

Table of Contents

2026-27 Biennial Budget - Departmental Earnings

An asterisk * indicates the Governor recommends a fee change for the agency or departmental earnings group.

Accountancy, Board of	1
Accountancy Professional Licensing and Fees	1
Administration	3
Capitol Events	3
Historic Tax Credit Grant/Fee	5
Administrative Hearings, Office of	7
Campaign Complaints and Municipal Board	7
Office of Administrative Hearings	9
Worker's Compensation Transcript	11
Agriculture	13
Agricultural Chemical Response and Reimbursement Surcharge	13
Agricultural Liming Fees	15
Apiary Export Certification Fees	17
Beverage Inspection Fees	19
Certificate Fees	21
Commercial Canneries Inspection Fees	23
Commercial Feed Inspection Fees	25
Commodity Councils Service Charges	27
Consolidated Dairy & Meat License Fees *	29
Consolidated Food License Fees *	31
Cottage Foods Registration Fees	33
Dairy Services Fees	35
Egg Law Inspection Fees	37
Fertilizer Inspection Fees	39
Food Handler Plan Review Fees	41
Food Handler Reinspection Fees	43
Fruit and Vegetable Inspection Fees	45
Grain Buyer and Storage Fees *	47
Industrial Hemp Fees	49
Laboratory Services Charges	51
Livestock License Fees	53
Livestock Weighting Charges	55
MDA Coop Agreements	57
MDA Corporate Farm Fees	59
MDA Miscellaneous	61
MDA Remediation Reimbursements	63
MDA Trade Activities	65
Meat and Poultry Loan Program	67
Minnesota Grown Fees	69
Nursery and Phytosanitary Fees	71
Pesticide Regulation Fees	73
RFA Aggie Bond Fees	75
Rural Finance Authority Fees	77
Seed Inspection Fees	79

Seed Potato Inspection Fee *	81
Wholesale Produce Dealers Fees	83
Animal Health, Board of	85
Dog and Cat Breeder Fees	85
Farmed Cervidae Annual Inspection Fee	87
Miscellaneous Fees Animal Health Board	89
Architecture, Engineering Board	91
Architecture, Engineering Board Examinations and Licensing Fees	91
Attorney General	93
Charities and Club Registration Fees	93
Barber Examiners, Board of	95
Barber Examiners Board Licensing Fees	95
Behavioral Health and Therapy, Board of *	98
Behavioral Health and Therapy Board Licensing Fees *	98
Cannabis Management Office	101
Cannabis Management Office Fees	101
Children, Youth and Families	103
Child Support Enforcement Division Fees	103
DCYF Licensing	105
Federal Collections Fee	107
Chiropractic Examiners, Board of *	109
Chiropractic Examiners Licensing Fees *	109
Civil Legal Aid, State Board of	111
Civil Legal Services Fees	111
Commerce	113
Auto Theft Prevention Surcharge	113
Collections License and Registration Fees	115
Currency Exchange License Fees	117
Energy Cost Assessments	119
Financial Institutions - Examiners Fees and Cost Assessments *	121
Franchise Registration Fees	123
Gold Bullion Dealers	125
Insurance Agent License Fees	127
Insurance Company Fees, Fines and Penalties	129
Miscellaneous Small Earnings: Fees, Service Charges, Assessments and Fines	131
Petroleum Inspection Fees	133
Petroleum Tank Release Cleanup	135
Propane Liquefied Petroleum Gas Fee	137
Real Estate License Fees	139
Securities Registration and Amendment Fees, Fines and Penalties *	141
Technology Fee for On-Line Licensing Products	143
Telecommunications Access Minnesota Surcharge	145
Telephone Regulation Cost Assessment	147
Weights and Measures Service Fees *	149
Worker's Compensation/Self Insurance Application and Filing Fees	151
Corrections	153
Aid to Victims of Crime	153
Charges to Counties - Per Diem Charges for MCF-Red Wing Juveniles	155
Community Supervision Fees from Offenders	157
Corrections Staff Rent/Utilities Fees	159
County Probation Reimbursement	161

Dedicated Receipts Miscellaneous	163
Health Care Co-Payment - Offender Assessment	165
Housing Adult Inmates	167
Inmate Confinement Surcharge Summary	169
Lino-Anoka Service Agreement	171
Out of State Juvenile Jail Certification Fee	173
Staff and Visitors Meals	175
Vocational Work Program Fees	177
Cosmetologist Examiners, Board of	179
Cosmetologist Examiners Board Licensing Fees	179
Dentistry, Board of	181
Dentistry Board Licensing Fees	181
Dietetics and Nutrition Practice, Board of	183
Dietetics and Nutrition Practice Licensing Fees	183
Direct Care and Treatment *	185
Minnesota Sex Offender Program Cost of Care *	185
Minnesota Sex Offender Program Industry	187
Rental Income	189
Shared Services	191
State Operated Services Cost of Care Recoveries *	193
Work Activity Income	195
District Courts	197
Miscellaneous Court Fees - Specialty Court Participation Fees	197
Education	199
Minnesota Career Information System (MCIS)	199
Miscellaneous Dept of Education Non-Dedicated Receipts	201
On-line Learning Fees	203
School Administrator Licensing	205
Emergency Medical Services Office	207
Emergency Medical Services Licensing Fees	207
Emergency Medical Svcs Data Practices / Cost of Copies	209
Employment and Economic Development	211
Job Skills Partnerships Program	211
MN Trade Office	213
Services for the Blind-Operations and Communication	215
Small Business Application Fee	218
Small Business Investment Tax Credit (Angel)	220
Executives for Long Term Svcs and Supports Bd *	222
Executives for Long Term Services and Supports Licensing Fees *	222
Explore Minnesota	224
Tourism Program Revenue	224
Gambling Control Board	226
Gambling License and Regulatory Fees	226
Health	228
Adoption Registry	228
Adverse Event Reporting	230
Asbestos Abatement *	232
Assisted Living *	234
Audiologists and Hearing Instrument Dispensers	236
Body Art	239
Doula Registry	241

Drinking Water *	243
Food Manager Certification	245
Health Care Facilities *	247
Health Information Exchange Oversight	249
Home Care	251
Hospitality	253
Inspection Programs *	255
Interpreter Services	257
Laboratory Accreditation	259
Lead Firms and Professionals	261
Managed Care *	263
Medical Cannabis	265
Mortuary Science	267
Newborn Screening	269
Newborn Screening - Hearing Detection	271
Plan Review	273
Radioactive Materials *	275
Radon	277
Speech-Language Pathologists	279
Telecommunications Fees - Health	281
Trauma System	283
Vital Records	285
Well Management *	287
X-Ray Machines *	289
Health Licensing Boards	291
Background Check	291
Higher Education, Office of *	293
Private Postsecondary Licensure and Registration Fees *	293
Human Rights	295
Compliance Certificates	295
Pay Equity Certificates	297
Human Services	299
Alternative Care	299
Background Study Fees	301
Human Services Licensing Division	303
Human Services Miscellaneous Fees	305
MA-EPD Premium	306
MinnesotaCare Premium/BHP Trust Fund	308
Nursing Home Advisory Council Fee	310
Iron Range Resources and Rehabilitation	312
IRRR Departmental Earnings	312
Labor and Industry	314
Combative Sports Fees	314
Construction Codes Fees *	316
Labor and Industry Data Practices - Cost of Copies	318
Logger Assessment	320
Qualified Rehabilitation Consultant Services Billed to Insurers	322
Rehabilitation Provider Registration and Managed Care Organization Fees	324
Residential Contractor Recovery Fund	326
Workers Compensation and Construction Codes Penalties	328
Legal Professional Boards	330

Certifying Accrediting Agencies and Annual Renewal Fees	330
Legal Profession Board Credit Card Convenience Fee	332
Licensing Attorneys	333
Regulating Continuing Legal Education	335
Regulation of Attorney Actions and Ethical Practice	337
Reimbursement of Clients Defrauded by Attorneys	339
Management and Budget	341
Combined Charities Operating Revenue	341
Marriage and Family Therapy, Board of	343
Marriage and Family Therapy Board Licensing Fees	343
Mediation Services, Bureau of	346
Mediation Services Bureau Fees	346
Medical Practice, Board of	348
Medical Practice Board Licensing Fees	348
MNsure	350
Premium Withhold	350
Natural Resources *	352
Aquatic Invasive Species *	352
DNR Miscellaneous	354
Electronic Licensing	357
Fire Fighting	360
Forestry Nursery Account	362
Game and Fish *	364
Land Recreation	370
Minerals Earnings	374
Parks Earnings *	377
Real Estate Earnings	380
Reclamation Earnings	384
Timber and Related Earnings	387
Water Earnings *	390
Water Recreation	393
Nursing, Board of	396
Nursing Board Licensing Fees	396
Occupational Therapy Practice Board	398
Occupational Therapy Practice Board	398
Optometry, Board of	401
Optometry Board Licensing Fees	401
Peace Officer Standards and Training Board	403
Peace Officers Standards and Training Board Licensing Fees	403
Perpich Center for Arts Education	405
Perpich Center for Arts Education Fees	405
Pharmacy, Board of	407
Data Requests	407
Insulin Safety Net Program	409
Opiate Related Fees	411
Pharmacy Board Licensing Fees	414
Physical Therapy, Board of	418
Physical Therapy Board Licensing Fees	418
Podiatric Medicine, Board of *	420
Podiatric Medicine Licensing Fees *	420
Pollution Control *	422

Air Quality Fee *	422
Dry Cleaner Fee	424
DVS Motor Vehicle Transfer Fee	427
E-Waste *	429
Hazardous Waste Fee	431
Low Level Radioactive Waste Generator Fee	434
Paint Stewardship Admin Fees	436
PCA Income Agreements	438
Petroleum Brownfields Program Fee	440
Pollution Prevention Fee	442
Subsurface Sewage Treatment Systems (SSTS) Licensing	444
Subsurface Sewage Treatment Systems (SSTS) Tank Fee	446
Underground Storage Tank Certification Program	448
Waste Disposal Facility Operators and Inspector Certification Program	450
Wastewater Operator Certification Program	452
Water Quality Fee	454
Private Detectives & Protective Agents Board	460
Private Detectives Board Licenses and Fees	460
Prof Educator Licensing and Standards Board	462
Teacher Licensing	462
Psychology, Board of	464
Psychology Board Licensing Fees	464
Public Facilities Authority	466
PFA Application and Loan Servicing Fees	466
Public Safety	468
AGED Gambling Enforcement Fees	468
AGED Liquor License Fees	470
BCA Criminal Justice Data Network	472
BCA Non-Criminal Information Requests	474
BCA Personal Protection Pistol Permit Fee	476
DVS Data Security	478
DVS Driver License and Related Fees	480
DVS Licensing DWI Reinstatement Fees	482
DVS Licensing Motorcycle Endorsement Fees	484
DVS MNDRIVE Technology Account	486
DVS Motor Vehicle Reg and Related Services	488
DVS Public Safety Motor Vehicle Account Fee	490
ECN 9-1-1 Fees	492
Fire Fighters Licensing Fees	494
Fire Insurance Policy Surcharge	496
Fire Safety Inspection and Certification Permit Fee *	498
HSEM Hazardous Fees	500
Patrol Commercial MV Inspection Fee	502
Patrol Contracted Service Fees	504
Pipeline Safety Inspection Fees	506
Public Utilities Commission	508
Administrative Hearings Cost Recovery	508
Energy Cost Assessments *	510
Facility Siting and Routing Permit Fees	512
Interconnection Ombudsperson	514
Telephone Assistance Program	516

Telephone Regulation Cost Assessment	518
Racing Commission	520
Pari-Mutual Horse Racing Licenses, Racetrack Owner/Operator License Class A	520
Revenue	522
Assessor's Education and Licensing	522
Revenue Recapture Fee	524
Secretary of State	526
Business Services Filing, Copy and Certification Fees	526
Computer Info Fees Direct Access	528
Election Fees - Candidate Filing, Copy and Certification Fees	530
Notary Commission and Renewal Fee	532
Uniform Commercial Code Filing and Copy Fees	534
Social Work, Board of *	536
Social Work Board Licensing Fees *	536
State Academies	539
Minnesota State Academies Fees	539
State Auditor	541
Audit Charges	541
Supreme Court	543
Courts Data Practices / Cost of Copies	543
Fees for Filing Appeals	545
Fees from Users of the Minnesota Court Information System	547
Miscellaneous Court Fees	549
Testing/Training for Court Interpreters	551
Tax Aids, Credits and Refunds	553
Cigarette and Tobacco Licensure	553
Conditional Use Fees	555
Motor Fuels License Fee	557
Revenue Department Filing Fees	559
Transportation	561
Advertising Permits	561
Air Transportation Revolving Account	563
Airports, Commercial Operations, and Aircraft Dealer License	565
DOT: Miscellaneous	567
Highway Toll Revenue	570
Motor Carrier Permits and Fees	572
Motor Vehicle Miscellaneous Fee	574
Tower Leases Rental Income	576
Transportation Permits	578
Veterans Affairs	580
Veterans Cemetery Burial Fees	580
Veterans Home Lease Fees for Domiciliary	582
Veterans Homes Maintenance Fee for Adult Day Care	584
Veterans Homes Resident Maintenance Charges for Domiciliary	586
Veterans Homes Resident Maintenance Charges for Skilled Nursing	588
Veterinary Medicine, Board of *	590
Veterinary Medicine Licensing Fees *	590
Water and Soil Resources, Board of	592
Water and Soil Resources Board Departmental Earnings	592

Purpose: To recover costs of regulation of the industry.

