ).

### Accountancy Board

Accountancy Professional Licensing and Fees

### Administration

Minnesota Geospatial Information office (MnGeo) Service Charges

### Agriculture

Advertising Revenue  
Agricultural Chemical Response and Reimbursement Fee Surcharge \*  
Agricultural Development Bond Loan Application Fee  
Agricultural Improvement Loan Application Administration Fee  
Agricultural Liming Materials Fees  
Agriculture Chemical Superfund Cost Reimbursement  
Alien Farm Registration Filing Fee  
Apiaries Export Certification Fee  
Beverage Inspection Fees  
Commercial Canneries Inspection Fees  
Commercial Feed Inspection Fees  
Consolidated Food License Fees\*  
Dairy Food Licenses  
Dairy Services Fees  
Egg Law Inspection Fees  
Fertilizer Inspection Fees  
Food Handler Plan Review Fees  
Fruit and Vegetable Inspection Dedicated Fees  
Grain Inspection and Weighing Fees  
Grain Licensing and Audit Fees  
Laboratory Services Service Charges  
Livestock Expansion Administration Fees (Application and Loan Origination)  
Livestock License Fees  
Livestock Weighing Charges  
Loan Restructuring Administration Application Fee  
Milk/Cream Buyers and Testers License and Inspection Fees  
Minnesota Grown License Fees  
Nursery Inspection Fees  
Pesticide Regulation - Registration and License Fees  
Phytosanitary (Sanitary From Pests or Pathogens) Certification Fees  
Promotion Councils Service Charges  
Reinspection Fees  
Rural Finance Authority Loan Administration Application Fee  
Seed Inspection Fees  
Seed Potato Inspection Fees  
Statistical Services Charges  
Waste Pesticide Collection Surcharge  
Wholesale Produce Dealers License and Inspection Fees\*

### Animal Health Board

Bovine Tuberculosis Control Assessment Fee  
Chronic Wasting Disease Inspection Fees  
Livestock And Poultry Health License Fees

### Architecture, Engineering Board

Architecture, Engineering, Land Surveying, Landscape Architecture, Geosciences and Interior Design

### Attorney General

Charitable Organization Filing Fees

### Barber Examiners Board

Barbers Licensing, Inspection and Examination Fees

### Behavioral Health and Therapy Board

Alcohol and Drug Counselors’ License Application and Renewal Fees \*  
Behavioral Health and Therapy License Fees

### Capitol Area Architectural Planning Board

Advisory Fees

### Chiropractic Examiners Board

Chiropractic Licensing Fees \*

### Combative Sports Commission

License Fees \*

### Commerce

Auto Theft Prevention Surcharge  
Collections License and Registration Fees  
Currency Exchange License Fees  
Energy Cost Assessments  
Facility Siting and Routing Permit Fees  
Financial Institutions - Examination Fees and Cost Assessments  
Franchise Registration Fees  
Insurance Agent License Fees  
Insurance Company Fees, Fines and Penalties  
Miscellaneous Small Earnings: Fees, Service Charges, Assessments and Fines  
Petroleum Inspection Fees  
Propane - Liquefied Petroleum Gas Fee  
Real Estate License Fees  
Securities Registration and Amendment Fees, Fines and Penalties  
Technology Fee for On-Line Licensing Products  
Telecommunications Access Minnesota Surcharge  
Telemarketing - Do Not Call Enforcement  
Telephone Regulation Costs Assessment  
Unclaimed Property Remittances  
Weights and Measures Service Fees  
Workers Compensation/Self Insurance Application and Filing Fees

### Corrections

Aid to Victim of Crime - Inmate Earnings Deduction  
Charges to Counties - Per Diem Charges for Red Wing and Togo  
Community Supervision - offender Fees  
Corrections Staff at Togo-Rent/Utility Payments  
County Probation Reimbursement for Juvenile Probation and Parole

# DEPARTMENTAL EARNINGS

## LIST OF DEPARTMENTAL EARNINGS BY AGENCY

### Corrections, continued

Dedicated Receipts Miscellaneous - Charges for Services/Sales  
Fee for Services at Togo - Juvenile Per Diem Charges to Counties  
Health Care Co-Payment - Offender Assessment  
Housing Adult Inmates Receipts - Contracts with Units of Government  
Inmate Confinement Surcharges  
Lino-Anoka Service Agreement Receipts  
Out of State Juvenile Jail Certification Fee  
Shared Services Reimbursement from Minnesota State Academies  
Staff and Visitor Meal Fees  
Training Center Usage Fees  
Vocational Work Program Fees

### Cosmetologist Examiners Board

Cosmetology License and Permit Fees and Fines

### Dentistry Board

Dentistry Licensing Fees \*

### Dietetics and Nutrition Practice Board

Dietetics and Nutrition Practitioner Application and License Fees \*

### Education

Administrator Licensure Fees  
Child Nutrition Commodity Rebate Revenue  
Minnesota Career Information System Subscription Fees  
Teacher Licensure Fees

### Emergency Medical Services Board

Emergency Medical Services Licensing Fees  
Data Practices/Cost of Copies Charges

### Employment and Economic Development

Small Business Investment Tax Credit  
Services for the Blind – Operations and Communication Center Earnings  
Trade Office and Marketing Revenue

### Explore Minnesota Tourism

Tourism Marketing Revenue

### Gambling Control Board

Lawful Gambling License and Regulatory Fees

### Health

Adoption Registry Filing and Administrative Fees  
Asbestos Abatement Contractor License, Worker/Site Supervisor Certificate and Project Permit Fees  
Birth Center License Fees  
Body Art Establishment and Technician Licensure Fees  
Copies of Vital Records and Related Services Fees  
Doula Registry Fees  
Drinking Water Service Connection Fee  
E-Health Loan Program Application Fee  
Electronic Health Records Service Provider Application and Certification Fees  
Food, Beverage and Lodging License Fee  
Food Manager Certification Fee  
Funeral Establishment and Funeral Director Licensure Fee  
Health Care Facility License Fees

### Health, continued

Hearing Instrument Dispensers Certification and Examination Fees  
Health Maintenance Organizations/Accountable Provider Networks/County-Based Purchasers Application and Renewal Fees  
Home Care Annual License Fee  
Interpreter Roster Application Fee  
Laboratory Accreditation Fee  
Lead Program License and Certification Fees  
Manufactured Home Park and Recreational License Fees  
Newborn Screening Fee  
Occupational Therapist License Fee  
Plan Review and Inspection Fees for Water Treatment  
Public Pool Plan Review, Inspection, and License Fees  
Radioactive Materials Registration and License Fees  
Specimen Handling Fee  
Speech Language Pathologist and Audiologist Registration Fees  
Statewide Hospitality Facility License Fee  
Surgical Center Filing Fee  
Temporary Nursing Provider Fee  
Well Management Program Fees  
X-Ray Machine Registration and Inspection Fees  
New FY 2012-13 Fee \*

### Historical Society

Historic Structure Rehabilitation Credit Revenue  
Historical Site Admission Fees

### Human Rights

Certificate of Compliance Fees

### Human Services

Alternative Care Premium  
Background Study Fees \*  
Child Support Enforcement Cost Recovery Fee \*  
Licensing Division Fees \*  
Medical Assistance for Employed Persons With Disabilities Premium  
Minnesota Sex Offender Program - Industry Program Fees  
MinnesotaCare Premium  
Nursing Home Advisory Council Fee  
Rental Income on State Property at the Regional Treatment Centers  
Shared Services Revenue for Developmental Disability Mobile Crisis Teams and County Mental Health  
State Facilities Cost of Care Recovery from Third Parties  
Work Activity Program Charges for Services and Sales

### Iron Range Resources

Giants Ridge Golf and Ski Resort, Minnesota Discovery Center, and Other Rent and Receipts

### Labor and Industry

Boiler Licensing, Inspection, and Registration Fees  
Contractor Recovery Fee  
Data Practices/Cost of Copies Charges  
Electrical Licensing and Inspection Fees \*  
Employment Agency License and Examination Fees

