



January 16, 2014

The Honorable LeRoy A. Stumpf
Chair, Senate Capital Investment
Committee
122 Capitol
St. Paul, MN 55155

The Honorable Alice Hausman
Chair, House Capital Investment
Committee
453 State Office Building
St. Paul, MN 55155

The Honorable David H. Senjem
Ranking Minority Member, Senate Capital
Investment Committee
113 State Office Building
St. Paul, MN 55155

The Honorable Matt Dean
Ranking Minority Member, House Capital
Investment Committee
301 State Office Building
St. Paul, MN 55155

The Honorable Richard Cohen
Chair, Senate Finance Committee
121 Capitol
St. Paul, MN 55155

The Honorable Lyndon Carlson, Sr.
Chair, House Ways and Means Committee
479 State Office Building
St. Paul, MN 55155

The Honorable Michelle L. Fischbach
Ranking Minority Member, Senate Finance
Committee
15 State Office Building
St. Paul, MN 55155

The Honorable Mary Liz Holberg
Ranking Minority Member, House Ways
and Means Committee
349 State Office Building
St. Paul, MN 55155

Dear Members of the Minnesota Legislature:

As required by Minn. Stat. Sec. 16A.501(b), which was enacted in Laws 2010, ch. 189, sec. 28, I am pleased to present our report on the amount and percentage of each agency's capital appropriation that is used to pay for the costs of staff directly attributable to capital programs or projects funded with state general obligation bond proceeds and agency compliance with policies of the Commissioner of Minnesota Management and Budget as to use of general obligation bond proceeds to pay staff costs.

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Please contact me if you have any questions about this report, or you may contact Kristin Hanson at MMB, whose contact information is given at the end of the report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Schowalter". The signature is fluid and cursive, with a large initial "J" and "S".

James Schowalter
Commissioner

Enclosures

cc: Kristin Hanson, MMB
Jen Hassemer, MMB
Keith Bogut, MMB
Liz Connor, MMB
Betsy Hammer, MMB
Micah Intermill, MMB
Michelle Mitchell, MMB
Legislative Reference Library



**Agencies' Use of Capital Appropriations
for Staff Costs Attributable to
Capital Programs or Projects**

Report to the Legislature

January 16, 2014

*As required by
Minn. Stat. Sec. 16A.501(b)*

ESTIMATED COSTS OF PREPARING THIS REPORT

The cost information reported below is the estimated cost of preparing this report document. Special funding was not appropriated for the costs of preparing this report.

In accordance with Minn. Stat. Sec. 3.197, the estimated cost incurred by Minnesota Management & Budget in preparing this report is less than \$1,000.

BACKGROUND

During 2009, MMB decided to formalize a policy regarding agencies' use of general obligation bond appropriations to pay for staff costs incurred in delivering a capital project or program. It decided to do so after discovering that some agencies were charging staff costs without specific legislative authorization to do so and were doing so in an inconsistent manner. Some agencies were charging staff costs based on a flat percentage of project costs and others were tracking actual employee hours spent.

On October 20, 2009, MMB issued its "Policy Regarding Use of General Obligation Bond Proceeds to Fund Staff Costs", a copy of which is attached as **Exhibit B** to this report. In that policy, MMB stated that its policy would apply to bonding appropriations authorized in the 2010 legislative session and to earlier bonding appropriations that contained specific statutory authority to use G.O. bond proceeds to pay costs of staff directly involved in delivering a capital project or program.

MMB's goal in implementing the new policy was to establish uniformity across agencies in the procedures used by agencies to charge staff costs to bonding appropriations and to establish MMB oversight of the process. The policy requires each agency desiring to charge staff costs to bonding appropriations to submit a plan to MMB for its approval. The plan must indicate how the agency intends to track staff costs charged to each bonding appropriation, and such tracking must be by employee, by project or program and by hour spent. Each agency must report staff costs charged to bonding appropriations to its MMB executive budget officer on a quarterly basis and certify that such time is properly capitalizable as a cost of the project or program in accordance with applicable accounting principles.

The 2010 bonding bill (Laws 2010, ch. 189), 2011 bonding bill (Laws 2011, First Special Session, ch. 12), 2012 bonding bill (Laws 2012, ch. 293), 2012 special session flood and windstorm disaster relief bill (Laws 2012, First Special Session, ch. 1) and 2013 bonding bill (Laws 2013, ch. 136) specifically authorized agencies to use capital appropriations to pay staff costs directly attributable to the capital program or project in accordance with accounting policies adopted by the Commissioner of MMB. The 2010 bonding bill (Laws 2010, ch. 189) imposed a new reporting requirement for MMB as discussed below.