Legal Citation: MS 326A and MN Rules 1105

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (B7P9000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		954	1,766	2,353	2,353	3,048	3,048
Resources:							
Departmental Earnings	1,703	1,620	1,641	1,641	1,641	1,641	1,641
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,703	1,620	1,641	1,641	1,641	1,641	1,641
Expenditures:							
Direct Expenditures	657	734	969	860	860	860	860
Indirect Expenditures	92	74	85	86	86	86	86
Total Expenditures	749	808	1,054	946	946	946	946
Current Difference	954	812	587	695	695	695	695
Accumulated Ending Balance	954	1,766	2,353	3,048	3,048	3,743	3,743

Background Information:

The Board regulates persons engaged in public accounting for the purpose of public protection.

The Board's mission is to protect the public by providing reasonable assurance that the persons engaged in public accounting meet and maintain the qualifications and standards required to competently practice public accounting in the state of Minnesota.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated for the current fiscal year and next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Fees are collected from users holding after-hours or private events in the Capitol building to recover costs incurred for these events.

Legal Citation: M.S. 16B.2405, Subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Capitol Event Fees (G021257)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	22	22	22	22	22	22	22
Resources:							
Departmental Earnings	4	1	2	2	2	2	2
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4	1	2	2	2	2	2
Expenditures:							
Direct Expenditures	4	1	2	2	2	2	2
Indirect Expenditures							
Total Expenditures	4	1	2	2	2	2	2
Current Difference							
Accumulated Ending Balance	22	22	22	22	22	22	22

Background Information:

Authority to collect fees from users for events at the Capitol building is provided in M.S. 16B.2405, subd. 2. Fees are determined based on actual hours of event, including set up and take down. Costs for cleaning and HVAC expenses are included in fees.

Forecast Basis:

Revenue for FY26-27 is anticipated to remain stable and relatively consistent with estimated FY25 revenue.

Recent Changes:

None. Fees were first implemented in FY 2018 and reduced in March 2020.

Agency Analysis/Comments:

Fees are established on a cost recovery basis, and no changes are recommended.

Purpose: To offset costs associated with administering the historic structure rehabilitation tax grant/credit program.

Legal Citation: M.S. 290.0681, subd. 3

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: SHPO Tax Credit/Grant Fees (G021256)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	764	725	783	441	441	127	127
Resources:							
Departmental Earnings	210	343	250	215	215	215	215
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	210	343	250	215	215	215	215
Expenditures:							
Direct Expenditures	236	267	574	511	511	324	324
Indirect Expenditures	13	18	18	18	18	18	18
Total Expenditures	249	285	592	529	529	342	342
Current Difference	(39)	58	(342)	(314)	(314)	(127)	(127)
Accumulated Ending Balance	725	783	441	127	127		

Background Information:

The fee is collected to offset costs associated with administering the tax credit/grant program. The fee amount is a percentage (.10%, .20%, .35%, or .50%) based on qualifying rehabilitation expenditures, up to \$40,000. The total fee is collected twice during the application process, a smaller fee for processing the Part A application and a larger fee is collected at the end of a project with the Part B application, in order for fees to correspond to actual qualifying expenditures rather than estimated costs.

Forecast Basis:

Estimates for these fees are based on construction completion dates and cost estimates provided by the project owners. They are asked to update their project estimates each year through a progress report.

Recent Changes:

The fee schedule was changed in 2013 and again in 2023. From 2013 to 2023, the amount collected was up to \$40,000 but was capped at \$33,000. The main reasons for the 2023 fee change were to create a sustainable schedule to support future program needs and to create equity and fairness in the fee scale that would encourage smaller projects and projects in greater Minnesota.

Agency Analysis/Comments:

Construction project schedules can be unpredictable, and some projects may or may not make their estimated completion date, therefore delaying a fee payment. Given applicants oversee their schedules, our estimates can only be based on applicant estimates and if they inform us of delays in the progress reports. The 2023 fee adjustments will provide capacity to support program needs for the future such as staffing and technology needs.

Purpose: Disposition of municipal boundary adjustment petitions and conducting hearing on violation of the Fair Campaign Practices Act.

Legal Citation: MN Statute § 211B.32, Subd. 5; 211B.37; 414.12 Subd. 3; Minn. Rule 6000.3400

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (G9K1NDR)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(524)	(830)	(1,179)	(1,179)	(1,566)	(1,566)
Resources:							
Departmental Earnings	34	14	35	35	35	35	35
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	34	14	35	35	35	35	35
Expenditures:							
Direct Expenditures	558	320	384	422	422	464	464
Indirect Expenditures							
Total Expenditures	558	320	384	422	422	464	464
Current Difference	(524)	(306)	(349)	(387)	(387)	(429)	(429)
Accumulated Ending Balance	(524)	(830)	(1,179)	(1,566)	(1,566)	(1,995)	(1,995)

Background Information:

Filing fees for a complaint of unfair campaign practices, campaign complaint penalties assessed, and petition for creation, combination or alteration of a municipal boundary.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Revenues are non-dedicated and deposited in the State's General Fund.

Purpose: Provide fair and impartial contested case hearings for individuals challenging actions taken by state and local governments.

Legal Citation: MN Statute § 14.51

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Administrative Hearings (5201); Workers Comp Transcript (5202)

Appropriation: Office Of Administrative Heari (G9K1OAH); Workers Compensation Transcrip (G9K1WCT)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	357	444	364	518	518	96	96
Resources:							
Departmental Earnings	3,280	3,184	3,802	3,802	3,802	3,802	3,802
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out			2	2	2	2	2
Revenue Collected for Another Agency							
Total Resources	3,280	3,184	3,800	3,800	3,800	3,800	3,800
Expenditures:							
Direct Expenditures	3,177	3,237	3,609	4,182	4,182	3,852	3,852
Indirect Expenditures	16	27	37	40	40	44	44
Total Expenditures	3,193	3,264	3,646	4,222	4,222	3,896	3,896
Current Difference	87	(80)	154	(422)	(422)	(96)	(96)
Accumulated Ending Balance	444	364	518	96	96		

Background Information:

Under MN Stat 13.085, a private party may request release of state held data. If an agency determines that requested data is non-public and declines to release it, the requesting party may appeal the decision. A \$1,000 fee is collected at time of filing of appeal. OAH must refund the filing fee of a substantially prevailing complainant in full, less \$50, and the office's costs in conducting the matter are billed to the respondent, not to exceed \$1,000. In addition, a complainant that does not substantially prevail on the merits shall be refunded the filing fee less any costs incurred by the office.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None

Agency Analysis/Comments:

These fees are deposited in the Administrative Hearings Fund (5201) which is also an internal service fund. They are reported here because non-state agency fees are collected.

Purpose: Defray cost of preparation of record of proceedings appealed to Workers' Compensation Court of Appeals

Legal Citation: M.S. 176.421 Subd. 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Workers Compensation (2830); Workers Comp Transcript (5202)

Appropriation: Work Comp Pymt (G9K1WCP); Workers Compensation Transcript (G9K1WCT)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	44	44	46	45	45	44	44
Resources:							
Departmental Earnings	1	3	3	3	3	3	3
Other Resources:							
Earning Transferred In			2	2	2	2	2
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		1	2	2	2	2	2
Revenue Collected for Another Agency							
Total Resources	1	2	3	3	3	3	3
Expenditures:							
Direct Expenditures	1		4	4	4	4	4
Indirect Expenditures							
Total Expenditures	1		4	4	4	4	4
Current Difference		2	(1)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	44	46	45	44	44	43	43

Background Information:

Fees associated with customer request for transcripts.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None

Agency Analysis/Comments:

Revenues are dedicated to the purposes of maintaining record of hearing conducted and preparation of transcript of those hearings for appeals to the Workers' Compensation Court of Appeals.

Purpose: Agricultural Chemical Response and Reimbursement surcharge

Legal Citation: MS 18E.03

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Ag Chem Response & Reimb Acct (B041A15)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,110	3,932	5,493	6,151	6,151	5,800	5,800
Resources:							
Departmental Earnings	4,654	7,021	5,058	4,055	4,055	4,055	4,055
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	117	288	250	250	250	200	200
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,771	7,309	5,308	4,305	4,305	4,255	4,255
Expenditures:							
Direct Expenditures	2,657	5,020	4,074	4,079	4,079	4,079	4,079
Indirect Expenditures	292	728	576	577	577	577	577
Total Expenditures	2,949	5,748	4,650	4,656	4,656	4,656	4,656
Current Difference	1,822	1,561	658	(351)	(351)	(401)	(401)
Accumulated Ending Balance	3,932	5,493	6,151	5,800	5,800	5,399	5,399

Background Information:

This program protects public health and the environment from hazards posed by releases involving agricultural chemicals. Surcharges are collected and used to reimburse cleanup activities. Since little private insurance is available for environmental releases, this program allows small and critical businesses to continue serving Minnesota agriculture while financing past, current and future incidents.

Forecast Basis:

With fees decreasing in January 2025, the fund balance is predicted to decrease.

Recent Changes:

Effective January 2025, fees will be decreased due to the increased fund balance.

Agency Analysis/Comments:

None

Purpose: Fees related to regulation of agricultural liming products and distributors

Legal Citation: M.S. 18C.551

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Pest&Fert Non-Dedicated Rcpts (B041G00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		31	73	90	90	107	107
Resources:							
Departmental Earnings	52	56	57	58	58	58	58
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	52	56	57	58	58	58	58
Expenditures:							
Direct Expenditures	21	14	40	41	41	43	43
Indirect Expenditures							
Total Expenditures	21	14	40	41	41	43	43
Current Difference	31	42	17	17	17	15	15
Accumulated Ending Balance	31	73	90	107	107	122	122

Background Information:

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

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No major recent changes.

Agency Analysis/Comments:

Money is deposited into the General Fund and an appropriation is given to the agency for this purpose. The expenditures shown for comparison are the amounts in the Inspection and Enforcement area.

Purpose: Fees for certificates of health of honey bees

Legal Citation: M.S. 17.445 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Apiary (B042A27)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	8	8	9	9	9	9	9
Resources:							
Departmental Earnings							
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		1					
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources		1					
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference		1					
Accumulated Ending Balance	8	9	9	9	9	9	9

Background Information:

Minnesota beekeepers who transport bees to other states may be required to have their colonies inspected. The MDA provides apiary inspections for a fee of \$50.00 plus mileage costs.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No major recent changes.

Agency Analysis/Comments:

This account has had limited activity in recent years.

Purpose: Fees paid by beverage manufacturing plant licensees.

Legal Citation: M.S. 34.07 and M.S. 28A.08

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Beverage Inspection (B044A34)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	59	54					
Resources:							
Departmental Earnings	47						
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2	2					
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	49	2					
Expenditures:							
Direct Expenditures	47	49					
Indirect Expenditures	7	7					
Total Expenditures	54	56					
Current Difference	(5)	(54)					
Accumulated Ending Balance	54						

Background Information:

This fee concluded in starting in FY25 when the Food Handler Licensing fund (B044A41) was established under M.S. 28A.08 Subd. 4.

Recent Changes:

M.S. 34.07 was repealed.

Purpose: Fee paid by any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota.

Legal Citation: M.S. 28A.081

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Food Certification FFSD (B044A39); Food Certification -DMID (B045A39)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	88	80	37	32	32	40	40
Resources:							
Departmental Earnings	82	64	67	67	67	67	67
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2	4	3	3	3	3	3
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	84	68	70	70	70	70	70
Expenditures:							
Direct Expenditures	80	97	65	54	54	56	56
Indirect Expenditures	12	14	10	8	8	8	8
Total Expenditures	92	111	75	62	62	64	64
Current Difference	(8)	(43)	(5)	8	8	6	6
Accumulated Ending Balance	80	37	32	40	40	46	46

Background Information:

Certificate establish products are freely sold within the state of Minnesota to facilitate export activities. Program is supported by licensing and inspection activities related to food production and sales in Minnesota. Main program activities are staff time for administration.

Forecast Basis:

Analysis of recent activity. Expecting a slow increase to pre-pandemic levels.

Recent Changes:

No major recent changes at this time

Agency Analysis/Comments:

Current fee revenues do not fully support program activities. A portion of the protection services general fund and FDA Food Inspection contract supplement program costs.

Purpose: Fees paid by commercial canneries for inspections and lab analysis

Legal Citation: M.S. 31.39

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Commercial Canneries Inspect (B044A35)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	82	19	(53)	(141)	(141)	(225)	(225)
Resources:							
Departmental Earnings	61	57	45	45	45	45	45
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2	4	4	4	4	4	4
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	63	61	49	49	49	49	49
Expenditures:							
Direct Expenditures	119	125	129	126	126	127	127
Indirect Expenditures	7	8	8	7	7	8	8
Total Expenditures	126	133	137	133	133	135	135
Current Difference	(63)	(72)	(88)	(84)	(84)	(86)	(86)
Accumulated Ending Balance	19	(53)	(141)	(225)	(225)	(311)	(311)

Background Information:

This program conducts inspections at all commercial canning and frozen food plants within the state. Food, food containers and processes are sampled and inspected. Complaints are investigated and certificates of free sale are issued to exporters upon request.

Forecast Basis:

Historical data suggests that fee revenue will not increase significantly.

Recent Changes:

Annual revenues have not always met annual costs of this program so program reserves occasionally get spent down.

Agency Analysis/Comments:

General Fund (B044G35) dollars have also been appropriated to help support this program.