# DEPARTMENTAL EARNINGS

## LIST OF DEPARTMENTAL EARNINGS BY AGENCY

### Labor and Industry, continued

Logger Assessments from Wood Mills Based on Number of Cords of Wood Purchased  
Pipefitting Inspection and License Fees  
Plumbing Licensing and Plan Review Fees \*  
Qualified Rehabilitation Consultant Services Billed to Insurers  
Rehabilitation Provider Registration and Managed Care Organization Fees  
Residential Contractor License Fees \*  
State Building Code Permit Fees \*  
Workers Compensation Penalties

### Legal Professions Boards

Certifying Accrediting Agencies and Annual Renewal Fees  
Licensing Attorneys  
Regulating Continuing Legal Education  
Regulation of Attorney Actions and Ethical Practices  
Reimbursement of Clients Defrauded by Attorneys

### Marriage and Family Therapy Board

Marriage and Family Therapist Licensing Fees \*

### Mediation Services

Arbitration Roster Fee

### Medical Practice Board

Medical Practitioner Licensing Fees \*

### Minnesota Management and Budget

Combined Charities Registration Fee  
Public Employees Insurance Program Administration Fee  
Miscellaneous Court Fees (In Treasury Non-Operating)

### Natural Resources

All Terrain Vehicle Registration Fee  
Cross Country Ski Permit Fee  
Department of Natural Resources Miscellaneous Revenues:  
Charges for Sales, Receipts from Cooperative Agreements  
Douglas Lodge: Lodging, Restaurant, and Merchandise Sales  
Fire Fighting Cost Reimbursements  
Forestry Nursery Sales of Seedlings and Seeds  
Game and Fish Licenses, Stamps, Federal Reimbursement \*  
Minerals and Land Earnings and License Fees  
Off Highway Motorcycle Registration and License Fees  
Off Road Vehicle Registrations  
Parks Permits \*  
Snowmobile Registrations, Permits, Licenses, Fees and Fines  
Timber Sales and Related Earnings \*  
Water Recreation Registration and License Fees, Fines, and Restitution \*  
Waters Permits and Fees \*  
Working Capital Merchandise Sales and Rentals

### Nursing Board

Nursing Examination, Registration, Certification, Permit and License Fees \*

### Nursing Home Administrators' Board 8

Board of Nursing Home Administrators - Health Care Facilities  
Annual Fee for Volunteer Health Care Provider Program  
Nursing Home Administrator Registration and License Fees

### Office of Higher Education

Private Post-Secondary Institution Registration Fee  
Registration of Private, For-Profit Career Schools

### Optometry Board

Optometry Profession Application and License Fees \*

### Peace Officers Board

Peace Officer Testing and Licensing Fees  
Driver's License Reinstatement Fees (Non-DWI)

### Pharmacy Board

Pharmacist and Pharmacy Application, Registration and License Fees \*

### Physical Therapy Board \*

Physical Therapist and Physical Therapist Assistant Application and License Fees

### Podiatric Medicine Board

Podiatrist Application and License Fees \*

### Pollution Control Agency

Environmental Assistance: Residential Electronic Waste Manufacturer Registration Fee  
Land: Dry Cleaner Registration and Solvent Fees  
Land: Underground Storage Tank Contractor and Supervisor Certification Fees  
Land: Voluntary Petroleum Investigation and Cleanup Service Fees  
Land: Waste Disposal Facility Operators and Inspectors Certification Fees \*  
Low Level Radioactive Waste Generation Fees  
PCA Income Agreement Revenue  
Water: Waste Water Treatment Operator Certification  
Water: Water Quality Permit and Enforcement Fees

### Private Detectives Board

Private Detective and Protective Agents Licensing Fees

### Psychology Board

Psychology Professional License Fees \*

### Public Facilities Authority

Public Facilities Authority Application and Repayment Fees

### Public Safety

9-1-1 User Fee (Customer Surcharge)  
Crime Alert Member Fee  
Criminal Justice Data Network Monthly Access and Connection Charge  
Driver and Vehicle Services Technology Surcharge \*  
Driver's License and Related Fees  
Emergency Management Hazardous Chemical Report and Hazardous Materials Incident Response Fees  
Fire Insurance Policy Surcharge  
Fire Safety Inspection, Certification, License and Permit Fees  
Fleet Registration Administrative Fee  
Gambling Enforcement Permits, Licenses and Background Check Fees  
Interstate Registration and Reciprocity Filing and License Fees  
Licensing DWI Reinstatement Fee and Surcharge  
Licensing-Motorcycle Endorsement and Renewal Fees

# DEPARTMENTAL EARNINGS

## LIST OF DEPARTMENTAL EARNINGS BY AGENCY

### Public Safety, continued

- Liquor Licensing Fees
- Motor Vehicle Dealers Application and License Fees
- Motor Vehicle Filing Fee
- Motor Vehicle Miscellaneous - Administrative and Inspection Fees and Advertising Revenue
- Motor Vehicle Special Lists Copy Fees and Surcharge
- Motor Vehicle Transfer Registration Fee
- Non-Criminal Justice Requestor Records Processing Fee
- Office of Pipeline Safety Quarterly Inspection Fee
- Patrol Escorts and Air Patrol Service Fees to Non-Government Entities
- Personal Protection Pistol Permit Application and Administration Fees
- Photo Processing Service Fee (Accidents)
- Security Fee for State Capitol Complex Events
- Special Plates and Stickers Fees
- Vehicle Registration and Title Certificate Fee
- Vehicle Registration - Special Revenue

### Public Utilities Commission

- Administrative Hearing Cost Assessment to Utilities
- Energy Regulation Cost Assessment to Gas and Electric Utilities
- Extended Area Service Balloting Charge
- Telephone Assistance Plan Surcharge on Wired Lines
- Telephone Regulation Cost Assessment

### Racing Commission

- Racetrack Ownership, Operating and Professional Licenses

### Revenue

- PCA | Air: Air Quality Fees
- Cigarette and Tobacco License and Fee
- Conditional Use Deed Application Fees on Political Subdivisions
- PCA | Environmental Assistance: E Waste
- Filing Fee for Paper Submission by Commercial Preparer
- Health Impact Fee to offset State Health Costs attributable to Tobacco Use
- PCA | Land: Dry Cleaner Fees
- PCA | Land: Hazardous Waste Fees
- Minnesota Assessors-Education and Licensing Fees
- Commerce | Petroleum Distributor Inspection Fee
- Petroleum Tank Cleanup
- Commerce | Propane - Liquefied Petroleum Gas Fee
- Revenue Recapture Administration Fee on Taxpayers
- PCA | Water: Water Quality Fee

### Secretary of State

- Annual Report Filing and Renewal Fees
- Business Services Filing, Copy and Certification Fees
- Computer Information Fees - Direct Access
- Computer Information Fees-Voter Registration Lists
- Election Fees - Candidate Filing, Copy and Certification Fees
- Notary Commission and Renewal Fees
- Uniform Commercial Code Filing and Copy Fees

### Social Work

- Social Worker Application and Licensing Fees \*

### State Auditor

- Audit Fees Paid by Local Governments

### Supreme Court

- Civil Legal Services Fees on Attorneys (Dedicated)
- Data Practices/Cost of Copies Charges (Library Patrons)
- Fees for Filing Appeals

### Supreme Court, continued

- Fees from County Users of Minnesota Court Information System
- Licensing Attorneys
- Miscellaneous Court Fees - Alternative Dispute Resolution Registration Fee
- Registration of Attorney Actions and Ethical Practices - Late Fee
- Testing/Training Fee for Court Interpreters

### Transportation

- Advertising Permit Fees along Interstate Highways
- Air Transportation Fees on State officials' Travel (Revolving Account)
- Airport, Commercial, Operations and Aircraft Dealer Registration, Inspection, and License Fees
- Department of Transportation Miscellaneous Revenue: Rent, Sales and Service Charges, Rail Inspection Assessment
- Highway Toll Revenue (MN/Pass Fees)
- Motor Carrier Permits and Fees (Cab Card Fee)
- Motor Vehicle Miscellaneous Fee (Sales Tax on Rentals In Excess of Motor Vehicle License Tax)
- Rental Income on Radio Tower Space
- Transportation Permits - Oversize or Overweight Vehicle Permit Fees

### Trial Courts

- Miscellaneous Court Fees - Court Participation Fees on Specialty Court Clients
- Uniform Commercial Code Fees