THE REPORTING REQUIREMENT

Section 28 of the 2010 bonding bill (codified as Minn. Stat. Sec. 16A.501(b)) requires MMB to report to the Legislature by January 15 of each year as to the amount and percentage of each agency's capital appropriation that is used to pay for the costs of staff directly attributable to capital programs or projects funded with state general obligation bond proceeds. The report must also address agency compliance with policies of the Commissioner of MMB as to use of general obligation bond proceeds to pay staff costs and any changes to the Commissioner's policies.

AGENCY REPORTING AND COMPLIANCE

The following 11 agencies have submitted plans to MMB to charge staff costs to one or more bonding appropriations and such plans were approved by MMB: Administration, Board of Water and Soil Resources, Department of Natural Resources, Minnesota Historical Society, Metropolitan Council, Pollution Control Agency, Department of Transportation, University of Minnesota, Minnesota State Colleges and Universities, the Minnesota Zoo and the Department of Employment and Economic Development.

To date, the following nine agencies have submitted one or more quarterly reports of staff costs charged to bonding appropriations: Administration, Department of Natural Resources, Minnesota Historical Society, Pollution Control Agency, Department of Transportation, University of Minnesota, Minnesota State Colleges and Universities, the Minnesota Zoo and the Department of Employment and Economic Development. The data submitted by these agencies were compiled by MMB and appear on the spreadsheet attached as **Exhibit A** to this report.

The following three agencies indicated that they did not intend to charge staff costs to bonding appropriations and thus did not submit a plan for charging staff costs to MMB: Department of Corrections, Military Affairs and Department of Public Safety. For the Departments of Corrections and Public Safety, their capital appropriations for construction projects for state-owned assets are administered by the Department of Administration and thus they may not have submitted plans for that reason.

The following agencies, who have received capital appropriations since 2010, neither submitted a plan to MMB nor did they indicate that they did not intend to charge staff costs to bonding appropriations: Amateur Sports, Department of Human Services, Minnesota State Academies, Perpich Center for Arts Education, Public Facilities Authority and Veterans Affairs. In the case of DHS, the State Academies, Perpich Center and Veterans Affairs, their capital appropriations for construction projects for state-owned assets are administered by the Department of Administration and thus they may not have submitted plans for that reason.

With respect to MMB's assessment of the degree of agency compliance with the Commissioner of MMB's policy regarding staff costs, we believe that the agencies which submitted plans to us worked diligently with us to incorporate requested changes to their plans and make sure they understood the new process. Our policy does not require agencies to inform MMB if they do not intend to charge staff costs to capital appropriations, and thus no conclusion as to compliance can be drawn for the agencies who did not submit plans, unless they specifically stated they did not intend to charge staff costs as discussed above. Similarly, the two agencies who submitted plans but have not submitted quarterly reports may have decided not to charge staff costs to bonding appropriations.

Minn. Stat. Sec. 16A.501(b) requires MMB to discuss any changes to its policies regarding the charging of staff costs to bonding appropriations. MMB has not changed the policy adopted on October 20, 2009 and discussed above.

Agency Contact:

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Assistant Commissioner - Treasury
Minnesota Management & Budget
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400 Centennial Office Building
St. Paul, MN 55155
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ANNUAL REPORT TO LEGISLATURE (M.S. §16A.501(b))												
AMOUNT OF CAPITAL APPROPRIATIONS USED TO PAY AGENCY STAFF COSTS												
				Amount					Total			
				Amount of	Previously	Amount Spent for Staff Costs in:				Total		
				Original	Spent for	2Q FY13	3Q FY13	4Q FY13	1Q FY14	Spent in this	Cumulative	% of
Agy	Legal Citation	Fiscal	Appropriation Name	Appropriation	Staff Costs	(ended 12/31/12)	(ended 3/31/13)	(ended 6/30/13)	(ended 9/30/13)	Reporting	Total Spent	Approp.
	(yr-ch-art-sec-subd)	Year								Period		
Administration												
	10 189 00 006 003	2010	PCAE - DELTA DORM WINDOWS	489,000	5,791.73	-	-	-	-	-	5,791.73	1%
	10 189 00 006 004	2010	PCAE - STORAGE BUILDING	129,000	688.47	1,272.39	277.42	-	-	1,549.81	2,238.28	2%
	10 189 00 011 002	2010	ADMIN - CAPRA	2,000,000	24,222.19	46.57	-	-	-	46.57	24,268.76	1%
	10 189 00 011 003	2010	ADMIN - ASSET PRESERVATION	6,750,000	3,593.50	-	3,903.63	6,421.29	5,101.06	15,425.98	19,019.48	0%
	10 189 00 011 003	2010	ADMIN - CAPITAL CAMPUS SEC	1,250,000	16,521.02	-	-	-	-	-	16,521.02	1%
	10 189 00 011 003	2010	ADM - GOV RESIDENCE PREDESIGN	75,000	6,139.26	398.49	-	-	-	398.49	6,537.75	9%
	10 189 00 014 003	2010	DPS - EMER OPS CENTER	2,250,000	10,415.54	938.18	-	-	-	938.18	11,353.72	1%
	10 189 00 018 002	2010	DHS - ASSET PRESERVATION	2,000,000	1,907.99	1,237.01	1,033.56	1,598.64	1,382.83	5,252.04	7,160.03	0%
	10 189 00 018 005	2010	DHS - MOOSE LAKE SEX OFF PH II	47,500,000	61,117.90	6,442.63	3,100.41	5,107.29	-	14,650.33	75,768.23	0%
	10 189 00 019 002	2010	VA - ASSET PRESERVATION	4,000,000	38,760.19	-	964.88	-	678.52	1,643.40	40,403.59	1%
	10 189 00 019 004	2010	VA - MPLS VETS HOME	12,250,000	44,487.17	5,612.55	7,654.15	5,239.68	880.91	19,387.29	63,874.46	1%
	10 189 00 020 002	2010	DOC - ASSET PRESERVATION	8,000,000	75,164.48	2,342.65	3,696.08	1,876.37	361.81	8,276.91	83,441.39	1%
	10 189 00 020 004(a)	2010	DOC - OPH EXT DETECTION SYSTEM	3,529,000	9,804.36	458.98	-	-	-	458.98	10,263.34	0%
	10 189 00 020 004(b)	2010	DOC - OPH SECURITY SYSTEM	6,500,000	6,689.76	1,535.06	2,034.48	1,504.63	2,212.71	7,286.88	13,976.64	0%
	111 012 00 004 000	2012	MSA - ASSET PRESERVATION	2,160,000	2,182.02	5,577.61	2,475.11	986.88	3,453.74	12,493.34	14,675.36	1%
	111 012 00 009 002	2012	ADMIN - CAPRA	2,830,000	6,931.80	5,706.21	3,707.08	3,912.39	221.20	13,546.88	20,478.68	1%
	111 012 00 009 003	2012	ADMIN - ASSET PRESERVATION	8,150,000	11,527.51	11,851.63	7,972.55	1,459.45	3,420.63	24,704.26	36,231.77	0%
	111 012 00 010 000	2012	OET - STATE DATA CENTERS	5,659,000	784.33	2,840.67	1,291.28	126.58	3,561.85	7,820.38	8,604.71	0%
	111 012 00 015 002	2012	DHS - ASSET PRESERVATION	4,700,000	3,602.59	695.21	516.08	236.05	500.56	1,947.90	5,550.49	0%
	111 012 00 015 004	2012	DHS - MSOP ST PETER SHANTZ BLDG	7,000,000	15,952.84	3,562.35	4,352.86	5,504.21	3,477.40	16,896.82	32,849.66	0%
	111 012 00 016 000	2012	VA - ASSET PRESERVATION	2,300,000	-	2,903.86	1,704.59	-	-	4,608.45	4,608.45	0%
	111 012 00 017 000	2012	DOC-ASSET PRESERVATION	19,000,000	24,237.20	17,875.52	19,789.61	12,466.50	1,952.73	52,084.36	76,321.56	0%
	12 293 00 005 000	2012	MSA - ASSET PRESERVATION	1,000,000	-	-	1,137.86	697.82	1,787.88	3,623.56	3,623.56	0%
	12 293 00 006 002	2012	PCAE - LOADING DOCK	64,000	-	803.19	277.42	141.21	1,271.08	2,492.90	2,492.90	4%
	12 293 00 006 003	2012	PCAE - ROAD REPAIR	99,000	91.79	481.90	601.07	329.17	329.50	1,741.64	1,833.43	2%
	12 293 00 006 004	2012	PCAE - STORM DRAINAGE	100,000	-	252.42	601.07	329.17	282.43	1,465.09	1,465.09	1%
	12 293 00 010 000	2012	AG/HEALTH EMERG POWER SYSTEM	706,000	-	2,200.80	643.24	654.54	-	3,498.58	3,498.58	0%
	12 293 00 013 002	2012	ADMIN - ASSET PRESERVATION	500,000	-	-	-	-	-	-	-	0%
	12 293 00 013 003(a)	2012	ADMIN - UNIVERSITY AVE TUNNEL	6,000,000	5,743.48	6,332.63	7,166.46	1,159.58	-	14,658.67	20,402.15	0%
	12 293 00 013 003(a)	2012	ADMIN - CAPITOL PREDESIGN/DESIGN	14,000,000	-	-	-	-	-	-	-	0%
	12 293 00 013 003(a)	2012	ADMIN - CAPITOL EXT/WINDOWS/MEC	24,000,000	-	-	-	3,172.56	3,172.58	6,345.14	6,345.14	0%
	12 293 00 013 004	2012	ADMIN - CAPRA	1,000,000	-	-	-	-	1,587.07	1,587.07	1,587.07	0%
	12 293 00 018 002	2012	DHS - ASSET PRESERVATION	2,000,000	-	-	-	-	-	-	-	0%
	12 293 00 018 004	2012	DHS - ST PETER SEC HOSP PH 1	3,683,000	1,449.01	2,289.48	3,555.07	2,926.03	1,680.61	10,451.19	11,900.20	0%
	12 293 00 019 002	2012	DVA - ASSET PRESERVATION	3,000,000	-	-	-	190.02	1,884.87	2,074.89	2,074.89	0%
	12 293 00 019 003	2012	DVA - MPLS VETS HOME BLDG 17	3,050,000	483.28	3,577.12	1,011.16	1,526.92	2,346.80	8,462.00	8,945.28	0%
	12 293 00 019 004	2012	DVA - MPLS VETS HOME PHARMA	1,366,000	-	1,508.07	952.26	1,053.59	58.61	3,572.53	3,572.53	0%
	12 293 00 020 003	2012	DOC - STILLWATER WATER TREATMT	3,391,000	1,038.55	2,409.66	2,447.48	2,536.05	1,771.64	9,164.83	10,203.38	0%
	12 293 00 020 004	2012	DOC - ASSET PRESERVATION	5,000,000	-	-	-	-	337.64	337.64	337.64	0%