Purpose: Fees related to commercial feed regulation

Legal Citation: M.S. 25.341 and M.S. 25.39

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: General (1000); Agriculture (2018)

Appropriation: Commercial Feed (B044A30); Food&Feed Non-Dedicated Rcpts (B044G00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,158	5,395	5,640	5,129	5,129	4,177	4,177
Resources:							
Departmental Earnings	3,416	3,725	3,690	3,690	3,690	3,690	3,690
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	149	256	256	256	256	256	256
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,565	3,981	3,946	3,946	3,946	3,946	3,946
Expenditures:							
Direct Expenditures	2,923	3,321	3,951	4,349	4,349	4,123	4,123
Indirect Expenditures	405	415	506	549	549	516	516
Total Expenditures	3,328	3,736	4,457	4,898	4,898	4,639	4,639
Current Difference	237	245	(511)	(952)	(952)	(693)	(693)
Accumulated Ending Balance	5,395	5,640	5,129	4,177	4,177	3,484	3,484

Background Information:

This program ensures that the feed industry is capable of producing safe feed that consumers receive, uniform quality of feed nutrients and ingredients per label specifications and that adulterated and misbranded feed is removed from the marketplace. Transfers out and expended in the lab for testing services.

Forecast Basis:

The commercial feed industry is mature so that the tonnage volume that fees are collected on is stable. Revenue increases due to continued growth in pet food listings are expected to fund additional program work for pet food label modernization through additional inspection, market surveillance, and enforcement.

Recent Changes:

No major recent changes at this time.

Agency Analysis/Comments:

Activity in this account has been relatively steady.

Purpose: Service fees under contractual agreements with the commodity research and promotion councils

Legal Citation: M.S. 17.59

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Commodities Councils (B046A51)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	156	169	158	152	152	136	136
Resources:							
Departmental Earnings	133	106	120	120	120	120	120
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	6	8	3	3	3	3	3
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	139	114	123	123	123	123	123
Expenditures:							
Direct Expenditures	109	110	112	121	121	126	126
Indirect Expenditures	17	15	17	18	18	19	19
Total Expenditures	126	125	129	139	139	145	145
Current Difference	13	(11)	(6)	(16)	(16)	(22)	(22)
Accumulated Ending Balance	169	158	152	136	136	114	114

Background Information:

Fees are collected as specified in agreements with each commodity research council to cover costs incurred by the department to conduct elections, process refund requests, and ensure that councils are in compliance with relevant state statutes and rules.

Forecast Basis:

The MDA anticipates that revenues will generally stay the same for the foreseeable future as we move out in years for budget purposes. The MDA does not anticipate any new councils being formed and is not aware of any plans for referendums by any of the existing councils.

Recent Changes:

None.

Agency Analysis/Comments:

Activity in this account has been relatively steady.

Purpose: Various fees for dairy and meat handlers, processors, and manufacturers.

Legal Citation: M.S. 28A; M.S. 28A.08

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Agriculture (2018)

Appropriation: Dairy Services (B045A31); Food Handler License DMID (B045A32); Dairy&Meat Non-Dedicated Rcpts (B045G00)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:			1	46	46	39	39
Resources:							
Departmental Earnings	186	174	181	181	186	181	186
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		4	4	4	4	4	4
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	186	178	185	185	190	185	190
Expenditures:							
Direct Expenditures	186	177	140	168	173	174	179
Indirect Expenditures				24	24	25	25
Total Expenditures	186	177	140	192	197	199	204
Current Difference		1	45	(7)	(7)	(14)	(14)
Accumulated Ending Balance		1	46	39	39	25	25

Background Information:

This program provides regulation for dairy and meat producers, processors, packagers, labelers, handlers, distributors and vendors in order to protect the public from health hazards, fraudulent practices, improper labeling claims and misinformation.

Forecast Basis:

Analysis of past revenues has been performed. Overall fees are expected to remain stable based on stable meat and dairy industry performance.

Recent Changes:

Fees were recently dedicated in 2023.

Agency Analysis/Comments:

Current fee revenues do not fully support program activities, program activities are supplemented by protection services General Fund, and USDA funding.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Milk Marketing Modernization" proposal in the Department of Agriculture's 2026-27 Governor's Budget Recommendations.

Purpose: License fees and related license penalty fees for food handlers. Fees for the inspection of vending machines operated by licensed food handlers.

Legal Citation: M.S. 28A
M.S. 28A.08, M.S. 28A.09

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Agriculture (2018)

Appropriation: Food Handler License FFSD (B044A41); Vending Machine Inspection (B044A42); Food&Feed Non-Dedicated Rcpts (B044G00); Dairy&Meat Non-Dedicated Rcpts (B045G00)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(551)	(1,441)	(3,037)	(3,037)	(4,275)	(4,275)
Resources:							
Departmental Earnings	4,097	3,782	3,781	3,781	6,276	3,781	6,351
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		62	62	62	62	62	62
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,097	3,844	3,843	3,843	6,338	3,843	6,413
Expenditures:							
Direct Expenditures	4,648	4,734	5,439	4,574	7,069	4,648	7,218
Indirect Expenditures				507	507	515	515
Total Expenditures	4,648	4,734	5,439	5,081	7,576	5,163	7,733
Current Difference	(551)	(890)	(1,596)	(1,238)	(1,238)	(1,320)	(1,320)
Accumulated Ending Balance	(551)	(1,441)	(3,037)	(4,275)	(4,275)	(5,595)	(5,595)

Background Information:

This program provides regulatory oversight for food producers, processors, packagers, labelers, handlers, distributors, retailers, and vendors to protect the public from health hazards, fraudulent practices, improper labeling claims and misinformation. General funds B044G06 have been appropriated to help support this program. General fund and dedicated fees do not cost recover the expenses of the program. This program also provides regulatory oversight for food businesses operating vending machines to ensure food safety, sanitation, protect the public from health hazards, fraudulent practices, improper labeling claims and misinformation.

Forecast Basis:

Analysis of past revenues have been performed with program costs exceeding dedicated fee revenue and general fund appropriation.

Recent Changes:

Fees were dedicated for program use in 2023 with a correlating reduction in general fund B044G06 in expected revenues.

Agency Analysis/Comments:

Current fee revenues do not fully support program activities. A portion of the protection services general fund (B044G06) and FDA Food Inspection contract revenue supplement program costs. Vending machine inspection program activities are concurrent with retail food inspection.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Food Licensing Modernization" proposal in the Department of Agriculture's 2026-27 Governor's Budget Recommendations.

Purpose: To provide registration and training to allow individuals to sell certain food that is home-produced, home-canned or not potentially hazardous.

Legal Citation: M.S. 28A.152

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Cottage Foods (B044A37)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	25	(2)	(90)	(224)	(224)	(356)	(355)
Resources:							
Departmental Earnings	23	24	24	24	24	24	24
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1	2	2	2	3	2	3
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	24	26	26	26	27	26	27
Expenditures:							
Direct Expenditures	49	110	156	154	154	158	158
Indirect Expenditures	2	4	4	4	4	4	4
Total Expenditures	51	114	160	158	158	162	162
Current Difference	(27)	(88)	(134)	(132)	(131)	(136)	(135)
Accumulated Ending Balance	(2)	(90)	(224)	(356)	(355)	(492)	(490)

Background Information:

This program began in FY 2016 and was expanded in FY 2021.

Forecast Basis:

Revenues trending upward as number of registrants increases over time.

Recent Changes:

No recent activity.

Agency Analysis/Comments:

Program expenses are increasing to continued increase in registrations and increase in program inquiries. General Fund (B044G37) dollars are also appropriated to support this program and supplement the program (B044G06). General fund and dedicated fees do not cost recover the expenses of the program.

Purpose: Fees paid by Grade A and Grade B dairy producers and processors.

Legal Citation: MS 32D.02, MS 28A.08

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Agriculture (2018)

Appropriation: Dairy Services (B045A31)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,822	2,187	2,386	2,179	2,179	1,571	1,571
Resources:							
Departmental Earnings	2,178	2,141	2,220	2,220	2,220	2,220	2,220
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	65	109	109	109	109	109	109
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,243	2,250	2,329	2,329	2,329	2,329	2,329
Expenditures:							
Direct Expenditures	1,639	1,807	2,240	2,591	2,591	2,154	2,154
Indirect Expenditures	239	244	296	346	346	300	300
Total Expenditures	1,878	2,051	2,536	2,937	2,937	2,454	2,454
Current Difference	365	199	(207)	(608)	(608)	(125)	(125)
Accumulated Ending Balance	2,187	2,386	2,179	1,571	1,571	1,446	1,446

Background Information:

Dairy services include routine farm inspections, uniform ratings of dairy farms and processing facilities, inspection of farm pick-up trucks, testing of haulers to ensure accuracy of quantity and quality, routine sampling of milk and milk products, review of plans for facility modifications, review of labels, testing and sealing of all pasteurizer units and responding to emergencies and requests for consultations. Audits are also completed for industry laboratories with delegated responsibilities for testing milk for antibiotics, bacteria and other milk components. Transfers out and expended in the lab for testing services.

Forecast Basis:

Fees are based on the number of farms and plants, the volume of milk produced by Minnesota dairy producers and the volume of milk sold in Minnesota.

Recent Changes:

No major recent changes at this time.

Agency Analysis/Comments:

This departmental earnings group is for activities in the dairy services account in the agricultural fund. This activity also receives a protection services general fund appropriation.

Purpose: To ensure that eggs are processed properly to assure safety and uniform standards.

Legal Citation: M.S. 28A.08 and M.S. 29.22

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Egg Law Inspection (B045A38)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	39	24	16	14	14	19	19
Resources:							
Departmental Earnings	19	26	23	23	23	23	23
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1	1	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	20	27	24	24	24	24	24
Expenditures:							
Direct Expenditures	30	31	22	17	17	17	17
Indirect Expenditures	5	4	4	2	2	2	2
Total Expenditures	35	35	26	19	19	19	19
Current Difference	(15)	(8)	(2)	5	5	5	5
Accumulated Ending Balance	24	16	14	19	19	24	24

Background Information:

This program ensures that all eggs offered for sale are graded using equal standards. Plant inspections cover sanitation, handling practices, candling, grading, special sampling for salmonella enteritidis and additional responsibilities such as cholesterol checks and labeling checks for dating and accuracy.

Forecast Basis:

The egg industry is a very stable and mature industry in the State. There is some growth in the local foods area, however, not enough to significantly impact the fees collected.

Recent Changes:

No major recent changes at this time.

Agency Analysis/Comments:

This program is funded adequately but not over-funded, especially given the increased interest in egg production by smaller producers.

Purpose: Fees related to fertilizer regulation

Legal Citation: MS 18C.131 & MS 18C.80 & MS 18C.425 6

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Fertilizer Regulatory (B041A14); Mn Ag Fertilizer Research Educ (B041A16)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,910	2,662	2,901	2,666	2,666	2,260	2,260
Resources:							
Departmental Earnings	3,414	3,801	3,496	3,472	3,472	3,472	3,472
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	174	268	202	202	202	182	182
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,588	4,069	3,698	3,674	3,674	3,654	3,654
Expenditures:							
Direct Expenditures	3,364	3,394	3,448	3,580	3,580	3,623	3,623
Indirect Expenditures	472	436	485	500	500	506	506
Total Expenditures	3,836	3,830	3,933	4,080	4,080	4,129	4,129
Current Difference	(248)	239	(235)	(406)	(406)	(475)	(475)
Accumulated Ending Balance	2,662	2,901	2,666	2,260	2,260	1,785	1,785

Background Information:

This program regulates fertilizer nutrients to ensure the quality of fertilizer sold in Minnesota, assesses and develops best management practices for the use of fertilizer and provides assistance with emergency incidence response and cleanup. Transfers out and expended in the lab for testing services.

Forecast Basis:

Expenditures are going to be exceeding the revenues as revenues drop.

Recent Changes:

Submitted request for the fee increase in the fertilizer regulatory through the Change Item during FY24-25 budgeting process.

Agency Analysis/Comments:

This departmental earnings group includes revenues and expenditures in the fertilizer regulatory and fertilizer research and education areas, both in the agricultural fund.

Purpose: Fees paid by retail food handlers for pre-opening review of facilities and equipment according to the MN Food Code requirements.

Legal Citation: M.S. 28A.082

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Food Handler Plan Review (B044A32)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	73	(290)	(688)	(1,128)	(1,128)	(1,574)	(1,574)
Resources:							
Departmental Earnings	89	155	161	161	161	161	161
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1	8	8	8	8	8	8
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	90	163	169	169	169	169	169
Expenditures:							
Direct Expenditures	453	541	591	594	594	586	586
Indirect Expenditures		20	18	21	21	21	21
Total Expenditures	453	561	609	615	615	607	607
Current Difference	(363)	(398)	(440)	(446)	(446)	(438)	(438)
Accumulated Ending Balance	(290)	(688)	(1,128)	(1,574)	(1,574)	(2,012)	(2,012)

Background Information:

This program reviews plans for retail food facilities (grocery and convenience stores) so facilities and equipment meet nationally-recognized food safety standards for construction and design to ensure safe and sanitary preparation, storage and sale of food. Utensil and hand-washing equipment, hot and cold storage, ventilation, cleanable surfaces and other aspects are reviewed. General fund dollars have been appropriated to B044G32 to help support this program and it is also supplemented with general fund dollars from B044G06 during period of fee adjustment.

Forecast Basis:

Revenues collected from fee adjustments in 2023 have been lower than expected.

Recent Changes:

Historically this program has had difficulty meeting costs due to increased service needs for small facilities, and current fees do not cover all related program costs. This program restructured it's fee schedule in 2023 to address some of the cost recovery shortfall.

Agency Analysis/Comments:

General Fund (B044G32) dollars have also been appropriated to help support this program.

Purpose: Fees paid by food handlers for additional inspection activities required due to non-compliance

Legal Citation: M.S. 28A.085

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Food&Feed Reinsp SafetyAssess (B044A33); Dairy&Meat Reinsp SafetyAssess (B045A33)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	81	79	71	60	60	50	50
Resources:							
Departmental Earnings	12	9	9	9	9	9	9
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2	4	4	4	4	4	4
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	14	13	13	13	13	13	13
Expenditures:							
Direct Expenditures	14	18	21	20	20	20	20
Indirect Expenditures	2	3	3	3	3	3	3
Total Expenditures	16	21	24	23	23	23	23
Current Difference	(2)	(8)	(11)	(10)	(10)	(10)	(10)
Accumulated Ending Balance	79	71	60	50	50	40	40

Background Information:

This program provides for recovery of the costs of additional inspection activities required to address major violations, foodborne outbreaks and sanitary notices at licensed food handler facilities.