### Veterans Affairs

- Veteran's Affairs - Veteran Burial Federal Reimbursement and Family Member Burial Fees
- Veterans Cost of Care - Individual Maintenance Fees and Federal Veterans Administration Reimbursements

### Veterinary Medicine Board

- Veterinary Medicine Profession Application and License Fees \*

### Water and Soil Resources Board

- Wetland Banking Establishment and Transaction Fees



## DEPARTMENTAL EARNINGS

TABLE ONE: ALL DEPARTMENTAL EARNINGS BY REVENUE CLASS

(dollars in thousands)

Revenue Class	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm	2012-2013 Percent of Total
User service charges	859,242	863,780	847,920	874,891	888,630	64%
Business/Regulatory fees	293,245	283,728	296,194	300,912	320,685	23%
Occupational licenses	56,846	65,654	62,741	62,263	61,622	4%
Assessments	100,818	108,091	113,983	116,789	116,782	8%
Other	1,687	820	7,947	8,564	8,594	1%
<b>Total - all classes</b>	<b>1,311,838</b>	<b>1,322,073</b>	<b>1,328,785</b>	<b>1,363,419</b>	<b>1,396,313</b>	<b>100%</b>
					Percent change 2011-2012	3%
					Percent change 2012-2013	2%

Notes:

(1) This state-wide summary table contains departmental earnings for agencies which are exempt from departmental earnings requirements as presented in part 3 of this report, the agency-by-agency reports.

(2) Some departmental earnings are earned in conjunction with internal charges. For example, there are external and internal components of insurance administration charges. The external components are combined with the internal components are combined with the internal components and are recorded together in the internal service funds.

## DEPARTMENTAL EARNINGS

TABLE TWO: ALL DEPARTMENTAL EARNINGS BY LEGISLATIVE BILL AREA

(dollars in thousands)

Bill Area	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm	2012-2013 Percent of Total
Agriculture and Veterans	54,073	56,430	57,949	59,692	59,811	4%
Economic Development	40,221	46,417	45,292	48,231	47,382	3%
Environment, Energy and Natural Resources	366,452	349,233	362,015	381,017	418,598	29%
Health and Human Services	277,525	284,245	271,775	281,754	284,191	21%
Higher Education	231	242	298	298	298	0%
K-12 Education	7,021	7,564	7,596	7,596	7,596	1%
Public Safety	27,103	28,520	30,263	27,550	27,441	2%
State Government	339,670	343,391	341,766	339,873	333,659	24%
Transportation	199,542	206,031	211,831	217,408	217,337	16%
<b>Total - All Bill Areas</b>	<b>1,311,838</b>	<b>1,322,073</b>	<b>1,328,785</b>	<b>1,363,419</b>	<b>1,396,313</b>	<b>100%</b>
					Percent change 2011-2012	3%
					Percent change 2012-2013	2%

Notes:

(1) This state-wide summary table contains departmental earnings for agencies which are exempt from departmental earnings requirements as presented in part 3 of this report, the agency-by-agency reports.

(2) Some departmental earnings are earned in conjunction with internal charges. For example, there are external and internal components of insurance administration charges. The external components are combined with the internal components are combined with the internal components and are recorded together in the internal service funds.

# DEPARTMENTAL EARNINGS

TABLE THREE: ALL DEPARTMENTAL EARNINGS BY FUND GROUP, FUND TYPE, BY FUND NAME

(dollars in thousands)

Fund Name	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm
<b>FIDUCIARY FUNDS</b>					
<b>Agency Funds</b>					
MISCELLANEOUS AGENCY	7,840	2,551	9,018	9,326	9,326
<b>GOVERNMENTAL FUNDS</b>					
GENERAL FUND	277,003	284,414	276,788	267,821	267,221
				General Fund percent change 2011-2012	-3%
				General Fund percent change 2012-2013	-0.2%
<b>Permanent Funds</b>					
PERMANENT SCHOOL ENDOWMENT	24,958	18,944	25,426	31,869	32,379
<b>Special Revenue Funds</b>					
911 EMERGENCY	52,676	60,228	63,695	68,216	68,330
AGRICULTURE 18,	532	19,345	20,050	20,706	20,825
AIR TRANSPORTATION REVOLVING	633	642	500	500	500
ALL-TERRAIN VEHICLE	4,325	4,383	4,471	4,471	4,471
COMPUTERIZED LICENSING DEER/BEAR MANAGEMENT	1,155	1,038	1,040	1,095	1,095
CONSTRUCTION CODE	23,701	24,187	24,521	25,754	25,917
CROSS COUNTRY SKI	272	264	283	283	283
DEER HABITAT IMPROVEMENT	1,527	1,378	1,380	1,400	1,400
DNR - DOUGLAS LODGE	2,168	2,198	2,245	2,285	2,330
DNR - WORKING CAPITAL	2,855	3,083	3,215	3,337	3,468
DNR-FOREST MGMT - NURSERIES	2,013	1,679	1,950	1,950	1,950
DOUGLAS J JOHNSON ECONOMIC PROTECTION	140	140	140	140	140
ENVIRONMENTAL	51,114	52,007	58,044	58,303	58,472
FEDERAL	24,153	14,180	-	-	-
FEDERAL STIMULUS	-	1,745	-	-	-
FOREST MANAGEMENT INVESTMENT	4,301	4,429	4,202	4,202	4,202
GAME AND FISH (OPERATIONS)	75,951	77,614	75,627	81,108	88,510
GIANTS RIDGE GOLF AND SKI RESORT	3,969	3,942	4,419	4,419	4,419
GIFT	(4)	(4)	2	2	2
HEALTH CARE ACCESS	15,510	(132)	-	-	-
HEALTH IMPACT	211,654	215,359	195,394	195,394	195,394
HEALTH RELATED BOARDS	18,198	18,882	18,396	18,800	18,992
HIGHWAY USERS TAX DISTRIBUTION	-	4,247	3,410	3,410	3,410
INVASIVE SPECIES	1,362	1,402	1,351	4,506	5,758
IRON RANGE RESOURCES AND REHABILITATION	24	5	50	50	50
LAND AQUISITION	36	81	159	75	75
LIFETIME FISH AND WILDLIFE TRUST	568	597	873	873	873
MINERAL MANAGEMENT	5,070	2,700	6,275	8,321	8,759
MINING ADMINISTRATION	661	497	462	625	625
NATURAL RESOURCE MISCELLANEOUS STATUTORY	278	940	920	6,110	6,115
OFF-HIGHWAY MOTORCYCLE	159	150	162	162	162
OFF-ROAD VEHICLE	39	36	45	45	45
OTHER MISCELLANEOUS SPECIAL REVENUE	-	-	35,189	36,145	36,145
OUTDOOR HERITAGE	-	-	-	-	-
PETROLEUM TANK RELEASE CLEANUP	22,891	13,094	26,438	26,438	46,005
PHEASANT HABITAT IMPROVEMENT	840	752	780	780	780
REMEDICATION 100	-	1,188	1,407	1,382	1,382
RESTRICTED MISCELLANEOUS SPECIAL REVENUE	250,025	281,013	261,485	266,099	269,032
SNOWMOBILE	6,254	6,451	6,660	6,660	6,660
STATE AIRPORTS	11	13	10	10	10
STATE GOVERNMENT SPECIAL REVENUE	38,275	40,998	41,096	47,655	47,824
STATE PARK	10,732	11,193	11,470	11,696	11,931
TRANSPORTATION REVOLVING	-	-	20	20	20
TROUT AND SALMON MANAGEMENT	875	892	875	875	875
TRUNK HIGHWAY	17,174	11,035	12,426	12,776	12,776
WALLEYE STAMP	33	147	145	145	145
WATER RECREATION	7,666	7,826	7,882	8,582	8,582
WATERFOWL HABITAT IMPROVEMENT	651	617	613	600	600
WILD RICE MANAGEMENT	39	54	54	45	45
WILD TURKEY MANAGEMENT	197	208	213	205	205
WILDLIFE ACQUISITION SURCHARGE	1,879	1,826	1,825	1,825	1,825
WORKERS COMPENSATION	3,964	4,170	3,660	3,660	3,660
<b>Subtotal - Special Revenue Funds</b>	<b>884,646</b>	<b>898,719</b>	<b>905,529</b>	<b>942,140</b>	<b>975,074</b>
				Special Revenue Funds percent change 2011-2012	4%
				Special Revenue Funds percent change 2012-2013	3%
<b>SUBTOTAL - GOVERNMENTAL FUNDS</b>	<b>1,186,607</b>	<b>1,202,077</b>	<b>1,207,743</b>	<b>1,241,830</b>	<b>1,274,674</b>
				Governmental Funds percent change 2011-2012	3%
				Governmental Funds percent change 2012-2013	3%