				Amount						Total		
	Legal Citation	Fiscal		Amount of	Previously	Amount Spent for Staff Costs in:				Spent in this		
	(yr-ch-art-sec-subd)	Year	Appropriation Name	Original	Spent for	2Q FY13	3Q FY13	4Q FY13	1Q FY14	Reporting	Cumulative	% of
Agg				Appropriation	Staff Costs	(ended 12/31/12)	(ended 3/31/13)	(ended 6/30/13)	(ended 9/30/13)	Period	Total Spent	Approp.
	13 136 00 003 002	2013	ADMIN - CAPITOL RESTORATION	99,000,000	-	-	-	-	-	-	-	0%
	13 136 00 003 002	2013	ADMIN - CAPITOL SWING SPACE	10,000,000	-	-	-	-	2,438.17	2,438.17	2,438.17	0%
	13 136 00 003 005	2013	ADMIN - PARKING FACILITIES	22,680,000	-	-	-	-	-	-	-	0%
	13 136 00 004 000	2013	DVA - MPLS BLDG 17 SOUTH	18,935,000	-	-	-	-	-	-	-	0%
MN Historical Society												
	10 189 00 024 002	2010	HISTORIC SITES ASSET PRESERV	3,400,000	52,322.79	1,988.99	2,140.22	3,662.54	5,901.94	13,693.69	66,016.48	2%
	111 012 00 020 000	2012	HISTORIC SITES ASSET PRESERV	1,900,000	14,664.08	3,454.24	3,440.02	3,997.21	4,910.45	15,801.92	30,466.00	2%
	12 293 00 024 001	2012	HISTORIC SITES ASSET PRESERV	2,500,000	275.82	563.02	1,847.50	2,492.86	3,115.72	8,019.10	8,294.92	0%
Pollution Control Agency												
(1)	05 020 01 023 003	2005	WIF ADMIN	600,000	335,820.66					-	335,820.66	56%
Transportation												
	08 152 02 003 002	2008	CH152 BY11 ND STCROIXCROSS SAL	1,717,694,000	301,096.58	227,175.78	206,150.35	392,940.26	386,350.60	1,212,616.99	1,513,713.57	0%
	08 152 02 003 003	2008	GREAT RIVER ROAD	4,299,000	86,147.25	7,816.50	-	-	-	7,816.50	93,963.75	2%
-2	09 093 01 011 005	2009	INTERCITY PASSENGER RAIL	26,000,000	318,189.89	11,438.57	6,137.60	(89,507.69)	88,437.84	16,506.32	334,696.21	1%
Natural Resources												
	05 020 01 007 014	2005	STATE TRAIL DEV-BLAZING STAR	1,500,000	25,687.75	-	-	-	-	-	25,687.75	2%
	08 179 00 007 025	2008	STATE PARK PRAIRIE RESTORE	290,000	72,145.56	-	-	-	-	-	72,145.56	25%
	08 179 00 007 025	2008	STATE PARK FOREST RESTORE	255,000	42,529.73	4,951.13	-	-	-	4,951.13	47,480.86	19%
	10 189 00 007 003	2010	FLOOD HAZARD MITIG GRANTS	63,500,000	95,920.74	-	-	-	-	-	95,920.74	0%
	10 189 00 007 004	2010	GROUNDWATER OBSERV WELLS	1,000,000	24,459.97	2,584.56	329.53	577.88	1,226.93	4,718.90	29,178.87	3%
	10 189 00 007 005	2010	STATE DAM RENOVATION	4,000,000	25,485.25	4,635.73	2,912.40	2,757.86	2,704.49	13,010.48	38,495.73	1%
	10 189 00 007 006	2010	WILDLIFE/AQUATIC ACQ & IMP	1,000,000	70.07	-	-	-	-	-	70.07	0%
	10 189 00 007 012	2010	SHADE TREE PROG GRANTS	3,000,000	55,623.44	22,345.95	22,762.31	29,404.99	19,375.44	93,888.69	149,512.13	5%
-2	10 189 00 007 013	2010	STATE PARK REHAB	4,659,000	265,504.60	(21,767.66)	-	-	Proj. complete	(21,767.66)	243,736.94	5%
	10 189 00 007 014	2010	STATE PARK & SRA AREA ACQ	2,150,000	-	6,844.32	870.48	-	-	7,714.80	7,714.80	0%
	10 189 00 007 015(a)	2010	CUYUNA COUNTRY SRA DEV	1,250,000	-	25,268.61	12,190.90	14,034.07	-	51,493.58	51,493.58	4%
	10 189 00 007 015(b)	2010	GLENDALOUGH STATE PARK DEV	350,000	-	-	-	-	-	-	-	0%
	10 189 00 007 016	2010	STATE TRAIL REHAB	4,000,000	-	12,553.79	6,066.06	6,930.81	10,983.83	36,534.49	36,534.49	1%
	111 012 00 005 002	2012	NAT RESOURCES ASSET PRESERV	17,000,000	-	-	-	-	-	-	-	0%
	111 012 00 005 003	2012	FLOOD HAZARD MITIG GRANTS	50,000,000	39,326.78	(3,409.47)	-	-	-	(3,409.47)	35,917.31	0%
	111 012 00 005 004	2012	ROADS AND BRIDGES	4,800,000	19,287.92	16,798.75	2,607.60	3,249.62	1,719.40	24,375.37	43,663.29	1%
	111 012 00 005 005	2012	LAKE VERMILION STATE PARK DEV	8,000,000	-	16,999.70	10,235.74	17,496.27	26,247.11	70,978.82	70,978.82	1%
	111 012 00 005 006	2012	GROUNDWATER OBSERV WELLS	600,000	7,758.97	2,788.85	2,310.83	6,175.28	252.79	11,527.75	19,286.72	3%
	111 012 00 005 007	2012	COON RAPIDS DAM RENOV	16,000,000	11,877.84	3,988.71	3,648.84	4,212.13	2,207.52	14,057.20	25,935.04	0%
	111 012 00 005 008	2012	STATE TRAIL ACQ & DEV	5,800,000	-	-	-	-	5,259.79	5,259.79	5,259.79	0%
	12 293 00 007 002	2012	FLOOD HAZARD MITIG GRANTS	30,000,000	15,245.39	29,256.52	23,786.72	24,078.11	11,028.45	88,149.80	103,395.19	0%
	12 293 00 007 003	2012	DAM REPAIR, RECONSTR AND REMOVA	3,000,000	-	-	-	-	-	-	-	0%
	12 293 00 007 004	2012	ROADS AND BRIDGES	2,000,000	-	-	6,654.96	40,181.37	-	46,836.33	46,836.33	2%
	12 293 00 007 005	2012	STATE FOREST LAND REFORESTATION	2,500,000	2,469.80	111,392.21	10,982.22	-	109,787.17	232,161.60	234,631.40	9%
	12 293 00 007 006	2012	STATE P&T RENEW & DEVEL	4,000,000	-	-	-	-	13,325.99	13,325.99	13,325.99	0%