Forecast Basis:

Analysis of recent activity

Recent Changes:

No major recent changes at this time.

Agency Analysis/Comments:

Fees are only collected for instances of severe issues requiring additional inspection activities in a short time period.

Purpose: Fees for fruit and vegetable inspection activities

Legal Citation: M.S. 27.07 Subdivision 6

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Fruit & Veg Inspection (B042A26)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	477	39	(540)	(1,013)	(1,013)	(1,345)	(1,345)
Resources:							
Departmental Earnings	985	509	585	615	615	615	615
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	14	15	15	15	15	15	15
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	999	524	600	630	630	630	630
Expenditures:							
Direct Expenditures	1,285	1,017	1,004	882	882	900	900
Indirect Expenditures	152	86	69	80	80	82	82
Total Expenditures	1,437	1,103	1,073	962	962	982	982
Current Difference	(438)	(579)	(473)	(332)	(332)	(352)	(352)
Accumulated Ending Balance	39	(540)	(1,013)	(1,345)	(1,345)	(1,697)	(1,697)

Background Information:

This program provides processing plant, shipping point, terminal market inspections and on farm food safety audits as requested. These services are provided under agreement with the US Department of Agriculture and the fees are set by the USDA

Fees do not cost recover the expenses of the program and is supplemented with general fund dollars, B042G06 under MS Chapter 27.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

Shipping point and processing plant inspection were adjusted in FY24. It is expected that the processing plant income will be roughly \$40K more per year. Shipping point revenue moved from a per lb charge to a straight time charge.

Agency Analysis/Comments:

Fees for audits, shipping point and terminal market are set by USDA. Fees for processing plant inspections are negotiated with the processing plants.

Purpose: Fees related to the licensing and auditing of grain sales and storage

Legal Citation: M.S. 223.17, M.S. 231.16, M.S. 232.22, M.S. 233.08 and M.S. 236.02

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Grain Buyers & Storg (B042A23)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	578	597	500	254	254	263	263
Resources:							
Departmental Earnings	585	555	556	557	1,007	557	1,007
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	134	16	23	23	23	23	23
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	719	571	579	580	1,030	580	1,030
Expenditures:							
Direct Expenditures	605	584	723	487	937	499	949
Indirect Expenditures	95	84	102	84	84	84	84
Total Expenditures	700	668	825	571	1,021	583	1,033
Current Difference	19	(97)	(246)	9	9	(3)	(3)
Accumulated Ending Balance	597	500	254	263	263	260	260

Background Information:

This program licenses grain buyers, sets bond limits in conjunction with these licenses, licenses grain storage and general warehouse storage.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

Legislation effective as of FY21 had new financial reporting requirements for licensees. Compliance with those requirements has been poor and as of FY23 the agency is pursuing enforcement options to bring entities into compliance.

Agency Analysis/Comments:

Increased requirements for inspection and review of financial information as well as legal costs associated with bond claims are causing expenditures to exceed revenue. The fund balance is projected to reach \$0 by FY26 without a change to expenditures and / or revenue.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Grain License Fees Update" proposal in the Department of Agriculture's 2026-27 Governor's Budget Recommendations.

Purpose: To regulate and license the production of industrial hemp for commercial purposes.

Legal Citation: M.S. 18K.07

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Industrial Hemp (B042A29)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	238	158	1	(208)	(208)	(404)	(404)
Resources:							
Departmental Earnings	235	146	146	146	146	146	146
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	3	8	8	8	8	8	8
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	238	154	154	154	154	154	154
Expenditures:							
Direct Expenditures	301	293	341	331	331	343	343
Indirect Expenditures	17	18	22	19	19	19	19
Total Expenditures	318	311	363	350	350	362	362
Current Difference	(80)	(157)	(209)	(196)	(196)	(208)	(208)
Accumulated Ending Balance	158	1	(208)	(404)	(404)	(612)	(612)

Background Information:

The industrial hemp pilot program was in place from 2016 through 2020. As of January 1, 2021, the MDA has offered a state-managed hemp program under USDA oversight and approval.

Forecast Basis:

Revenues have fluctuated along with market conditions for hemp. Anticipating revenue amounts from year to year has been difficult.

Recent Changes:

Hemp regulations have been consistent under USDA oversight but State regulations for Cannabis have created opportunity as well as questions to be resolved regarding hemp production.

Agency Analysis/Comments:

While factors related to production and regulation of hemp and Cannabis generally are in flux, optimism for hemp as a viable crop in Minnesota remains high. General Fund dollars have been appropriated (Legal Citation 23 043 01 002) and have been critical to supporting the program.

Purpose: Fees paid by DNR, USDA, EPS, OCM and various other local and state agencies

Legal Citation: M.S. 17.85 and M.S. 21.85

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Laboratory Services (B043A40)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	551	486	657	797	797	579	579
Resources:							
Departmental Earnings	219	531	1,819	1,721	1,721	1,089	1,089
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	104	109	100	120	120	90	90
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	323	640	1,919	1,841	1,841	1,179	1,179
Expenditures:							
Direct Expenditures	336	410	1,664	1,881	1,881	1,063	1,063
Indirect Expenditures	52	59	115	178	178	150	150
Total Expenditures	388	469	1,779	2,059	2,059	1,213	1,213
Current Difference	(65)	171	140	(218)	(218)	(34)	(34)
Accumulated Ending Balance	486	657	797	579	579	545	545

Background Information:

This program provides lab analyses for the Minnesota Department of Natural Resources, US Department of Agriculture and various other state and local agencies. These are cooperative efforts that benefit both parties and support state, federal and local laws. Legally and scientifically defensible data and consultation on analytical issues is provided.

Forecast Basis:

Analysis of recent activity and contracts for the previous few years.

Recent Changes:

There is a new contract with Minnesota Office of Cannabis Management (OCM) that increase revenue. Adjustments to the budgets have been made based on the updated workload and revenue.

Agency Analysis/Comments:

Activity fluctuates based on analysis requests from agencies. Budgets are adjusted based on the number of samples and type of samples submitted. Some sample types are being reviewed for possible elimination or fee increases.

Purpose: Fees for livestock market agencies, stockyards, dealers and packing companies to purchase animals from farmer/producers

Legal Citation: M.S. 17A.04

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Dairy&Meat Non-Dedicated Rcpts (B045G00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(3)	(6)	(11)	(11)	(17)	(17)
Resources:							
Departmental Earnings	37	39	40	40	40	40	40
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	37	39	40	40	40	40	40
Expenditures:							
Direct Expenditures	40	42	45	46	46	47	47
Indirect Expenditures							
Total Expenditures	40	42	45	46	46	47	47
Current Difference	(3)	(3)	(5)	(6)	(6)	(7)	(7)
Accumulated Ending Balance	(3)	(6)	(11)	(17)	(17)	(24)	(24)

Background Information:

Fees are collected to defray the costs of the regulation of livestock buyers and their agents to assure that farmers are properly paid for their livestock.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No major recent changes.

Agency Analysis/Comments:

Money is deposited into the General Fund and an appropriation is given to the agency for this purpose. Expenditures shown for comparison are the amounts tracked in the livestock licensing area.

Purpose: Fees to cover the costs associated with weighing of livestock at meat packing plants

Legal Citation: M.S. 17A.11

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Livestock Weigh Ag Cert (B045A35)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	194	127	181	148	148	108	108
Resources:							
Departmental Earnings	472	654	565	565	565	600	600
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	7	10	6	6	6	6	6
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	479	664	571	571	571	606	606
Expenditures:							
Direct Expenditures	472	533	527	533	533	540	540
Indirect Expenditures	74	77	77	78	78	79	79
Total Expenditures	546	610	604	611	611	619	619
Current Difference	(67)	54	(33)	(40)	(40)	(13)	(13)
Accumulated Ending Balance	127	181	148	108	108	95	95

Background Information:

Fees are collected to cover the costs associated with requested weighing services for livestock sold by farmer/producers at meat packing plants. JBS SWIFT pork processing plant in Worthington is the only plant that utilizes state weighers.

Forecast Basis:

MDA anticipates that the plant will continue to run at or near capacity for the foreseeable future.

Recent Changes:

Service needs and expenditures have remained consistent since 2021; and are expected to remain stable. Fees were increased in July 2022.

Agency Analysis/Comments:

MDA closely monitors revenue received as compared to actual expenses for delivering services. We expect a modest increase in the fees charged within the next 2 to 3 years.

Purpose: Contracted arrangements with non-state entities to provide additional efforts in areas where the agency has statutory authority to act.

Legal Citation: M.S. 17.03, Subd. 12

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund:

Appropriation:
Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings							
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources							
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference							
Accumulated Ending Balance							

Background Information:

Cooperative agreement activity has been common in the past but often occurs in response to issues that are not foreseen.

Forecast Basis:

Forecast is conservative based on the fact that there is no specific knowledge of cooperative agreements in the coming biennium.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

None.

Purpose: To protect the family farm as a basic economic unit by reviewing exemptions to laws restricting farming by business organizations.

Legal Citation: M.S. 500.24

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Corporate Farm (B049A91)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	279	262	244	223	223	203	203
Resources:							
Departmental Earnings	114	114	134	134	134	134	134
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	8	12	12	12	12	12	12
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	122	126	146	146	146	146	146
Expenditures:							
Direct Expenditures	119	126	146	147	147	149	149
Indirect Expenditures	20	18	21	19	19	20	20
Total Expenditures	139	144	167	166	166	169	169
Current Difference	(17)	(18)	(21)	(20)	(20)	(23)	(23)
Accumulated Ending Balance	262	244	223	203	203	180	180

Background Information:

The corporate farm program fee was initiated in 2016.

Forecast Basis:

It is assumed that revenue and expenditures will generally stay the same based on analysis of recent activity.

Recent Changes:

The fee started in FY16 at the rate \$15 per report. No change since then.

Agency Analysis/Comments:

This departmental earnings group is a dedicated earnings from corporate farm filing fee that are deposited in the state treasury and credited to an account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for the administrative expenses.

Purpose: Filing fees for required annual reports on foreign-owned agricultural land.

Legal Citation: M.S. 500.221

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Agy Svs Non-Dedicated Rcpts (B049G00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		2	4	4	4	4	4
Resources:							
Departmental Earnings	2	2					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2	2					
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	2	2					
Accumulated Ending Balance	2	4	4	4	4	4	4

Background Information:

Reports need to be filed annually on any agricultural land owned by foreign individuals and non-American corporations.

Forecast Basis:

It is assumed that revenue stays the same based on analysis of recent activity.

Recent Changes:

All required annual reports shall include a filing fee of \$50 plus \$10 for each additional quarter section of land.
No change.

Agency Analysis/Comments:

Activity in the area is very minimal.

Purpose: Reimbursements for state costs related to voluntary cleanup of ag chemical contamination sites.

Legal Citation: M.S. 115B.17

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Remediation (2801)

Appropriation: Pest&Fert Remediation Rcpts (B041E00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(189)	(346)	(520)	(520)	(755)	(755)
Resources:							
Departmental Earnings	118	79	134	80	80	80	80
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	118	79	134	80	80	80	80
Expenditures:							
Direct Expenditures	266	206	270	276	276	282	282
Indirect Expenditures	41	30	38	39	39	40	40
Total Expenditures	307	236	308	315	315	322	322
Current Difference	(189)	(157)	(174)	(235)	(235)	(242)	(242)
Accumulated Ending Balance	(189)	(346)	(520)	(755)	(755)	(997)	(997)

Background Information:

Under the Minnesota Environmental Response and Liability Act (MERLA), costs for state staff time and expenses to oversee a voluntary cleanup of agricultural chemical contamination are reimbursed to the Remediation Fund.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The Remediation Fund is managed by the Pollution Control Agency. A separate appropriation is made to cover the costs of overseeing these voluntary cleanups and other agricultural chemical cleanups being performed under MERLA. The expenditures shown for comparison are the amounts in the MERLA Admin appropriation (B041E01), which includes administration of both voluntary cleanups and State-managed cleanups.

Purpose: Fees to defray expenses of participation in agricultural trade promotional activities.

Legal Citation: M.S. 17.1015

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Trade Shows & Exhibits (B046R18)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	119	88	115	115	115	115	115
Resources:							
Departmental Earnings	53	43	50	50	50	50	50
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	4	5	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	57	48	51	51	51	51	51
Expenditures:							
Direct Expenditures	76	18	45	45	45	45	45
Indirect Expenditures	12	3	6	6	6	6	6
Total Expenditures	88	21	51	51	51	51	51
Current Difference	(31)	27					
Accumulated Ending Balance	88	115	115	115	115	115	115

Background Information:

Activity in this area fluctuates depending on current trade events and the number of businesses that are interested in participating in these events.

Forecast Basis:

COVID dramatically impacted the number of tradeshow events that took place in person. Show participation and resulting revenue is increasing and gradually returning to pre-COVID levels.

Recent Changes:

All in-person trade shows and events are back to their normal format. In some cases attendance and exhibitor levels have not yet returned to pre-COVID levels but they continue to grow.

Agency Analysis/Comments:

MDA anticipates that within this biennium we will return to a normal situation.

Purpose: Application Fee and Loan Origination Fee for Meat and Poultry Loan Program.