**DEPARTMENTAL EARNINGS**

**TABLE THREE: ALL DEPARTMENTAL EARNINGS BY FUND GROUP, FUND TYPE, BY FUND NAME**

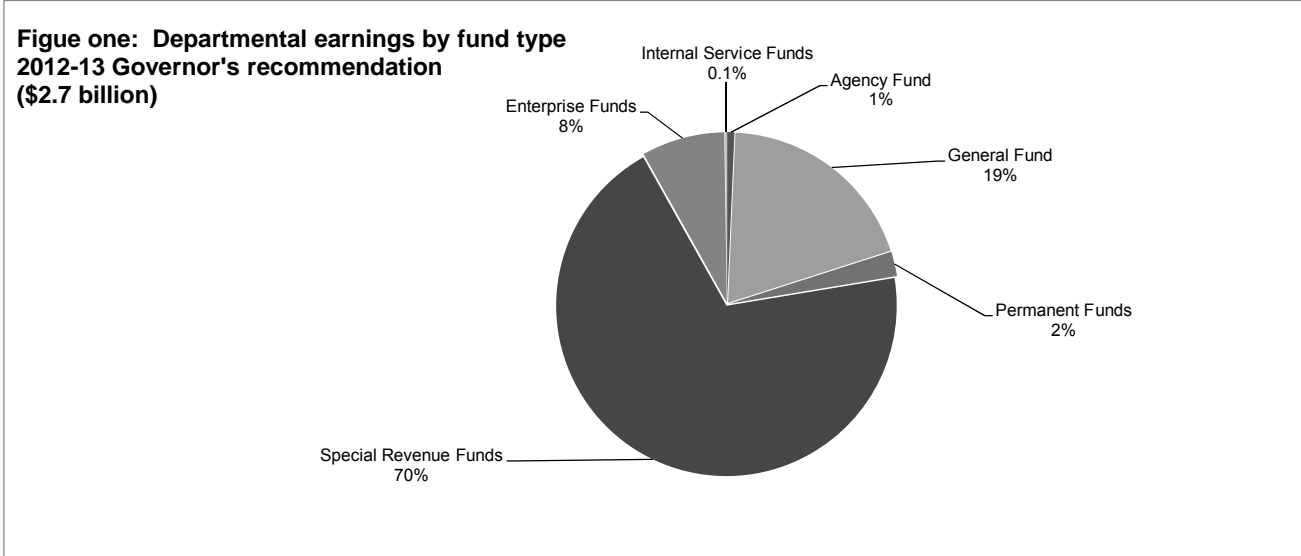
(dollars in thousands)

Fund Name	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm
<b>PROPRIETARY FUNDS</b>					
<b>Component Unit Proprietary Funds</b>					
CLEAN WATER REVOLVING	-	2,113	2,100	2,100	2,100
DRINKING WATER REVOLVING	-	542	600	700	710
<b>Subtotal - Component Unit Proprietary Funds</b>	<b>-</b>	<b>2,655</b>	<b>2,700</b>	<b>2,800</b>	<b>2,810</b>
				Component Unit Proprietary Funds Percent change 2011-2012	4%
				Component Unit Proprietary Funds Percent change 2012-2013	0.4%
<b>Enterprise Funds</b>					
CORRECTIONAL INDUSTRIES	1,076	1,869	1,300	1,300	1,300
DHS CHEMICAL DEPENDENCY SERVICES	19,173	20,264	20,933	20,933	20,933
MINNESOTA STATE INDUSTRIES	517	937	898	898	898
MN STATE OPERATED COMMUNITY SERVICES	81,210	82,066	81,012	81,012	81,012
SOS BRAIN INJURY AND ADOLESCENT SERVICES	12,437	6,773	2,128	2,128	2,128
<b>Subtotal - Enterprise Funds</b>	<b>114,413</b>	<b>111,909</b>	<b>106,271</b>	<b>106,271</b>	<b>106,271</b>
				Enterprise Funds percent change 2011-2012	0%
				Enterprise Funds percent change 2012-2013	0%
<b>Internal Service Funds</b>					
ADMINISTRATIVE HEARINGS	2,180	2,066	2,250	2,250	2,280
PUBLIC EMPLOYEES INSURANCE	440	443	430	569	579
STATE EMPLOYEES INSURANCE	354	368	367	367	367
WORKERS COMPENSATION TRANSCRIPT	4	4	6	6	6
<b>Subtotal - Internal Service Funds</b>	<b>2,978</b>	<b>2,881</b>	<b>3,053</b>	<b>3,192</b>	<b>3,232</b>
				Internal Service Funds percent change 2011-2012	5%
				Internal Service Funds percent change 2012-2013	1%
<b>SUBTOTAL - PROPRIETARY FUNDS</b>	<b>117,391</b>	<b>117,445</b>	<b>112,024</b>	<b>112,263</b>	<b>112,313</b>
				Proprietary Funds percent change 2011-2012	0.2%
				Proprietary Funds percent change 2012-2013	0.04%
<b>GRAND TOTAL - ALL FUNDS</b>	<b>1,311,838</b>	<b>1,322,073</b>	<b>1,328,785</b>	<b>1,363,419</b>	<b>1,396,313</b>
				All funds percent change 2011-2012	3%
				All funds percent change 2012-2013	2%

Notes:

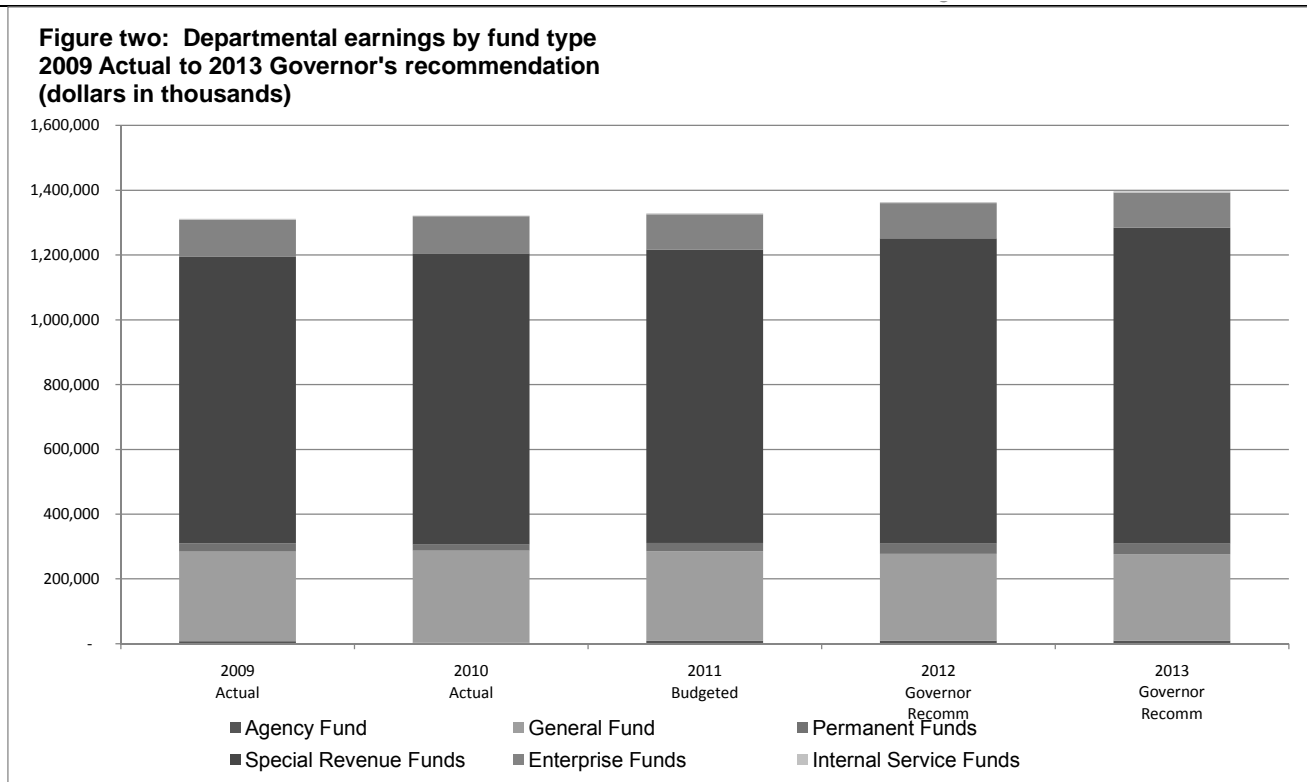
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(2) Some departmental earnings are earned in conjunction with internal charges. For example, there are external and internal components of insurance administration charges. The external components are combined with the internal components and are recorded together in the internal service funds.