				Amount						Total		
	Legal Citation	Fiscal		Amount of	Previously	Amount Spent for Staff Costs in:				Spent in this		
Agy	(yr-ch-art-sec-subd)	Year	Appropriation Name	Original	Spent for	2Q FY13	3Q FY13	4Q FY13	1Q FY14	Reporting	Cumulative	% of
				Appropriation	Staff Costs	(ended 12/31/12)	(ended 3/31/13)	(ended 6/30/13)	(ended 9/30/13)	Period	Total Spent	Approp.
	12 293 00 007 007	2012	LAKE VERMILION STATE PARK DEV	2,000,000	-	-	-	-	-	-	-	0%
	121 001 01 009 002	2012	KNIFE RIVER FISH TRAP	6,855,000	-	-	-	-	2,039.72	2,039.72	2,039.72	0%
	121 001 01 009 003	2012	FLOOD HAZARD MITIG GRANTS	9,000,000	-	-	-	2,587.10	12,373.68	14,960.78	14,960.78	0%
	121 001 02 004 002	2012	REFORESTATION	994,000	-	6,239.24	5,130.58	9,636.86	(178.01)	20,828.67	20,828.67	2%
MN State Colleges and Universities												
	09 093 01 016 005	2009	ROCHESTER C&TC HEATING SYS CONV	768,641	1,399.85	26.99	54.29	27.14	55.82	164.24	1,564.09	0%
	10 189 00 003 002	2010	MNSCU HEAPR (ASSET PRESERV)	56,000,000	98,181.61	5,673.23	1,980.22	667.03	135.91	8,456.39	106,638.00	0%
	10 189 00 003 003	2010	ALEX TC MAIN BLDG RENOV & ADD	200,000	2,755.73	48.88	45.24	53.48	154.51	302.11	3,057.84	2%
	10 189 00 003 007	2010	LAKE SUPERIOR HEALTH SCI CTR	12,098,000	4,091.35	41.85	93.80	97.93	32.11	265.69	4,357.04	0%
	10 189 00 003 008	2010	METRO STATE CLASSROOM CTR	5,860,000	6,947.25	88.76	49.36	27.14	41.41	206.67	7,153.92	0%
	10 189 00 003 010	2010	MSCTC MHD LIB & CLSRM ADDN	5,448,000	9,441.78	406.76	62.54	72.38	228.56	770.24	10,212.02	0%
	10 189 00 003 014	2010	MESABI EVELETH SHOP SPACE ADDN	5,477,000	6,484.02	78.55	229.65	71.58	32.11	411.89	6,895.91	0%
	10 189 00 003 016	2010	NORM CC ACAD PTSHP CTR & ST SVC	1,000,000	10,224.81	361.21	374.93	132.52	153.61	1,022.27	11,247.08	1%
	10 189 00 003 017(b)	2010	NHCC CTR FOR BUSINESS & TECH	14,782,000	14,820.27	199.67	36.19	596.07	140.11	972.04	15,792.31	0%
	10 189 00 003 023	2010	SCTC ALLIED HEALTH CTR RNV	5,421,000	8,064.04	161.50	81.43	1,447.93	228.56	1,919.42	9,983.46	0%
	10 189 00 003 024	2010	CLASSROOM INITIATIVES & DEMO	3,883,000	8,019.45	54.00	36.19	-	Proj. complete	90.19	8,109.64	0%
	111 012 00 003 002	2012	MNSCU HEAPR (ASSET PRESERV)	30,000,000	50,569.82	5,600.29	4,195.31	2,226.33	2,307.97	14,329.90	64,899.72	0%
	111 012 00 003 003	2012	ANOKA RAMSEY CC FINE ARTS RENO	5,327,000	4,082.57	845.47	444.00	501.03	131.71	1,922.21	6,004.78	0%
	111 012 00 003 004	2012	HENN TECH LRC & STUDENT CTR REN	10,566,000	20,836.54	2,335.81	2,135.71	468.66	199.09	5,139.27	25,975.81	0%
	111 012 00 003 005	2012	METRO STATE SCIENCE ED CENTER	3,444,000	11,624.33	503.92	1,482.09	192.63	194.11	2,372.75	13,997.08	0%