Legal Citation: MS 17.03 12

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Agriculture (2018)

Appropriation: RFA Administration (B049A90); 10.382 Meat&Poultry Inter Lend (B049R60)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1	11	57	57	79	79
Resources:							
Departmental Earnings	3	12	47	23	23	13	13
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	2	1					
Revenue Collected for Another Agency							
Total Resources	1	11	47	23	23	13	13
Expenditures:							
Direct Expenditures		1	1	1	1	1	1
Indirect Expenditures							
Total Expenditures		1	1	1	1	1	1
Current Difference	1	10	46	22	22	12	12
Accumulated Ending Balance	1	11	57	79	79	91	91

Background Information:

Application and origination fees may be authorized for the Meat and Poultry Loan Program in order to help defray administrative costs at the Department of Agriculture.

Forecast Basis:

It is assumed that revenues will reduce after 09/30/2025 the \$15Mil loaned out for budgeting purposes.

Recent Changes:

No Change.

Agency Analysis/Comments:

It is assumed that revenues will reduce after 09/30/2025 the \$15Mil loaned out for budgeting purposes.

Purpose: Licensing and advertising fees from Minnesota Grown promotional activities

Legal Citation: M.S. 17.102 and M.S. 17.03

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Minnesota Grown (B046A50)

Fee Change?

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	340	252	282	224	224	169	169
Resources:							
Departmental Earnings	70	72	73	75	75	79	79
Other Resources:							
Earning Transferred In	186	186	186	186	186	186	186
Revenue Collected by Another Agency							
Other Receipts	15	24	5	5	5	5	5
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	271	282	264	266	266	270	270
Expenditures:							
Direct Expenditures	359	252	322	321	321	322	322
Indirect Expenditures							
Total Expenditures	359	252	322	321	321	322	322
Current Difference	(88)	30	(58)	(55)	(55)	(52)	(52)
Accumulated Ending Balance	252	282	224	169	169	117	117

Background Information:

Fees for licensing to use the Minnesota Grown logo on products grown in Minnesota and revenue from advertising in Minnesota Grown publications and website are dedicated for use to increase consumer awareness of the logo and demand for Minnesota grown agricultural products.

Forecast Basis:

MDA anticipates a slight increase in revenue for the next biennium.

Recent Changes:

MDA continues to shift resources to online marketing from conventional printed format.

Agency Analysis/Comments:

This activity relies on transfer from the General Fund along with fees.

Purpose: Fees for nursery inspections, elevator inspections and export phytosanitary certification

Legal Citation: M.S. 18G.10, M.S. 18H.07 and M.S. 18H.17

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Nursery/Phytosanitary (B042A24)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	807	1,077	1,328	1,362	1,362	1,489	1,489
Resources:							
Departmental Earnings	1,087	1,184	1,188	1,188	1,188	1,188	1,188
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	35	80	80	80	80	80	80
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,122	1,264	1,268	1,268	1,268	1,268	1,268
Expenditures:							
Direct Expenditures	737	886	1,083	1,012	1,012	1,032	1,032
Indirect Expenditures	115	127	151	129	129	134	134
Total Expenditures	852	1,013	1,234	1,141	1,141	1,166	1,166
Current Difference	270	251	34	127	127	102	102
Accumulated Ending Balance	1,077	1,328	1,362	1,489	1,489	1,591	1,591

Background Information:

This program performs inspections to monitor for the spread of exotic plants and plant pests and to ensure disease-free nursery stock. In addition, the agency has delegated authority from the US Department of Agriculture to issue phytosanitary certificates to facilitate market access for Minnesota plants and plant products. Transfers out and expended in the lab for testing services.

Forecast Basis:

Revenue for nursery stock certification is generally stable. Revenue generated by phytosanitary certification has been declining over the past 5 years or so.

Recent Changes:

No major recent changes.

Agency Analysis/Comments:

The budget is stable with an adequate fund balance.

Purpose: Fees for pesticide registration, regulation, licensing and environmental protection

Legal Citation: MS 18B.05 & MS 18B.065 9

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Pesticide Regulatory (B041A11); Waste Pesticide Cooperative (B041A12)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6,198	7,948	8,492	8,153	8,153	6,685	6,685
Resources:							
Departmental Earnings	13,305	13,187	13,686	13,488	13,488	13,654	13,654
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	392	484	401	401	401	341	341
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	13,697	13,671	14,087	13,889	13,889	13,995	13,995
Expenditures:							
Direct Expenditures	10,535	11,705	12,817	13,638	13,638	13,762	13,762
Indirect Expenditures	1,412	1,422	1,609	1,719	1,719	1,737	1,737
Total Expenditures	11,947	13,127	14,426	15,357	15,357	15,499	15,499
Current Difference	1,750	544	(339)	(1,468)	(1,468)	(1,504)	(1,504)
Accumulated Ending Balance	7,948	8,492	8,153	6,685	6,685	5,181	5,181

Background Information:

This program ensures that pesticide products can be used in a safe and environmentally protective manner and responds to unsafe products, misuse and incident situations. The program provides for the registration of products, licensing and/or certification of dealers and applicators, regulation of bulk storage and handling, investigation of misuse, emergency response, environmental cleanup, and development of best management practices and environmental monitoring and assessment. Transfers out and expended in the lab for testing services.

Forecast Basis:

Slight increase in Pesticide revenues, which allows revenue to stay consistent with expenditures.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

This departmental earnings group includes revenues and expenditures in the pesticide regulatory and the waste pesticide area, both in the agricultural fund.

Purpose: Application and origination fees to help defray the cost of issuing Aggie Bond loans

Legal Citation: M.S. 41C.12

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund:

Appropriation:
Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings							
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources							
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference							
Accumulated Ending Balance							

Background Information:

Fees are collected to help defray the cost of selling bonds to lenders so the loans will receive tax-exempt status under Internal Revenue Service code.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No major recent changes.

Agency Analysis/Comments:

Money is deposited into the General Fund and an appropriation is given to the agency for this purpose. Activity is normally very minimal.

Purpose: Application fees for the Beginning Farmer and Seller-Sponsored loan programs, Application fees for the Agricultural Improvement loan program, Application fees for the Restructuring loan program, and Application fees for the Livestock Expansion loan program

Legal Citation: M.S. 41B.03, M.S. 41B.04, M.S. 41B.043, M.S. 41B.045, M.S.41B.06

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: RFA Administration (B049A90)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	129	118	106	95	95	80	80
Resources:							
Departmental Earnings	5	4	8	8	8	8	8
Other Resources:							
Earning Transferred In	2	1					
Revenue Collected by Another Agency							
Other Receipts	4	6	6	6	6	6	6
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	11	11	14	14	14	14	14
Expenditures:							
Direct Expenditures	19	20	21	25	25	25	25
Indirect Expenditures	3	3	4	4	4	4	4
Total Expenditures	22	23	25	29	29	29	29
Current Difference	(11)	(12)	(11)	(15)	(15)	(15)	(15)
Accumulated Ending Balance	118	106	95	80	80	65	65

Background Information:

The Rural Finance Authority may authorize application and origination fees for the Beginning Farmer and Seller-Sponsored loan programs, Agricultural Improvement loan program, Restructuring Loan program and the Livestock Expansion loan program in order to help defray administrative costs at the Department of Agriculture.

Forecast Basis:

It is assumed that revenues will generally stay the same as we move out in years for budgeting purposes.

Recent Changes:

No Change.

Agency Analysis/Comments:

It is assumed revenues will generally stay the same as we move out in years for budget purposes.

Purpose: Fees related to the seed regulatory program

Legal Citation: M.S. 21.92

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Seed Inspection (B042A21)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,412	3,007	3,078	3,052	3,052	3,047	3,047
Resources:							
Departmental Earnings	1,997	1,677	1,677	1,677	1,677	1,677	1,677
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	85	145	145	145	145	145	145
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,082	1,822	1,822	1,822	1,822	1,822	1,822
Expenditures:							
Direct Expenditures	1,348	1,589	1,678	1,663	1,663	1,687	1,687
Indirect Expenditures	139	162	170	164	164	171	171
Total Expenditures	1,487	1,751	1,848	1,827	1,827	1,858	1,858
Current Difference	595	71	(26)	(5)	(5)	(36)	(36)
Accumulated Ending Balance	3,007	3,078	3,052	3,047	3,047	3,011	3,011

Background Information:

This program ensures the truthful labeling of agricultural, vegetable, flower, tree and shrub seeds for sale in Minnesota. Transfers out and expended in the lab for testing services.

Forecast Basis:

Seed sales and resultant revenue have continued to be strong during the past several years.

Recent Changes:

None.

Agency Analysis/Comments:

Revenue for this program has been sufficient to operate the program at the level needed to meet statutory obligations.

Purpose: Fees for inspection and certification of seed potatoes

Legal Citation: M.S. 21.115

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Agriculture (2018)

Appropriation: Seed Potato Inspection (B042A25)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	114	188	220	278	278	289	289
Resources:							
Departmental Earnings	361	386	388	482	442	482	442
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	25	18	18	18	18	18	18
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	386	404	406	500	460	500	460
Expenditures:							
Direct Expenditures	270	325	305	428	388	434	394
Indirect Expenditures	42	47	43	61	61	61	61
Total Expenditures	312	372	348	489	449	495	455
Current Difference	74	32	58	11	11	5	5
Accumulated Ending Balance	188	220	278	289	289	294	294

Background Information:

This program provides field inspections, post-harvest tests, seed certification, yield and storage surveys and promotional activities necessary for certification of seed potatoes.

Forecast Basis:

Certified seed potato acreages have declined over time in Minnesota but have been stable in the short term.

Recent Changes:

Minnesota's inspection fees have been among the lowest in the country. Three years ago the per acreage certification charge was increased from \$28 to \$32/acre. Winter test fees were also adjusted in FY24 that resulted in an additional \$78K over what it would have been charged under the previous fee structure.

Agency Analysis/Comments:

Costs have increased greatly for the traditional winter grow out. Certification agencies and growers are considering other options for post-harvest testing.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "See Potato Certification Statute Modernization" proposal in the Department of Agriculture's 2026-27 Governor's Budget Recommendations.

Purpose: Fees related to licensing and bonding of wholesale produce dealers who purchase perishable agricultural produce

Legal Citation: M.S. 27.041 3

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund:

Appropriation:
Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	108	39					
Resources:							
Departmental Earnings							
Other Resources:							
Earning Transferred In		257					
Revenue Collected by Another Agency							
Other Receipts	2						
Resource Reductions:							
Earnings Transferred Out		296					
Revenue Collected for Another Agency							
Total Resources	2	(39)					
Expenditures:							
Direct Expenditures	61						
Indirect Expenditures	10						
Total Expenditures	71						
Current Difference	(69)	(39)					
Accumulated Ending Balance	39						

Background Information:

This program licenses wholesale purchasers of farm perishable agricultural products so that farmers are paid for what is purchased or the required bond or financial instrument on file with their license is used. This chapter contains language related to establishing grade for fruit and vegetable transactions as well as some protections for sellers of wholesale produce.

Forecast Basis:

Portions of this chapter were repealed, effective FY21, including the requirement for licensing. As a result, fees are no longer collected.

Recent Changes:

Elements of this program were discontinued and the appropriation is no longer collecting fees.

Agency Analysis/Comments:

While the licensing requirement of the chapter was repealed, other elements of this statute were retained and the Plant Protection Division will continue to spend for continued activity until the fund balance is depleted, anticipated in FY24.

Purpose: Fees collected to help offset the cost of licensing and inspecting dog and cat breeders.

Legal Citation: M.S. 347.53

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: DOG CAT BREEDER-BREED REC (B14BRER)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	31	28	16				
Resources:							
Departmental Earnings	24	19	15	15	15	15	15
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	1	1	2	2	2	2	2
Other Receipts		2	2	2	2	2	2
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	25	22	19	19	19	19	19
Expenditures:							
Direct Expenditures	28	34	35	19	19	19	19
Indirect Expenditures							
Total Expenditures	28	34	35	19	19	19	19
Current Difference	(3)	(12)	(16)				
Accumulated Ending Balance	28	16					

Background Information:

The Board issues licenses for commercial dog and cat breeders. Fees collected are deposited in a dog and cat breeder licensing account and used to help administer the program. The annual license fee is equal to \$10 per adult intact animal, with a maximum of \$250 per facility.

Forecast Basis:

Projected revenues are based on approximately 180 commercial dog and cat breeding facilities.

Recent Changes:

No changes

Agency Analysis/Comments:

The Board projects that collected funds will be used to administer the program. While we currently license 124 facilities, there has been heightened interest in the commercial dog and cat breeder program. The program is also supported by general fund dollars.

Purpose: Fees are collected to assist with the cost of regulating the farmed cervidae programs.

Legal Citation: M.S. 35.155, Subd. 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Farmed Cervidae Insp Receipts (B14FCIR)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	37	55	10				
Resources:							
Departmental Earnings	82	37	40	40	40	40	40
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		3	4	4	4	4	4
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	82	40	44	44	44	44	44
Expenditures:							
Direct Expenditures	64	85	54	44	44	44	44
Indirect Expenditures							
Total Expenditures	64	85	54	44	44	44	44
Current Difference	18	(45)	(10)				
Accumulated Ending Balance	55	10					

Background Information:

The cervidae (deer) inspection account was established to help offset the costs of administering and enforcing the farmed deer programs. This includes licensing, inspection, and enforcing disease control programs. Each herd owner must pay an annual inspection fee equal to \$500 if the herd is used for profit or monetary gain, engages in transactions or exchanges for consideration, sell the ability to shoot animals in the herd, or if the herd consists of more than one species. All other herds must pay an annual inspection fee equal to \$250.

Forecast Basis:

Based on fees collected in previous years, along with reduction each year due to program attrition.

Recent Changes:

As of July 1, 2019, the fee is \$500 for producers that manage their herd for profit or monetary gain, engage in transaction or exchanges for consideration, sell the ability to shoot animals in the herd, or if the herd consists of more than one species. The fee is \$250 for all other herds.