**DEPARTMENTAL EARNINGS**

**TABLE THREE: ALL DEPARTMENTAL EARNINGS BY FUND GROUP, FUND TYPE, BY FUND NAME**



# DEPARTMENTAL EARNINGS

## TABLE FOUR: NON-DEDICATED AND DEDICATED REVENUES BY FUND NAME

(dollars in thousands)

Fund name	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm
<b><u>DEDICATED REVENUE</u></b>					
911 EMERGENCY			63,695	68,216	68,330
ADMINISTRATIVE HEARINGS			2,250	2,250	2,280
AGRICULTURE			20,050	20,706	20,825
AIR TRANSPORTATION REVOLVING			500	500	500
ALL-TERRAIN VEHICLE			220	220	220
CLEAN WATER REVOLVING			2,100	2,100	2,100
COMPUTERIZED LIC DEER/BEAR MANAGEMENT			345	345	345
CONSTRUCTION CODE			24,521	25,754	25,917
CORRECTIONAL INDUSTRIES			1,300	1,300	1,300
CROSS COUNTRY SKI			283	283	283
DHS CHEMICAL DEPENDENCY SERVICES			20,933	20,933	20,933
DEER HABITAT IMPROVEMENT			-	1,400	1,400
DNR - DOUGLAS LODGE			2,245	2,285	2,330
DNR - WORKING CAPITAL			3,215	3,337	3,468
DNR-FOREST NURSERIES			1,950	1,950	1,950
DOUGLAS J JOHNSON ECONOMIC PROTECTION			140	140	140
DRINKING WATER REVOLVING			600	700	710
ENVIRONMENTAL			160	-	-
FEDERAL			-	-	-
FEDERAL STIMULUS			-	-	-
FOREST MANAGEMENT INVESTMENT			-	4,202	4,202
GAME AND FISH (OPERATIONS)			3,949	3,949	3,949
GENERAL			15	15	15
GIANTS RIDGE GOLF AND SKI RESORT			4,419	4,419	4,419
GIFT			2	2	2
HEALTH CARE ACCESS			-	-	-
HEALTH RELATED BOARDS			1	18,800	18,992
IRON RANGE RESOURCES AND REHABILITATION			50	50	50
LAND AQUISITION			159	75	75
MINNESOTA STATE INDUSTRIES			898	898	898
MISCELLANEOUS AGENCY			9,018	9,326	9,326
MN STATE OPERATED COMMUNITY SERVICES			81,012	81,012	81,012
NATURAL RESOURCE MISCELLANEOUS STATUTORY			920	6,110	6,115
OFF-HIGHWAY MOTORCYCLE			10	10	10
OFF-ROAD VEHICLE			5	5	5
OTHER MISCELLANEOUS SPECIAL REVENUE			35,189	36,145	36,145
PERMANENT SCHOOL			25,426	31,869	32,379
PHEASANT HABITAT IMPROVEMENT			-	780	780
PUBLIC EMPLOYEES INSURANCE			430	569	579
REMEDATION			1,315	1,290	1,290
RESTRICTED MISCELLANEOUS SPECIAL REV			261,485	266,016	268,949
SNOWMOBILE			335	335	335
SOS BRAIN INJURY AND ADOLESCENT SERVICES			2,128	2,128	2,128
STATE EMPLOYEES INSURANCE			367	367	367
STATE PARK			1	11,696	11,931
TRANSPORTATION REVOLVING			20	20	20
TROUT AND SALMON MANAGEMENT			-	875	875
TRUNK HIGHWAY			4,303	4,303	4,303
WALLEYE STAMP			-	145	145
WATER RECREATION			636	636	636
WATERFOWL HABITAT IMPROVEMENT			-	600	600
WILD RICE MANAGEMENT			54	45	45
WILD TURKEY MANAGEMENT			-	205	205
WILDLIFE ACQUISITION SURCHARGE			-	1,825	1,825
WORKERS COMPENSATION TRANSCRIPT			6	6	6
WORKERS COMPENSATION			3,084	3,084	3,084
<b>Subtotal - Dedicated Revenue</b>			<b>579,744</b>	<b>644,231</b>	<b>648,728</b>
				Dedicated revenue percent change 2011-2012	11%
				Dedicated revenue percent change 2012-2013	1%
<b><u>NON-DEDICATED REVENUE</u></b>					
ALL-TERRAIN VEHICLE			4,251	4,251	4,251
COMPUTERIZED LIC DEER/BEAR MANAGEMENT			695	750	750
DEER HABITAT IMPROVEMENT			1,380	-	-
ENVIRONMENTAL			57,884	58,303	58,472
FOREST MANAGEMENT INVESTMENT			4,202	-	-
GAME AND FISH (OPERATIONS)			71,678	77,159	84,561
GENERAL			276,773	267,806	267,206

# DEPARTMENTAL EARNINGS

## TABLE FOUR: NON-DEDICATED AND DEDICATED REVENUES BY FUND NAME

(dollars in thousands)

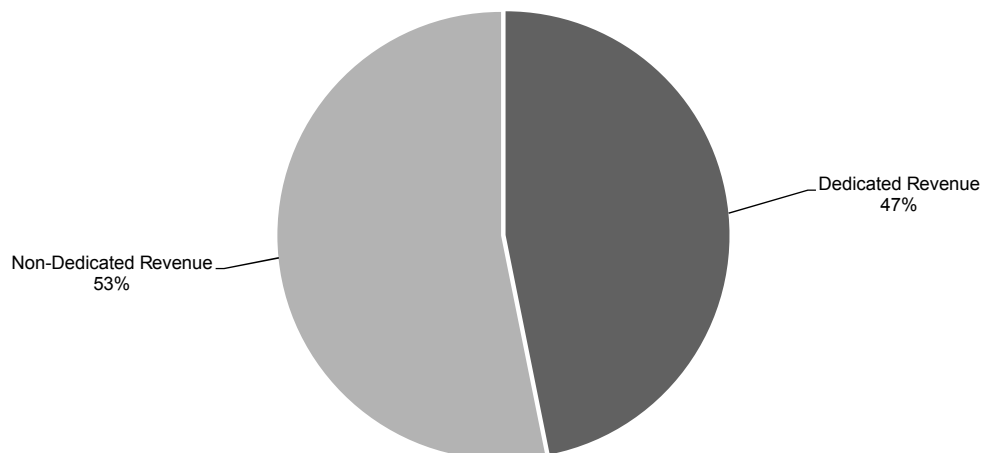
Fund name	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm
<b>NON-DEDICATED REVENUE, Continued</b>					
HEALTH IMPACT			195,394	195,394	195,394
HEALTH RELATED BOARDS			18,395	-	-
HIGHWAY USERS TAX DISTRIBUTION			3,410	3,410	3,410
INVASIVE SPECIES			1,351	4,506	5,758
LIFETIME FISH AND WILDLIFE TRUST			873	873	873
MINERAL MANAGEMENT			6,275	8,321	8,759
MINING ADMINISTRATION			462	625	625
OFF-HIGHWAY MOTORCYCLE			152	152	152
OFF-ROAD VEHICLE			40	40	40
PETROLEUM TANK RELEASE CLEANUP			26,438	26,438	46,005
PHEASANT HABITAT IMPROVEMENT			780	-	-
REMEDICATION			92	92	92
RESTRICTED MISCELLANEOUS SPECIAL REVENUE			-	83	83
SNOWMOBILE			6,325	6,325	6,325
STATE AIRPORTS			10	10	10
STATE GOVERNMENT SPECIAL REVENUE			41,096	47,655	47,824
STATE PARK			11,469	-	-
TROUT AND SALMON MANAGEMENT			875	-	-
TRUNK HIGHWAY			8,123	8,473	8,473
WALLEYE STAMP			145	-	-
WATER RECREATION			7,246	7,946	7,946
WATERFOWL HABITAT IMPROVEMENT			613	-	-
WILD TURKEY MANAGEMENT			213	-	-
WILDLIFE ACQUISITION SURCHARGE			1,825	-	-
WORKERS COMPENSATION			576	576	576
<b>Subtotal - Non-Dedicated Revenue</b>			<b>749,041</b>	<b>719,188</b>	<b>747,585</b>
				Non-dedicated revenue percent change 2011-2012	-4%
				Non-dedicated revenue percent change 2012-2013	4%
<b>GRAND TOTAL - ALL FUNDS</b>			<b>1,328,785</b>	<b>1,363,419</b>	<b>1,396,313</b>
				All funds percent change 2011-2012	3%
				All funds percent change 2012-2013	2%