	111 012 00 003 006	2012	MSU MOORHEAD LIVINGSTON LIB	14,901,000	6,807.61	1,409.13	1,239.01	1,509.29	1,686.71	5,844.14	12,651.75	0%
	111 012 00 003 007	2012	NORM CC ACAD PTSHP CTR & ST SVC	21,984,000	8,780.69	2,023.65	1,773.53	888.66	608.21	5,294.05	14,074.74	0%
	111 012 00 003 008	2012	NHED MESABI IRON RANGE ENG PROG	3,000,000	7,747.87	491.03	484.06	363.03	261.61	1,599.73	9,347.60	0%
	111 012 00 003 009	2012	ST CLOUD STATE SCI & ENG LAB	42,334,000	8,775.26	1,139.34	2,106.81	1,111.28	1,498.49	5,855.92	14,631.18	0%
	12 293 00 003 002	2012	MNSCU HEAPR (ASSET PRESERV)	20,000,000	9,826.39	5,185.16	5,985.41	6,422.36	6,791.24	24,384.17	34,210.56	0%
	12 293 00 003 003	2012	BIOSCI & ALLIED HLTH	980,000	1,307.96	581.19	592.49	689.00	357.68	2,220.36	3,528.32	0%
	12 293 00 003 004	2012	BSU BSNS BDG ADD/RNV D&D	3,303,000	5,861.16	864.84	1,966.03	2,187.23	2,510.36	7,528.46	13,389.62	0%
	12 293 00 003 005	2012	CENTURY ACAD PRTRNS CLSRM D&C	5,000,000	3,808.74	1,077.74	1,135.93	1,508.11	1,336.65	5,058.43	8,867.17	0%
	12 293 00 003 006	2012	DCTC TECH LAB RNV	7,230,000	1,299.86	767.45	1,152.11	2,041.11	774.91	4,735.58	6,035.44	0%
	12 293 00 003 007	2012	MSU MKTO CLINICAL SCI DSG	2,065,000	4,120.84	6,109.03	4,924.88	6,846.56	4,041.58	21,922.05	26,042.89	1%
	12 293 00 003 008	2012	MCTC WRKFRCE PROGRAM RNV	13,389,000	565.78	567.69	930.65	952.39	319.54	2,770.27	3,336.05	0%
	12 293 00 003 009	2012	NHCC BIOSCI CTR ADD	26,292,000	3,845.71	1,704.41	2,567.21	3,371.71	1,814.41	9,457.74	13,303.45	0%
	12 293 00 003 010	2012	NTHLND AVIATION MTNCE FAC	300,000	8,235.31	980.85	2,302.68	1,664.66	1,886.71	6,834.90	15,070.21	5%
	12 293 00 003 011	2012	RDGWTR W TECH LAB C&RVN	13,851,000	4,887.15	1,887.92	6,186.07	1,870.20	1,683.19	11,627.38	16,514.53	0%
	12 293 00 003 012	2012	SCTCC TRUCK & AUTO ADD&RVN	4,000,000	3,471.89	2,101.07	2,395.27	1,444.89	2,525.32	8,466.55	11,938.44	0%
	12 293 00 003 013	2012	ST PAUL HLTH & SCI CTR DSGN	1,500,000	4,150.49	1,270.50	2,315.04	1,886.92	4,719.83	10,192.29	14,342.78	1%
	12 293 00 003 014	2012	MNWEST W RNV & ADD	4,606,000	4,311.71	1,262.65	497.23	1,861.00	324.72	3,945.60	8,257.31	0%
	12 293 00 003 015	2012	ITASCA DEMO RNV & ADD	4,549,000	3,904.68	2,789.56	1,426.72	966.52	464.11	5,646.91	9,551.59	0%
	12 293 00 003 016	2012	RCTC WORKFORCE CTR	8,746,000	2,216.33	1,351.98	2,331.40	2,647.50	4,271.11	10,601.99	12,818.32	0%
	12 293 00 003 017	2012	SO CTRL F CLSRM RNV&ADD	13,315,000	2,290.21	1,826.96	1,389.57	2,110.60	1,451.26	6,778.39	9,068.60	0%
	12 293 00 003 018	2012	SMSU SCI LAB RNV	500,000	949.35	645.71	369.63	319.33	161.40	1,496.07	2,445.42	0%
	12 293 00 003 019	2012	STEM INITIATIVES	2,500,000	685.76	134.96	516.92	742.29	1,151.83	2,546.00	3,231.76	0%