Agency Analysis/Comments:

The Board projects that collected funds will be used to administer farmed deer programs. The fees collected provide only a small portion of funds needed to regulate the farmed deer programs. The remainder of the expenses covering the regulatory tasks attributable to the farmed deer programs are covered by the Board's general appropriation.

Purpose: Fees for dog and cat kennel licenses, livestock brands, civil penalties, and data practices copies.

Legal Citation: M.S. 347.33, subd. 3 (dog or cat kennel or dealer license), M.S. 35.824, M.S. 35.826, M.S. 35.829 (brands), M.S. 35.95, subd. 1 (civil penalties), M.S. 13.03, subd. 3 (cost of data copies)

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: DOG CAT BREEDER-BREED REC (B14BRER); Miscellaneous Revenue (B14MSRS)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		13	23	36	36	49	49
Resources:							
Departmental Earnings	14	11	15	15	15	15	15
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency	1	1	2	2	2	2	2
Total Resources	13	10	13	13	13	13	13
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	13	10	13	13	13	13	13
Accumulated Ending Balance	13	23	36	49	49	62	62

Background Information:

The Board collects fees to register livestock brands within the state. The fee for registering a livestock brand is \$10 initially and \$10 to re-register the brand every 10 years. The fee to record a transferred brand is also \$10.

The Board administers and conducts a licensing program for kennels and dealers that house stray and abandoned dogs or cats. As of November 30, 2018, there were 86 kennels licensed with the Board. The annual license fee is \$15 for each kennel housing stray and abandoned dogs or cats. These fees were last changed in 1987.

The Board occasionally assesses civil penalties for violations of Chapter 35 or Board of Animal Health rules. The Board can assess a civil penalty of up to \$10,000 for a violation. A typical civil penalty assessed by the Board is \$250.

Forecast Basis:

Current projections are based on past history.

Recent Changes:

No changes.

Purpose: To recover costs of regulation of the industry

Legal Citation: M.S. 326 and MN Rules 1800

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipt (B7E9000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		110	1,628	1,305	1,305	2,609	2,609
Resources:							
Departmental Earnings	894	2,395	831	2,331	2,331	831	831
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	894	2,395	831	2,331	2,331	831	831
Expenditures:							
Direct Expenditures	694	759	1,047	914	914	914	914
Indirect Expenditures	90	118	107	113	113	113	113
Total Expenditures	784	877	1,154	1,027	1,027	1,027	1,027
Current Difference	110	1,518	(323)	1,304	1,304	(196)	(196)
Accumulated Ending Balance	110	1,628	1,305	2,609	2,609	2,413	2,413

Background Information:

The Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design examines, certifies, licenses, and regulates individuals practicing architecture, professional engineering, land surveying, landscape architecture, professional geology, and professional soil science, and those who use the title certified interior design. The Board's mission is to protect the public by providing reasonable assurance that the persons engaged in the professions meet and maintain the qualifications and standards required to competently practice in the State of Minnesota.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated for the current fiscal year and next biennium.

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: The Attorney General has oversight responsibility for charitable assets and has the authority to enforce Minnesota’s laws governing nonprofit charitable organizations.

Legal Citation: M.S. 309.52, M.S. 309.53, M.S. 309.531 and M.S. 325G.27

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipt (G069900)

Fee Change?

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		126	161	195	195	194	194
Resources:							
Departmental Earnings	789	799	798	798	798	798	798
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	789	799	798	798	798	798	798
Expenditures:							
Direct Expenditures	663	764	764	799	799	799	799
Indirect Expenditures							
Total Expenditures	663	764	764	799	799	799	799
Current Difference	126	35	34	(1)	(1)	(1)	(1)
Accumulated Ending Balance	126	161	195	194	194	193	193

Background Information:

The Attorney General has oversight responsibility for charitable assets and has the authority to enforce Minnesota’s laws governing nonprofit and charitable organizations.

Under Minnesota Statutes sections 309.52 and 309.53, most charitable organizations that solicit contributions from the public must register and submit registration documents, annual reports, financial statements, and a \$25.00 registration and annual fee. There is a \$50.00 late fee for past due filings. Charitable trusts and foundations must also register and file annually pursuant to Minnesota Statutes section 501B.38, including a \$25.00 filing fee. This information is made available to the public. More than 14,000 charitable organizations and charitable trusts are currently registered.

Under Minnesota Statutes sections 309.531, professional fundraisers must register each year with the Attorney General. The registration fee is \$200. There is a \$300 late fee for past due filings. There are approximately 300 professional fundraisers registered with the Attorney General’s Office.

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

Recent Changes:

None

Purpose: To recover the costs of regulating the barber profession.

Legal Citation: M.S. 154 and M.R. 2100

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Barbers Non dedicated receipts (B151000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(80)	(153)	(384)	(384)	(540)	(540)
Resources:							
Departmental Earnings	296	311	319	319	319	319	319
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	297	311	319	319	319	319	319
Expenditures:							
Direct Expenditures	352	367	527	452	452	452	452
Indirect Expenditures	25	17	23	23	23	23	23
Total Expenditures	377	384	550	475	475	475	475
Current Difference	(80)	(73)	(231)	(156)	(156)	(156)	(156)
Accumulated Ending Balance	(80)	(153)	(384)	(540)	(540)	(696)	(696)

Background Information:

The board's mission is to assist the State of Minnesota in meeting the goal of keeping Minnesotans safe by assuring that barbers are appropriately trained and demonstrate the skills necessary to conduct barber services safely and under sanitary conditions that reduce the spread of disease through training, examination, and inspection of barber practices, barber shops and barber schools.

Fees collected support the administrative functions of the board and the following services provided to meet the Board's mission.

Services:

- Set educational standards for licensure.
- Evaluation of qualified applicants through board administered examination of skills and knowledge to provide barbering services in a safe and sanitary manner and in compliance with statutory requirement.
- Licensing of qualified applicants through review of education, training, and performance on examinations.
- License renewal for qualified applicants seeking renewal.
- Conduct inspections of barber shops and schools to ensure compliance with sanitation and disinfection practices and Statute and Rules governing these establishments.
- Responding to public inquires and complains regarding licensee conduct and/or unlicensed activities.
- Conduct investigations and take action against violation of laws and rules the Board is empowered to enforce.
- Provide information about licensure requirements and standards of practice to citizens and other interested persons or agencies.

Fees

\$85.00 Examination and Initial Certificate of Registered Barber: The Board administered examination of practical skills and written exam of knowledge of barbering includes initial certification for individuals that pass the examination.

\$10.00 Retake of written examination: To facilitate a one-time retake of the written portion of the examination when all other parts have been passed.

\$80.00 Registered barber renewal. Renewal of certification for qualified registered barbers.

\$85.00 Temporary Registered Barber, Military: Temporary certification to barber pending examination, examination and initial registration for individuals qualifying as military members and/or spouses per MN Statute 197.4552.

\$95.00 Restoration of Registered Barber: Renewal of registered barber registration and \$15.00 late fee for late renewal combined.

\$180.00 Examination and Initial Certificate of Registration as a Barber Instructor: Licensing of qualified applicants through review of education, training, and performance on examination.

\$80.00 Temporary Teacher Permit: Licensure of experience registered barber currently taking required instructor courses to become licensed to teach in barber school if a fully qualified instructor is unavailable.

\$65.00 Temporary teacher permit renewal. Renewal of certification as a temporary barber teacher.

\$180.00 Temporary Barber Instructor, Military: Initial Temporary Teacher Permit and Barber Instructor Examination Registration for individuals qualifying as Military members and/or spouses per MN Statute §197.4552.

\$80.00 Barber Instructor renewal. Renewal of certification for qualified barber instructors.

\$45.00 Student Permit: Permit to provide barber services as a student in a barber school under the supervision of a barber instructor or temporary barber instructor.

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- \$25.00 Renewal of current student permit: Extends the student permit for an additional 15 month period.
 - \$85.00 Initial Barber Shop Registration: Registration of new barber shop.
 - \$55.00 Change of ownership or change of location of a currently registered barber shop.
 - \$85.00 Barber shop annual renewal of registration.
 - \$105.00 Restoration of barber shop registration. Renewal of barber shop registration and \$20.00 late fee for late renewal combined.
 - \$1030.00 Initial Barber School application: Board review of application, hearings and initial inspection.
 - \$280.00 Barber School renewal of registration: Supports annual inspections of barber schools.
 - \$75.00 Home Study Course: Home Study materials provided to new barbers for examination preparation.
 - \$40.00 Duplicate Registration: Preparation and mailing of duplicate certificate of registration
 - \$25.00 Letter of Verification: Verification of Minnesota barber registration to other jurisdictions.
 - \$100.00 Re-inspections: Fee for additional inspections required to verify corrective activities.

Forecast Basis:

The Minnesota Board of Barber Examiners receives a direct appropriation from the general fund for all operating expenses. All revenues are deposited as non-dedicated receipts in the general fund. The legislature sets all fee amounts in statute. Revenues are projected based on the number of licenses during the previous fiscal year and current fee structure. There are no significant changes anticipated in the number of licensees in the upcoming biennium.

Recent Changes:

There were no changes made to the Statutes and Rules governing barbering during the 2022-2023 biennium.

Agency Analysis/Comments:

The Minnesota Board of Barber Examiners has historically collected fees sufficient to meet expenditures. However, moving forward adjustments may be necessary. The Board will continue to monitor the needs of the board and will address changes if needed in the future.

Purpose: To recover the costs of regulating the licensed professional counselor, licensed professional clinical counselor, and licensed alcohol and drug counselor professions.

Legal Citation: M.S. 148B.53, M.S. 148B.59, M.S. 148F.015, M.S. 148F.115, M.S. 214, and M.S. 319B

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: LPC Non Dedicated Receipts (H7X3000); ADC Non Dedicated Receipts (H7X4000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3,946	4,343	4,936	5,075	5,075	5,424	5,294
Resources:							
Departmental Earnings	1,967	2,075	2,121	2,121	2,141	2,121	2,141
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	6						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,973	2,075	2,121	2,121	2,141	2,121	2,141
Expenditures:							
Direct Expenditures	1,003	876	1,349	1,139	1,289	1,139	1,289
Indirect Expenditures	573	606	633	633	633	633	633
Total Expenditures	1,576	1,482	1,982	1,772	1,922	1,772	1,922
Current Difference	397	593	139	349	219	349	219
Accumulated Ending Balance	4,343	4,936	5,075	5,424	5,294	5,773	5,513

Background Information:

The Board of Behavioral Health and Therapy regulates the practices of professional counseling, professional clinical counseling, and alcohol and drug counseling in Minnesota. The Board issues licenses to Licensed Alcohol and Drug Counselors (LADCs) and also issues temporary permits to individuals to practice alcohol and drug counseling. The Board issues licenses to Licensed Professional Counselors (LPCs) and Licensed Professional Clinical Counselors (LPCCs). Applicants for licensure and licensees pay fees for regulating the professions. The fees are set forth in statute: Minnesota Statutes section 148F.115 for LADCs and Minnesota Statutes section 148B.53, subdivision 3, for LPCs and LPCCs.

In addition to fees collected from applicants and licensees, fees are charged to licensure supervisors and sponsors of continuing education activities approved by the Board. All fees are set to recover the Board's direct and indirect expenditures. Fee revenue is used by the Board to fulfill its mission to protect the public through effective licensure and enforcement of the statutes and rules governing the practices of professional counselors and alcohol and drug counselors to ensure a standard of competent and ethical practice.

Fees for professional counselors were initially set in May 2004. New fees and increases in existing fees for professional counselors and professional clinical counselors were established in 2007. Fees for alcohol and drug counselors were set in 1998. In 2003, the Department of Health (which then regulated LADCs) increased LADC application and renewal fees, and a \$99 surcharge on all initial applications and all renewals was established to recover program debt. The \$99 surcharge expired on June 30, 2013. In 2007 fees were created for LADC licensure supervisors and continuing education sponsors.

The Board of Behavioral Health and Therapy provides the following services for fees charged:

- Issues initial licenses and renews licenses for qualified professionals.
- Sets educational standards for initial licensure and continuing education requirements for maintaining licensure and approves continuing education activities.
- Reviews applicants' education, training, and supervision to determine compliance with the Board's licensure requirements.
- Ensures that only applicants who meet licensure requirements are granted a license.
- Responds to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Takes disciplinary or corrective action against applicants or licensees for misconduct.
- Provides information about licensure requirements and standards of practice to citizens and other interested persons or agencies, including official online or written license verifications.

Forecast Basis:

Revenues from fees charged to applicants, licensees, licensure supervisors, and sponsors of continuing education activities approved by the Board are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and the number of license renewals processed. There are no significant changes anticipated in the amount of revenue to be generated in the upcoming biennium. The Board expects modest revenue increases that are in line with the fees already in place to fund regulation of the professions.

Recent Changes:

There are no recent revenue changes related to fee increases or decreases.

Agency Analysis/Comments:

The Board is requesting no changes to current fees, but requesting one new fee.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the "Add New Compact Privilege to Practice Fee" and "New Staff Position" proposals in the Board of Behavioral Health and Therapy's 2026-27 Governor's Budget Recommendations.

Purpose: Fees related to applications and licensing of cannabis businesses.

Legal Citation: M.S. 342.11

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: OCM Non-Dedicated Rcpts (B105G00)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:			(104)	(10,367)	(10,367)	(6,079)	(6,079)
Resources:							
Departmental Earnings			5,353	13,620	13,620	1,311	1,311
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources			5,353	13,620	13,620	1,311	1,311
Expenditures:							
Direct Expenditures		104	15,616	9,332	9,332	11,455	11,455
Indirect Expenditures							
Total Expenditures		104	15,616	9,332	9,332	11,455	11,455
Current Difference		(104)	(10,263)	4,288	4,288	(10,144)	(10,144)
Accumulated Ending Balance		(104)	(10,367)	(6,079)	(6,079)	(16,223)	(16,223)

Background Information:

Application fees, initial license fees, and renewal license fees for cannabis businesses, including:

- Microbusinesses
- Mezzobusinesses
- Cultivators
- Manufacturers
- Retailers
- Wholesalers
- Transporters
- Testing Facilities
- Delivery Services
- Cannabis Event Organizers
- Lower-Potency Hemp Edible Manufacturers
- Lower-Potency Hemp Edible Retailers
- Medical Cannabis Combination Businesses

Forecast Basis:

The forecast is based on an estimated number of applicants for licensure, an estimate of licenses issued, the timing of licenses issued, and the fees amounts set forth in M.S. 342.11.