Notes:

(1) This state-wide summary table contains departmental earnings for agencies which are exempt from departmental earnings requirements as presented in part 3 of this report, the agency-by-agency reports.

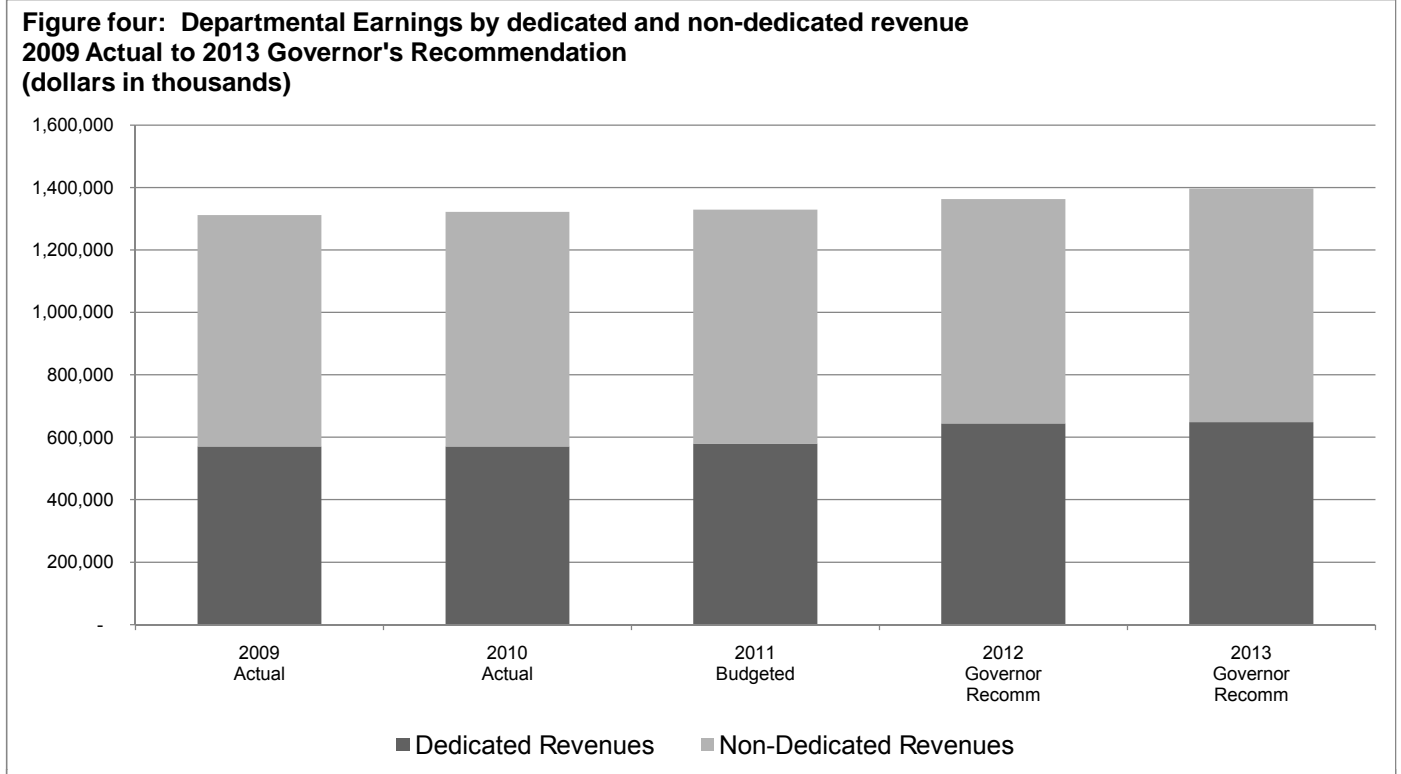
(2) Some departmental earnings are earned in conjunction with internal charges. For example, there are external and internal components of insurance administration charges. The external components are combined with the internal components

**Figure three: Departmental earnings by dedicated and non-dedicated revenue  
2012-13 Governor's recommendation  
(\$2.7 billion)**



**DEPARTMENTAL EARNINGS**

**TABLE FOUR: NON-DEDICATED AND DEDICATED REVENUES BY FUND NAME**



## DEPARTMENTAL EARNINGS

TABLE FIVE: ALL DEPARTMENTAL EARNINGS BY AGENCY

(dollars in thousands)