				Amount						Total		
	Legal Citation	Fiscal		Amount of	Previously	Amount Spent for Staff Costs in:				Spent in this		
	(yr-ch-art-sec-subd)	Year	Appropriation Name	Original	Spent for	2Q FY13	3Q FY13	4Q FY13	1Q FY14	Reporting	Cumulative	% of
Agy				Appropriation	Staff Costs	(ended 12/31/12)	(ended 3/31/13)	(ended 6/30/13)	(ended 9/30/13)	Period	Total Spent	Approp.
University of Minnesota												
	10 189 00 002 002	2010	HEAPR (ASSET PRESERVATION)	56,000,000	632,245.00	66,703.02	29,121.18	56,298.33	34,503.95	186,626.48	818,871.48	1%
	111 012 00 002 002	2011	HEAPR (ASSET PRESERVATION)	25,000,000	99,846.74	21,271.42	38,049.87	34,768.36	19,258.83	113,348.48	213,195.22	1%
	12 293 00 002 002	2012	HEAPR (ASSET PRESERVATION)	50,000,000	17,224.94	44,632.18	68,385.81	84,226.47	117,365.94	314,610.40	331,835.34	1%
Zoological Society												
	10 189 00 010 002	2010	ASSET PRESERVATION	6,000,000	217,694.21	-	-	-	562.86	562.86	218,257.07	4%
	111 012 00 008 000	2011	ASSET PRESERVATION	4,000,000	20,494.90	-	-	-	-	-	20,494.90	1%
	12 293 00 012 000	2012	ASSET PRESERVATION	4,000,000	18,218.21	21,536.93	8,785.18	19,041.77	26,233.13	75,597.01	93,815.22	2%
Employment and Economic Development												
	12 293 00 021 002	2012	GREATER MN BUS DEV PUB INFRA	6,000,000	4,225.09	9,469.95	6,435.87	5,930.80	3,750.54	25,587.16	29,812.25	0%
	12 293 00 021 003	2012	REDEVELOPMENT ACCOUNT	3,000,000	19,241.65	7,316.45	15,473.99	1,684.16	-	24,474.60	43,716.25	1%
	12 293 00 021 004	2012	TRANSPORTATION ECON DEV PROG	3,000,000	734.72	3,723.35	5,704.37	2,353.75	2,004.45	13,785.92	14,520.64	0%
	12 293 00 021 005	2012	BUS DEV CAPITAL PROJECT GRANT	47,500,000	15,861.14	18,940.70	3,273.82	4,586.02	4,381.81	31,182.35	47,043.49	0%
	12 293 00 021 006	2012	AUSTIN - RESEARCH & TECH CTR	13,500,000	-	-	-	-	-	-	-	0%
	12 293 00 021 007	2012	BEMIDJI - REG PUBLIC TV STATION	3,000,000	-	-	-	396.57	452.16	848.73	848.73	0%
	121 001 01 005 000	2012	MN INVESTMENT FD - FLOOD 2012	15,000,000	-	-	908.19	1,957.24	7,822.17	10,687.60	10,687.60	0%
	12 293 00 021 008	2012	SO ST PAUL - FLOODWALL EXT	500,000	-	-	-	-	-	-	-	0%
(1) Appropriation is entirely for program implementation.												
(2) Other funds were used by the agency for staff costs previously paid with capital appropriations.												