Recent Changes:

The fees were established in the laws of 2023 and have not been changed.

Agency Analysis/Comments:

The fees were not intended to recover costs. The fees are deposited into the General Fund to offset a General Fund appropriation.

Purpose: To offset the cost of child support enforcement

Legal Citation: M.S. 518A.51, Subd 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Federal (3000)

Appropriation: 44 Child Support Enforce Grts (H551194); 91 TIV-D Child Support Admin (H551299); 44 Child Support Enforc Grts (H58Z513); 91 TIV-D Child Support Admin (H58Z926)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	4,161	4,187	4,820	4,820	4,820	4,820	4,820
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,161	4,187	4,820	4,820	4,820	4,820	4,820
Expenditures:							
Direct Expenditures	4,161	4,187	4,820	4,820	4,820	4,820	4,820
Indirect Expenditures							
Total Expenditures	4,161	4,187	4,820	4,820	4,820	4,820	4,820
Current Difference							
Accumulated Ending Balance							

Background Information:

Laws of 2003, 1st Special Session, Chapter 14, Article 6, Section 58, Subd. 7 provided a vehicle for DHS to charge a 1% cost recovery fee of the amount of child support collected/recovered. Laws of Minnesota 2011, 1st Special Session, Chapter 9, Article 1, section 32 increased the fee from 1% to 2%. This language has been codified in M.S. 518A.51.

Forecast Basis:

The amount is 2% of projected child support collections/recoveries for the fee-eligible applicants (federal and state share).

Recent Changes:

This fee was implemented on July 1, 2004, based on legislation cited above. The fee increase was implemented on January 1, 2012, based on the legislation cited above.

Agency Analysis/Comments:

None.

Purpose: To collect licensing fees for rules 3, 4, 29, 31, 32, 36, 80, 223 and programs under M.S. 245A.22, children’s residential facilities, and program under M.S. 245D.

Legal Citation: M.S. 245A.10 Subd. 3, 4 and 5

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: 91 Non Dedicated Revenue (H58Z940)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings				2,899	2,899	2,899	2,899
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources				2,899	2,899	2,899	2,899
Expenditures:							
Direct Expenditures				2,899	2,899	2,899	2,899
Indirect Expenditures							
Total Expenditures				2,899	2,899	2,899	2,899
Current Difference							
Accumulated Ending Balance							

Background Information:

This earnings statement included licensing fees collected pursuant to M.S. 245A.10. License fees are treated as non-dedicated revenues and deposited into the state government special revenue fund.

Forecast Basis:

License fees vary by type of program licensed. The forecast is based on current collection history.

Recent Changes:

Fees were increased in 2003 and the fee schedule was placed in statute. In 2005, the fee schedule was reduced 25 percent for child care centers. In 2011, fees were increased \$900,000 and license fees were placed in the state government special revenue fund. In 2013, a fee schedule was adopted for the Home and Community-Based Services programs (MN Stat. Chapter 245D) to be licensed beginning January 1, 2014.

Purpose: To offset cost of child support enforcement

Legal Citation: M.S. 518A.51, Subd 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Federal (3000)

Appropriation: 44 Child Support Enforce Grts (H551194); 91 TIV-D Child Support Admin (H551299); 44 Child Support Enforc Grts (H58Z513); 91 TIV-D Child Support Admin (H58Z926)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	1,707	1,644	1,189	1,189	1,189	1,189	1,189
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,707	1,644	1,189	1,189	1,189	1,189	1,189
Expenditures:							
Direct Expenditures	1,707	1,644	1,189	1,189	1,189	1,189	1,189
Indirect Expenditures							
Total Expenditures	1,707	1,644	1,189	1,189	1,189	1,189	1,189
Current Difference							
Accumulated Ending Balance							

Background Information:

Laws of 2006, Regular Session, Chapter 282, Article 18, section 3 amends M.S. 2004, section 518.551, subdivision 7 to include the collection of a \$25 fee from each individual who has never received assistance under a state program funded under Tile IV-A of the Social Security Act and for whom the public authority has collected at least \$500 of support. This language has been codified in M.S. 518A.51.

Forecast Basis:

The amount is the projected collections of the \$25 fee (federal and state share).

Recent Changes:

The fee was implemented in August 2007 with a retroactive collection based on an effective date of October 1, 2006 based on the legislation cited above.

Purpose: To recover the costs of regulating the chiropractic examiners profession.

Legal Citation: M.S. 148.07, M.S.148.08, M.S. 148.10, M.S. 214, M.S. 319B and M.R. 2500

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Chiro Non Dedicated Receipts (H7H1000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	917	834	740	457	457	254	378
Resources:							
Departmental Earnings	799	835	832	832	1,056	832	1,056
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	799	835	832	832	1,056	832	1,056
Expenditures:							
Direct Expenditures	735	693	870	790	890	790	890
Indirect Expenditures	147	236	245	245	245	245	245
Total Expenditures	882	929	1,115	1,035	1,135	1,035	1,135
Current Difference	(83)	(94)	(283)	(203)	(79)	(203)	(79)
Accumulated Ending Balance	834	740	457	254	378	51	299

Background Information:

The mission of the Minnesota Board of Chiropractic Examiners is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of chiropractic to ensure a standard of competent and ethical practice in the profession.

Fees charged to applicants, prospective applicants, licensees, members of the public, and sponsors of continuing education programs approved by the board are set to recover the board's services as shown below:

- Issue initial licensure and renew licenses for qualified professionals.
- Ensure that only applicants who meet licensure requirements are granted a license.
- Review applicants' education and training; and licensees' continuing education to ensure educational and competency standards are met and maintained.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and the conduct of applicants and licensees.
- Take disciplinary or corrective action against an applicant or licensee for misconduct.
- Enforce standards of practice and professional conduct for licensees.
- Provide information about licensure requirements and standards of practice to citizens and other interested persons or agencies.

Fees are also responsible for covering the Board's prorated share of support functions provided outside of the Board itself:

- Legal support (Attorney General)
- Centralized administrative support (Health Boards Administrative Services Unit) (SmART)
- Funding for services to health professionals (Health Professionals Services Program)
- Statewide e-licensing system development and operations (MN.IT)
- Criminal Background Check program

Forecast Basis:

Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law. Due to the rising costs to maintain operations; the Board is requesting a raise in several fees for the upcoming biennium.

Recent Changes:

The number of licensees regulated by the Board continues to rise, as do the number of complaints and the complexity of the cases. The Board has not raised fees since January 1993 a result of sound fiscal management, and creative solutions for reducing costs. While proud of this history, the Board projects that fee raises are required in the next biennium to continue operations.

Agency Analysis/Comments:

None.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Fee Increase and Move to Statute" and "Operating Adjustment" proposals in the Board of Chiropractic Examiners' 2026-27 Governor's Budget Recommendations.

Purpose: To provide partial funding for legal services for the poor by assessing MN attorneys.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Civil Legal Services-Ded (J650CLD); Pro Hac Vice (J650PHV)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	852	906	2,238	2,376	2,376	1,726	1,726
Resources:							
Departmental Earnings	2,367	2,331	2,342	2,342	2,342	2,342	2,342
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency				30	30	30	30
Total Resources	2,367	2,331	2,342	2,312	2,312	2,312	2,312
Expenditures:							
Direct Expenditures	2,313	999	2,204	2,962	2,962	2,958	2,958
Indirect Expenditures							
Total Expenditures	2,313	999	2,204	2,962	2,962	2,958	2,958
Current Difference	54	1,332	138	(650)	(650)	(646)	(646)
Accumulated Ending Balance	906	2,238	2,376	1,726	1,726	1,080	1,080

Background Information:

Fees charged to MN attorneys to support legal services for the poor.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Implement statewide programs to combat automobile theft.

Legal Citation: M.S. 297I.11

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Auto Theft Prevention (B134200); Non Dedicated Receipts (G900904)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6,273	5,720	4,923	3,498	3,498	2,073	2,073
Resources:							
Departmental Earnings	4,580	4,790	4,500	4,500	4,500	4,500	4,500
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	1,300	1,375	1,300	1,300	1,300	1,300	1,300
Revenue Collected for Another Agency							
Total Resources	3,280	3,415	3,200	3,200	3,200	3,200	3,200
Expenditures:							
Direct Expenditures	3,809	4,179	4,606	4,606	4,606	2,606	2,606
Indirect Expenditures	24	33	19	19	19	19	19
Total Expenditures	3,833	4,212	4,625	4,625	4,625	2,625	2,625
Current Difference	(553)	(797)	(1,425)	(1,425)	(1,425)	575	575
Accumulated Ending Balance	5,720	4,923	3,498	2,073	2,073	2,648	2,648

Background Information:

As required by statute, insurers that write automobile insurance policies collect a surcharge of \$.50 per vehicle per six months of coverage.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure

Purpose: To recover the cost of regulation of the industry

Legal Citation: M.S. 332

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Admin Services (B139500); Non Ded Rec - Market Assurance (B139700)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		528	961	1,266	1,266	1,606	1,606
Resources:							
Departmental Earnings	1,050	998	950	950	950	950	950
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,050	998	950	950	950	950	950
Expenditures:							
Direct Expenditures	441	485	556	530	530	530	530
Indirect Expenditures	81	80	89	80	80	80	80
Total Expenditures	522	565	645	610	610	610	610
Current Difference	528	433	305	340	340	340	340
Accumulated Ending Balance	528	961	1,266	1,606	1,606	1,946	1,946

Background Information:

Minnesota Statutes require registration of individual debt collectors and licensure of collection agencies. Both individual collectors and the agencies that employ them pay license fees. All fees collected are deposited as non-dedicated revenue to the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Purpose: To recover the cost of regulation of the industry

Legal Citation: M.S. 53A

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Admin Services (B139500); Non Ded Rec - Market Assurance (B139700)

Fee Change?

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1	(1)	(2)	(2)	(2)	(2)
Resources:							
Departmental Earnings	21	20	24	24	24	24	24
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	21	20	24	24	24	24	24
Expenditures:							
Direct Expenditures	18	20	23	22	22	22	22
Indirect Expenditures	2	2	2	2	2	2	2
Total Expenditures	20	22	25	24	24	24	24
Current Difference	1	(2)	(1)				
Accumulated Ending Balance	1	(1)	(2)	(2)	(2)	(2)	(2)

Background Information:

Minnesota statute requires licensing of currency exchanges that operate in Minnesota. All fees collected are deposited as non-dedicated revenue to the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Recover the cost of the Department’s analysis, advocacy, and regulatory functions with respect to regulated gas and electric utilities.

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

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Energy Planning & Systems (B132200); DE - Technical Assistance (B132413); DE - R & D Grants (B132414); Facility Energy Efficiency(B3) (B132415); CIP - META (B132431); AUDIT INVESTIGATION ACCOUNT (B132441); E999 Investigations (B132442); Non Ded Rec - Energy Security (B139510)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	8,148	10,063	13,311	9,602	9,602	6,765	6,765
Resources:							
Departmental Earnings	13,769	17,869	17,618	17,618	17,618	17,618	17,618
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	210	394	330	330	330	330	330
Resource Reductions:							
Earnings Transferred Out	389	34	14	14	14	14	14
Revenue Collected for Another Agency							
Total Resources	13,590	18,229	17,934	17,934	17,934	17,934	17,934
Expenditures:							
Direct Expenditures	10,377	14,111	20,269	19,509	19,509	19,529	19,529
Indirect Expenditures	1,298	870	1,374	1,262	1,262	1,262	1,262
Total Expenditures	11,675	14,981	21,643	20,771	20,771	20,791	20,791
Current Difference	1,915	3,248	(3,709)	(2,837)	(2,837)	(2,857)	(2,857)
Accumulated Ending Balance	10,063	13,311	9,602	6,765	6,765	3,908	3,908

Background Information:

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

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

Assessments are limited by statute. These limitations include:

- Direct cost assessments are limited to two-fifths of one percent of each company’s annual gross revenue.
- Indirect cost assessments are limited to one-sixth of one percent of each company’s annual gross revenue.

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

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

Forecast Basis:

Estimate is based on requested funding for gas and electric utility regulation. The department assumes 100% of the general fund appropriation will be expended and 100% of the cost will be recovered. Special revenue funds are based on programmatic estimates.

Recent Changes:

None.

Agency Analysis/Comments:

None.