Agency name	2009 Actual	2010 Actual	2011 Budgeted	2012 Governor Recomm	2013 Governor Recomm	2012-2013 Percent of Total
ACCOUNTANCY BOARD	904	1,412	860	860	860	0.06%
ADMINISTRATION 609		591	907	730	730	0.05%
ADMINISTRATIVE HEARINGS	2,207	2,094	2,285	2,285	2,315	0.17%
AGRICULTURE 21,878		22,809	23,252	24,035	24,154	1.75%
ANIMAL HEALTH BOARD	348	680	48	48	48	0.00%
ARCHITECTURE, ENGINEERING BOARD	689	2,026	675	1,675	675	0.09%
ATTORNEY GENERAL	529	557	550	550	550	0.04%
BARBER EXAMINERS BOARD	-	215	262	258	258	0.02%
BEHAVIORAL HEALTH AND THERAPY BOARD	676	762	852	729	832	0.06%
CAPITOL AREA ARCHITECT	1	8	7	1	1	0.00%
CENTER FOR ARTS EDUCATION	48	46	59	59	59	0.00%
CHIROPRACTIC EXAMINERS BOARD	700	776	715	723	731	0.05%
COMBATIVE SPORTS COMMISSION	142	67	63	154	154	0.01%
COMMERCE 132,102		129,226	122,248	120,863	146,801	9.70%
CORRECTIONS 18,518		18,327	19,262	19,022	19,013	1.38%
COSMETOLOGIST EXAMINERS BOARD	1,501	1,372	1,442	1,843	1,803	0.13%
DENTISTRY BOARD	1,302	1,414	1,610	1,670	1,679	0.12%
DIETETICS AND NUTRITION PRACTICE	81	81	79	79	78	0.01%
EDUCATION 6,973		7,518	7,537	7,537	7,537	0.55%
EMERGENCY MEDICAL SERVICES BOARD	82	109	83	113	83	0.01%
EMPLOYMENT AND ECONOMIC DEVELOPMENT	655	708	936	835	855	0.06%
EXPLORE MINNESOTA TOURISM	1,117	976	1,267	1,267	1,267	0.09%
GAMBLING CONTROL BOARD	1,453	1,655	1,595	1,595	1,595	0.12%
HEALTH 38,248		40,969	41,069	41,601	41,770	3.02%
HISTORICAL SOCIETY	1,037	1,058	945	957	955	0.07%
HUMAN RIGHTS	75	55	51	51	51	0.00%
HUMAN SERVICES	221,323	224,609	212,553	221,567	223,673	16.13%
IRON RANGE RESOURCES	4,133	4,087	4,609	4,609	4,609	0.33%
LABOR AND INDUSTRY	30,042	31,804	31,483	32,926	33,089	2.39%
MARRIAGE AND FAMILY THERAPY BOARD	261	272	299	323	346	0.02%
MEDIATION SERVICES	1	5	5	5	5	0.00%
MEDICAL PRACTICE BOARD	4,844	4,924	4,949	4,977	5,037	0.36%
MINNESOTA MANAGEMENT AND BUDGET	49,053	56,417	57,556	57,294	57,304	4.15%
NATURAL RESOURCES	187,586	174,913	190,518	209,808	221,188	15.62%
NURSING BOARD	5,250	5,663	5,105	5,041	5,041	0.37%
NURSING HOME ADMIN BOARD	200	198	195	197	197	0.01%
OFFICE OF HIGHER EDUCATION	231	242	298	298	298	0.02%
OFFICE OF THE STATE AUDITOR	6,147	7,335	7,493	6,858	6,996	0.50%
OPTOMETRY BOARD	124	119	115	115	115	0.01%
PEACE OFFICERS BOARD	536	364	536	536	536	0.04%
PHARMACY BOARD	1,695	1,663	1,533	1,991	1,991	0.14%
PHYSICAL THERAPY BOARD	435	442	423	420	420	0.03%
PODIATRIC MEDICINE BOARD	89	96	86	96	86	0.01%
POLLUTION CONTROL AGENCY	26,316	25,099	26,151	26,282	26,451	1.91%
PRIVATE DETECTIVES BOARD	162	119	138	138	138	0.01%
PSYCHOLOGY BOARD	1,126	1,163	1,150	1,150	1,150	0.08%
PUBLIC FACILITIES AUTHORITY	-	2,687	2,745	2,842	2,852	0.21%
PUBLIC SAFETY	182,315	187,118	192,894	198,471	198,400	14.38%
PUBLIC UTILITIES COMMISSION	7,451	7,418	10,134	8,984	8,925	0.65%
RACING COMMISSION	801	796	794	794	794	0.06%
REVENUE 262,541		257,108	254,459	254,403	247,918	18.20%
SECRETARY OF STATE	16,329	16,830	16,120	15,363	15,456	1.12%
SOCIAL WORK BOARD	1,089	985	959	962	962	0.07%
SUPREME COURT	7,740	9,366	9,985	7,512	7,412	0.54%
TRANSPORTATION 17,227		18,913	18,937	18,937	18,937	1.37%
TRIAL COURTS	72	289	291	291	291	0.02%
VETERANS AFFAIRS	31,521	32,617	34,323	35,282	35,282	2.56%
VETERINARY MEDICINE BOARD	326	324	326	327	327	0.02%
WATER AND SOIL RESOURCES BOARD	225	284	255	200	200	0.01%
ZOOLOGICAL BOARD	12,772	12,293	12,709	14,880	15,033	1.08%
<b>Total - All agencies</b>	<b>1,311,838</b>	<b>1,322,073</b>	<b>1,328,785</b>	<b>1,363,419</b>	<b>1,396,313</b>	100.00%
						Percent change 2011-2012 3%
						Percent change 2012-2013 2%

Notes:

- (1) This state-wide summary table contains departmental earnings for agencies which are exempt from departmental earnings requirements as presented in part 3 of this report, the agency-by-agency reports.
- (2) Some departmental earnings are earned in conjunction with internal charges. For example, there are external and internal components of insurance administration charges. The external components are combined with the internal components and are recorded together in the internal service funds.
- (3) In this state-wide table, agency codes have been combined as follows: Minnesota Management and Budget (Operating agency) and Minnesota Management and Budget - Treasury Non-Operating, Revenue (Operating agency) and Revenue - Intergovernmental Payments. These agency codes are displayed separately in part 3 of this report, the agency-by-agency reports.



## DEPARTMENTAL EARNINGS

### SUMMARY OF THE GOVERNOR'S RECOMMENDATIONS ON CHANGES TO DEPARTMENTAL EARNINGS

The following list of Governor's recommended fee changes in the departmental earnings category is compiled from the information in each agency's change pages and departmental earnings reports. For further information, the detailed revenue category report in each agency's departmental earning report (at <http://www.mmb.state.mn.us/earn-report-12>) or the budget change page in each agency's budget document (at <http://www.mmb.state.mn.us/gov-bill-11>).

#### Agriculture

**Agricultural Chemical Response and Reimbursement Fee Surcharge:** The Governor recommends elimination of the \$10 minimum Ag Chemical Response and Reimbursement (ACRRA) surcharge. Please see the change item "ACRRA Surcharge Minimum Elimination" in the budget book for more information.

**Consolidated Food License Fees:** The Governor recommends increasing the fees for the food inspection program by 15 percent for retail food- handler licenses, including late renewal and no license penalties. An estimated \$245,000 in additional revenue per year will be collected. These funds will be used to hire new food inspection staff to help meet minimum statutorily required inspection frequencies. Please see the change item "Retail Food Handler Fee Increase" in the budget book for more information.

**Wholesale Produce Dealers License and Inspection Fees:** : The Governor recommends that the wholesale produce license fee collected under M.S. 27.041 in the amount of \$120,000 be deposited into an agricultural fund account for the sole purpose of meeting the expenditures necessary to meeting the administrative needs of the program. Please see the change item "Wholesale Produce Dealers Fee Dedication" in the budget book for more information.

**New Fees:** The Governor recommends implementing a \$400 re-inspection fee for anhydrous ammonia facilities that have serious noncompliance issues noted upon initial inspection, and authorizing an annual public safety surcharge on sales of anhydrous ammonia of \$0.75/ton.

#### Chiropractic Examiners Board

The Governor recommends a new fee for Animal Chiropractic registration.

#### Combative Sports Commission

The Governor recommends increases to Combative Sports Commission's (CSC) professional and amateur license and event fees to ensure the Commission's continues to protect the health and safety of the combatants and to ensure the fairness of boxing and mixed martial arts (MMA) events.

- All professional licenses are increased from \$25 to \$45.
- All amateur licenses are increased from \$10 to either \$25 or \$45.
- The fee for a professional contest is changed to be \$1,500 per event or four percent of gross ticket sales, whichever is greater.
- The fee for an amateur contest is \$500 per event or four percent of gross ticket sales, whichever is greater.

#### Health Boards

The Governor recommends that the following boards' fees be converted from non-dedicated revenues to dedicated. The new fee proposed here is the board's current fee schedule as dedicated revenue.

- |                                    |                               |                       |
|------------------------------------|-------------------------------|-----------------------|
| • Behavioral Health and Therapy    | • Medical Practice            | • Physical Therapy    |
| • Chiropractic Examiners           | • Nursing                     | • Podiatric           |
| • Dentistry                        | • Nursing Home Administrators | • Psychology          |
| • Dietetics and Nutrition Practice | • Optometry                   | • Social Work         |
| • Marriage and Family Therapy      | • Pharmacy                    | • Veterinary Medicine |

#### Human Services

**Background License Fees:** The Governor recommends charging programs directly licensed by DHS \$20 for each background study that they initiate in order to reduce pressure on the State's General Fund.

## DEPARTMENTAL EARNINGS

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### SUMMARY OF THE GOVERNOR'S RECOMMENDATIONS ON CHANGES TO DEPARTMENTAL EARNINGS

**Child Support Cost Recovery Fee:** The child support cost recovery fee would be doubled from 1% to 2% of applicable child support collections.

In FY 2010, approximately \$3.2 million was collected for the 1% fee. The federal government requires states to share child support program income with it; the federal government receives 66% of this revenue. The nonfederal share of the 2010 fees totaled \$1.08 million and was retained and distributed to counties. Fees were collected on 76,000 child support cases, with an average annual fee of \$42.11 per case. There is an annual limit to the amount collected per case which is updated each year and based on the average cost per case for the Minnesota Child Support Program. In calendar year 2011 the cap is \$674/case.

Amending the law to increase the current 1% fee to 2% is estimated to provide new nonfederal share revenues of \$1.1 million. This new revenue will provide General Fund savings through refinancing a reduction in current state costs of administering the program.