Policy Regarding Use of General Obligation Bond Proceeds to Fund Staff Costs
Minnesota Management and Budget
October 20, 2009

Objective:

To account for the use of general obligation bond proceeds that agencies use to fund the capitalizable costs of staff directly involved in delivering a capital project. State agencies are strongly encouraged to charge the time of state employees working on capital projects to non-bond funding sources because of the undesirable practice of amortizing such salary costs over the 20 year life of state general obligation bonds.

Definitions:

Capitalizable costs of staff means the portion of the compensation of employees working directly on a capital project that is directly related to that capital project based on the compensation of each such employee (including employee benefits) and payroll taxes paid by the agency for such employee and the amount of time actually spent by such employee on the project that is properly capitalized as a cost of a project under generally accepted accounting principles and federal tax law. Agencies may use bond proceeds only for out-of-pocket capital costs and not for depreciation, amortization, overhead, general administration, or similar costs.

Capital project means the acquisition or betterment of public land and buildings and other public improvements, the costs of which are properly capitalized under generally accepted accounting principles.

Policy:

1. Agencies intending to use general obligation bond proceeds to fund the capitalizable costs of staff directly involved in delivering a capital project authorized in a bonding bill must notify Minnesota Management and Budget (MMB) of their intention prior to expending any bond appropriations for that purpose.
2. Staff time expended on capital projects are required to be tracked by each individual project in a form and manner acceptable to MMB. Agencies should submit a memorandum to their Executive Budget Officer (EBO) outlining their proposed process for tracking and reporting agency staff time directly expended on completing authorized capital projects for review and approval by MMB.

Criteria for Reporting Format:

Reporting of staff time spent on capital projects funded from general obligation bond proceeds must reflect the following criteria:

1. Time must be tracked by each project individually.
2. Each individual recording time must be identified.
3. Time must be tracked on a daily basis.

Policy Implementation:

Each agency must submit a report detailing the time expended on implementing capital projects to their respective EBO on a quarterly basis. Each agency must certify that such time is properly capitalizable as a

cost of the appropriate project in accordance with applicable accounting principles. EBOs shall review the reports and notify the Capital Projects Coordinator if any issues are noted. The Capital Projects Coordinator will work with the agency in question to resolve any issues that are identified. If the agency and the Capital Projects Coordinator are unable to resolve any issues, the Assistant Commissioner will make a final determination, in consultation with bond counsel as needed, as to the resolution of any issues.

Upon completion of each capital project undertaken, the agency will provide written notification to its EBO and no further reimbursement for any capitalizable costs may be made.

Effective Date of Policy:

This policy will be effective with bonding appropriations authorized in the 2010 legislative session. Agencies that already have explicit statutory authority for prior bond authorizations to use general obligation bond proceeds to fund the costs of staff directly involved in delivering a capital project must still submit a plan to track those costs to MMB for its review and approval prior to using any general obligation bond funds for such purposes.

Contacts:

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