**Licensing Fees:** The Governor recommends a restructuring of the funding mechanism for the Department's Licensing activities in order to more fully address actual Licensing costs and reduce pressure on the State's General Fund. This change will entail an increase in Licensing fees and utilization of the State Government Special Revenue Fund (SGSRF). Under the proposal, \$2.1 million in revenues from existing licensing fees would be redirected from the General Fund to the SGSRF. License fees would be increased by \$900,000 with those revenues placed in the SGSRF.

#### Labor and Industry

**State Building Code:** The Governor Recommends that the temporary \$4.50 increase in the fixed rate permit surcharge expiring on June 30, 2011 be extended until June 30, 2013. Total estimated annual revenue = \$1,200,000. The Governor Recommends an elevator inspection fee increase to meet current statutory requirements that assure compliance with safety standards.

**Electrical Inspection Fees:** The Governor recommends an electrical inspections fee increase. Program expenses were cut in 2010 including contract electrical inspector contract rates being reduced by 5%. The inspection program fees currently do not cover operational costs.

**Plumbing Fees:** The Governor recommends changes to the plumbing inspection and plan review fee schedules. The current schedule is not consistent with other jurisdictional practices and does not cover overall operational costs. High valuation projects like hospitals are capped well below cost at \$1,800 and low valuation projects like installing a single sink are charged significantly higher amounts than the inspection costs.

The Governor recommends changes to pipe layer and medical gas registration and backflow tester/rebuilder certification. These registrations are part of a statutory restructuring effort required by the 2005 governor's consolidation of the building codes.

**Residential Contractor License Fees:** The Governor recommends changes to the continuing education sponsor and course approval statutory framework. This request is part of an effort required by the 2005 governor's consolidation of the building codes and needs to be completed to bring consistency and equity to continuing education in all licensure areas.

The Governor recommends changes to allow for the registration of sign contractors that are consistent with other registrations. This request is also part of an effort required by the governor's 2005 consolidation order.

A change regarding the Independent building contractor exemption certificate is expected to be submitted by a work group charged with redesigning the program to increase regulatory effectiveness.

#### Natural Resources

**Game and fish fund:** The Governor recommends hunting and fishing license fee increases *that* would raise an estimated \$6.070 million in FY12, and \$14.472 million in FY13 and subsequent years. These revenues would be deposited as departmental earnings into the game and fish operating account.

## DEPARTMENTAL EARNINGS

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### SUMMARY OF THE GOVERNOR'S RECOMMENDATIONS ON CHANGES TO DEPARTMENTAL EARNINGS

**Park earnings:** The Governor recommends that all forest campground revenue and expenditure be shifted from the general fund to a dedicated account within the natural resources fund. This is a budget neutral recommendation, which would result in an estimated \$200 thousand per year in revenue and expenditure being shifted to the environmental fund.

**Timber and related expenses:** General fund reductions to the Forestry Program proposed in the Governor's budget may lead to changes in the agency's professional service fees and certification processes, to adjust for the impact of the reductions.

**Water recreation:** The Governor recommends that watercraft license fees deposited into the Water Recreation account be increased, in order to raise additional revenue for aquatic invasive species management. This recommendation would contribute \$3.155 million in FY 2012, and \$4.407 million in subsequent fiscal years. In addition, the Governor recommends that aquatic plant management permit fee be increased to fully cover the cost of the permitting program. These permitting fee increases would contribute an estimated \$700 thousand to the water recreation account per year.

**Water earnings:** DNR is not proposing changes to the current fee structure. The Governor recommends that water use fees required by M.S. 103G.271 be deposited in an account in the natural resources fund and statutorily appropriated to the Commissioner. This proposal is budget neutral, and would shift about \$5 million in annual revenue and expenditure from the general fund to the natural resources fund.

#### **Nursing Board**

The Governor recommends the Nursing Board establish a new fee for registering licensed nurses from bordering states under M.S. 148.211 Subd 2a and repeal temporary permits under M.S. 148.212 Subd. 1(a) and (d) and late fees under M.S. 148.231 Subd. 1. These changes to the board's fee structure would generate \$32 thousand less each fiscal year.

#### **Pharmacy Board**

The Governor recommends the Pharmacy Board increases fees in order to cover: the cost of replacing a Pharmacy Surveyor who retired in 2009 and who has not yet been replaced due to budget concerns; the severance costs that must be paid to an employee who will retire during the biennium and small agency base increase costs for employee benefit increases, increased inspection-related costs, and increased utilization of the attorney general.

Part of the fee increase will also cover the Board's portion of the funds that the legislature appropriated during the 2010 Special Session for the Minnesota Prescription Monitoring Program (PMP). The legislature appropriated \$517,000 for FY 2011 and \$356,000 as the base appropriation subsequent fiscal years. The legislature directed that the Board of Pharmacy and the Boards that license prescribers split the cost of the appropriation. The fee increase that is necessary to fund the PMP is built into the requested fee increases for pharmacists and pharmacies as users of the PMP. Twelve dollars of the requested fee increases for those two licenses types will go towards funding the PMP.

#### **Pollution Control Agency:**

**Metropolitan Solid Waste Landfill Fee:** The Governor recommends extending the Metropolitan Solid Waste Landfill Fee to mixed municipal solid waste generated in the metropolitan area but accepted at land disposal facilities outside the metropolitan area. The fee would be deposited to the Metropolitan Landfill Abatement Account and the Metropolitan Landfill Contingency Action Trust Fund. This change would allow the additional funds to be used for landfill abatement (waste reduction, recycling, composting, and processing) in the metropolitan area as well as reserving funds to manage post-closure expenses for landfills located in the metropolitan area.

#### **Public Safety**

**Driver and vehicle services technology surcharge:** The Governor recommends a fee change for this revenue category. Please see the change item called "Extension of Technology Surcharge Fee" in the budget book for further information.

# DEPARTMENTAL EARNINGS

## GLOSSARY

**Agency funds:** One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. This report includes data from one agency fund, the miscellaneous agency fund.

**Assessments:** Revenues collected to recover costs for providing a service which is influenced more by a choice made by the payer than a tax or fee.

**Business/Regulatory fees:** Revenues collected from individuals or entities which are regulated by state statute.

**Component unit funds:** Funds to account for the activities of legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component unit funds may be either proprietary funds or governmental funds. This report includes two proprietary component unit funds: the clean water revolving fund and the drinking water revolving fund.

**Enterprise fund:** Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. This report includes five enterprise funds: four in the Department of Human Services and one in the Department of Corrections.

**Fiduciary funds:** Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. This report includes this classification: one agency fund, the miscellaneous agency fund.

**Fund:** Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For more detailed information on the State of Minnesota's funds and their purposes, please see: <http://www.mmb.state.mn.us/alpah-order-funds>

**Fund classifications.** One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types. This report includes all three classifications.

**Fund type:** One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. Component unit funds are also an included fund type in the State financial reports. This report includes the general fund, special revenue funds, agency funds, component unit funds, enterprise funds, and a permanent fund.

**General fund:** One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund. The state has multiple general funds including the state-wide general fund and transit-related general funds. This report includes only one general fund – the state-wide general fund.

**Governmental funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. This report includes this classification, the general fund, special revenue funds, agency funds, component unit funds, enterprise funds, and a permanent fund.

**Internal service fund:** Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. This fund type is explicitly excluded from departmental earnings statutory reporting requirements; no funds of this type appear in this report except as noted in the tables.

**Occupational licenses:** Revenues collected from individuals who practice a profession regulated by state statute.

**Other departmental earnings revenue:** Revenues collected that do not fit neatly into any of the other categories (user service charges, business/regulatory fees, occupational licenses, and assessments).

**Permanent funds:** Governmental fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizenry). This report includes one permanent fund: the permanent school endowment fund.

**Proprietary funds:** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds. This report includes five enterprise funds: four in the Department of Human Services and one in the Department of Corrections. This report statutorily excludes internal service funds except as noted in the tables.

**Revenue category:** For the purpose of this report, a grouping of like fees and/or charges in order to compare revenues and expenditures to determine the level of cost recovery. These categories are determined by each agency as they analyze their fees.

**Revenue class:** A grouping of revenue source codes to aggregate the financial information into comparable, state-wide buckets. Revenue types included in this report are: user service charges, business/regulatory fees, occupational licenses, assessments and other.

**Special revenue funds:** Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

**User service charges:** Revenues collected from entities that use a state service.