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

Legal Citation: M.S. 46, 47 48, 52, 53, 53A, 55, 56 58

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Financial Inst Account ITC (B131004); Mortgage Orig Cons Educ-ITC (B134401); Non Ded Rec - Financial Exams (B139100); Non Ded Rec - Admin Services (B139500); Non Ded Rec - Market Assurance (B139700)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,951	2,190	2,307	2,557	2,557	2,814	2,814
Resources:							
Departmental Earnings	7,391	9,274	10,393	10,393	10,503	10,393	10,503
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	92	157	35	35	35	35	35
Resource Reductions:							
Earnings Transferred Out	39	158	14	14	14	14	14
Revenue Collected for Another Agency							
Total Resources	7,444	9,273	10,414	10,414	10,524	10,414	10,524
Expenditures:							
Direct Expenditures	7,635	8,567	9,582	9,579	9,689	9,579	9,689
Indirect Expenditures	570	589	582	578	578	578	578
Total Expenditures	8,205	9,156	10,164	10,157	10,267	10,157	10,267
Current Difference	(761)	117	250	257	257	257	257
Accumulated Ending Balance	2,190	2,307	2,557	2,814	2,814	3,071	3,071

Background Information:

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

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

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Agency Analysis/Comments:

None.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the "Earned Wage Services Act" proposal in the Department of Commerce's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the cost of regulation of the industry

Legal Citation: M.S. 80C

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Market Assurance (B139700)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		200	358	317	317	316	316
Resources:							
Departmental Earnings	542	538	444	444	444	444	444
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	542	538	444	444	444	444	444
Expenditures:							
Direct Expenditures	298	350	442	408	408	408	408
Indirect Expenditures	44	30	43	37	37	37	37
Total Expenditures	342	380	485	445	445	445	445
Current Difference	200	158	(41)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	200	358	317	316	316	315	315

Background Information:

Franchisors are required to register with the department to make investment offers in Minnesota. In addition, registered franchisors are required to file annual reports and amendments. All fees collected are deposited as non-dedicated revenue to the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: To recover the cost of regulation of the industry

Legal Citation: M.S. 80G

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Admin Services (B139500)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(141)	(271)	(424)	(424)	(568)	(568)
Resources:							
Departmental Earnings	3		12	12	12	12	12
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3		12	12	12	12	12
Expenditures:							
Direct Expenditures	100	110	128	121	121	121	121
Indirect Expenditures	44	20	37	35	35	35	35
Total Expenditures	144	130	165	156	156	156	156
Current Difference	(141)	(130)	(153)	(144)	(144)	(144)	(144)
Accumulated Ending Balance	(141)	(271)	(424)	(568)	(568)	(712)	(712)

Background Information:

Bullion coin legislation requires bullion coin dealers to obtain a license and a surety bond. In addition, it also requires those who own a coin business or work directly with the public in selling or buying bullion coins to undergo and pass a background check.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: To recover the cost of regulation of the industry

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

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Admin Services (B139500); Non Ded Rec - Market Assurance (B139700)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		11,504	22,602	31,873	31,873	41,303	41,303
Resources:							
Departmental Earnings	14,180	13,860	12,450	12,450	12,450	12,450	12,450
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	14,180	13,860	12,450	12,450	12,450	12,450	12,450
Expenditures:							
Direct Expenditures	2,201	2,403	2,721	2,607	2,607	2,607	2,607
Indirect Expenditures	475	359	458	413	413	413	413
Total Expenditures	2,676	2,762	3,179	3,020	3,020	3,020	3,020
Current Difference	11,504	11,098	9,271	9,430	9,430	9,430	9,430
Accumulated Ending Balance	11,504	22,602	31,873	41,303	41,303	50,733	50,733

Background Information:

The department licenses insurance agents, adjusters, and agencies that operate in Minnesota. The department also approves continuing education courses for insurance agents. All fees collected are deposited as non-dedicated revenue to the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: To recover the cost of regulation of the industry

Legal Citation: M.S. 60A

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Ins Exam Rev Fund (B131200); Insurance Fraud Prevention (B134100); Non Ded Rec - Admin Services (B139500); Non Dec Receipts-Insurance (B139600); Non Ded Rec - Market Assurance (B139700)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,527	1,901	2,738	643	643	(317)	(317)
Resources:							
Departmental Earnings	14,679	15,328	17,276	17,276	17,276	17,276	17,276
Other Resources:							
Earning Transferred In	2,170	2,111	2,111	2,111	2,111	2,111	2,111
Revenue Collected by Another Agency							
Other Receipts	150	128	400	400	400	400	400
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	16,999	17,567	19,787	19,787	19,787	19,787	19,787
Expenditures:							
Direct Expenditures	15,033	15,450	20,377	19,368	19,368	19,670	19,670
Indirect Expenditures	1,592	1,280	1,505	1,379	1,379	1,379	1,379
Total Expenditures	16,625	16,730	21,882	20,747	20,747	21,049	21,049
Current Difference	374	837	(2,095)	(960)	(960)	(1,262)	(1,262)
Accumulated Ending Balance	1,901	2,738	643	(317)	(317)	(1,579)	(1,579)

Background Information:

The department licenses and audits insurance companies that operate in Minnesota. Revenue from fees for insurance companies, examinations, desk audits, and filings are deposited in either the General Fund or the Special Revenue account. Additionally, fines and penalties can be a substantial source of revenue in any given fiscal year. It is difficult to forecast the frequency and amounts of fines and penalties.

At the end of each fiscal year, the balance in excess of \$25,000 in the insurance exam revolving fund is transferred to the general fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated for the current fiscal year and next biennium.

Recent Changes:

None.

Agency:
Earnings Group:

Commerce
Miscellaneous Small Earnings: Fees, Service Charges, Assessments and Fines

2026-27 Departmental Earnings

Purpose: To recover the cost of regulation of the industries

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

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Admin Services (B139500); Non Dec Receipts-Insurance (B139600); Non Ded Rec - Market Assurance (B139700); Non Ded Rec - Investigations (B139710)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		162	312	378	378	464	464
Resources:							
Departmental Earnings	363	367	336	336	336	336	336
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	363	367	336	336	336	336	336
Expenditures:							
Direct Expenditures	174	199	243	226	226	226	226
Indirect Expenditures	27	18	27	24	24	24	24
Total Expenditures	201	217	270	250	250	250	250
Current Difference	162	150	66	86	86	86	86
Accumulated Ending Balance	162	312	378	464	464	550	550

Background Information:

The department combined several small earnings categories into a single miscellaneous account. The miscellaneous earnings category includes subdivided land, athlete agent, cigarette and tobacco license and fee, overpayment from all fees, service contracts, course approvals, coordinator approvals, and notary fines.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Recovers the cost of operations for the Division of Weights & Measures and petroleum supply monitoring.

Legal Citation: M.S. 239.101, Subd. 3

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Non Dedicated Receipts (G900900); Petroleum Inspection Fees (G906003)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	586	973	536	316	316	96	96
Resources:							
Departmental Earnings	3,905	3,920	3,909	3,909	3,909	3,909	3,909
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		11	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency	432	432	430	430	430	430	430
Total Resources	3,473	3,499	3,480	3,480	3,480	3,480	3,480
Expenditures:							
Direct Expenditures	3,036	3,886	3,650	3,650	3,650	3,526	3,526
Indirect Expenditures	50	50	50	50	50	50	50
Total Expenditures	3,086	3,936	3,700	3,700	3,700	3,576	3,576
Current Difference	387	(437)	(220)	(220)	(220)	(96)	(96)
Accumulated Ending Balance	973	536	316	96	96		

Background Information:

The Petroleum Inspection Fee is set by statute at \$1.00 per 1,000 gallons. The Petroleum Inspection Fee is paid by licensed petroleum distributors and collected by the Commissioner of the Department of Revenue (DOR). Each month, DOR transfers a portion of the fee to the Department of Commerce. Commerce, by statute, receives \$0.89 of each dollar collected and it is to be used for operations of the Division of Weights & Measures, and monitoring Minnesota's supply and inventory of petroleum products.

The remaining \$0.11 of each dollar collected stays with the Department of Revenue and is deposited into the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Provides eligible applicants with reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks. The program also passes through funds to the Minnesota Pollution Control Agency (MPCA) for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, and annually approves the use of funds by the Minnesota Department of Employment and Economic Development (DEED) for the administration of the Contamination Cleanup and Investigation Grant Program.

Legal Citation: M.S. 115C.08

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Petroleum Tank Release Cleanup (2350)

Appropriation: Non Dedicated Receipts (G900901)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	26,057	17,503	16,872	7,091	7,091	6,960	6,460
Resources:							
Departmental Earnings	13,440	21,004	20,996	27,996	27,996	27,996	27,996
Other Resources:							
Earning Transferred In	396	693	559				
Revenue Collected by Another Agency							
Other Receipts	757	2,668	789	789	789	789	789
Resource Reductions:							
Earnings Transferred Out	13,792	14,704	17,278	16,719	16,719	16,719	16,719
Revenue Collected for Another Agency							
Total Resources	801	9,661	5,066	12,066	12,066	12,066	12,066
Expenditures:							
Direct Expenditures	9,225	10,135	14,697	12,047	12,547	12,732	13,232
Indirect Expenditures	130	157	150	150	150	150	150
Total Expenditures	9,355	10,292	14,847	12,197	12,697	12,882	13,382
Current Difference	(8,554)	(631)	(9,781)	(131)	(631)	(816)	(1,316)
Accumulated Ending Balance	17,503	16,872	7,091	6,960	6,460	6,144	5,144

Background Information:

The Petroleum Tank Release Cleanup Fund (Petrofund) provides eligible applicants with reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks. The program also:

- Contracts for the removal of abandoned underground petroleum storage tanks;
- Recovers costs from responsible persons for investigation and cleanup work performed by the Minnesota Pollution Control Agency (MPCA) when the responsible persons are unwilling or unable to complete statutorily-required corrective actions;
- Passes through funds to the MPCA for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, mainly to pay for state-financed investigation and cleanup projects where no viable responsible person is available; and
- Annually approves the use of funds by the Minnesota Department of Employment and Economic Development (DEED) for the administration of the Contamination Cleanup and Investigation Grant Program.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Transfer Out includes funds spent by the Minnesota Pollution Control Agency and Department of Employment and Economic Development.

Recent Changes:

None.

Agency Analysis/Comments:

None.

Governor's Recommendation:

For information about recommended expenditure change, see "Petrofund Unit Appropriation Increase" proposal in the Department of Commerce's 2026-27 Governor's Budget Recommendations.

Purpose: Funds energy efficiency improvements to low-income homes using liquefied petroleum gas heating equipment.

Legal Citation: M.S. 239.785

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Liquefied Petro Gas Fee (G906002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	547	654	397	457	457	517	517
Resources:							
Departmental Earnings	434	395	460	460	460	460	460
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	434	395	460	460	460	460	460
Expenditures:							
Direct Expenditures	327	652	400	400	400	400	400
Indirect Expenditures							
Total Expenditures	327	652	400	400	400	400	400
Current Difference	107	(257)	60	60	60	60	60
Accumulated Ending Balance	654	397	457	517	517	577	577

Background Information:

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

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

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

Legal Citation: M.S. 82, 82B, 386

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: RE Educ Research & Recov Itc (B134400); Non Ded Rec - Admin Services (B139500); Non Ded Rec - Market Assurance (B139700)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,820	2,245	934	(497)	(497)	(1,843)	(1,843)
Resources:							
Departmental Earnings	2,261	2,079	2,134	2,134	2,134	2,134	2,134
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	86	144	75	75	75	75	75
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,347	2,223	2,209	2,209	2,209	2,209	2,209
Expenditures:							
Direct Expenditures	2,500	3,216	3,235	3,193	3,193	3,193	3,193
Indirect Expenditures	422	318	405	362	362	362	362
Total Expenditures	2,922	3,534	3,640	3,555	3,555	3,555	3,555
Current Difference	(575)	(1,311)	(1,431)	(1,346)	(1,346)	(1,346)	(1,346)
Accumulated Ending Balance	2,245	934	(497)	(1,843)	(1,843)	(3,189)	(3,189)

Background Information:

The department licenses real estate agents and companies that operate in Minnesota. All fees collected are deposited as non-dedicated revenue to the General Fund with the exception of a portion of each license fee that is deposited in the Real Estate Education Research and Recovery account in the Special Revenue Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Agency:
Earnings Group:

Commerce
Securities Registration and Amendment Fees, Fines and Penalties

2026-27 Departmental Earnings

Purpose: As required by statute, the department licenses securities agents and brokers, and collects registration and amendment fees for all investment offerings in Minnesota. Registration fees are set at 1/20 of 1% of the offering price. The department also generates revenue from fines and penalties. All fees collected are deposited as non-dedicated revenue to the General Fund.

Legal Citation: M.S. 80A, 80B

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Ded Rec - Financial Exams (B139100); Non Ded Rec - Market Assurance (B139700)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		51,969	105,983	154,110	154,110	202,388	202,388
Resources:							
Departmental Earnings	53,256	55,470	49,977	49,977	50,712	49,977	50,712
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	53,256	55,470	49,977	49,977	50,712	49,977	50,712
Expenditures:							
Direct Expenditures	1,115	1,318	1,670	1,541	2,276	1,541	2,276
Indirect Expenditures	172	138	180	158	158	158	158
Total Expenditures	1,287	1,456	1,850	1,699	2,434	1,699	2,434
Current Difference	51,969	54,014	48,127	48,278	48,278	48,278	48,278
Accumulated Ending Balance	51,969	105,983	154,110	202,388	202,388	250,666	250,666

Background Information:

As required by statute, the department licenses securities agents and brokers, and collects registration and amendment fees for all investment offerings in Minnesota. Registration fees are set at 1/20 of 1% of the offering price. The department also generates revenue from fines and penalties. All fees collected are deposited as non-dedicated revenue to the General Fund.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the "Securities Unit Staffing" proposal in the Department of Commerce's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the cost of operating and maintaining an electronic licensing database system

Legal Citation: M.S. 45.24

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: License Technology Surcharge (B134001)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,960	5,633	4,684	3,434	3,434	2,654	2,654
Resources:							
Departmental Earnings	1,927	1,385	1,500	1,500	1,500	1,500	1,500
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		75					
Revenue Collected for Another Agency							
Total Resources	1,927	1,310	1,500	1,500	1,500	1,500	1,500
Expenditures:							
Direct Expenditures	2,246	2,250	2,745	2,275	2,275	2,275	2,275
Indirect Expenditures	8	9	5	5	5	5	5
Total Expenditures	2,254	2,259	2,750	2,280	2,280	2,280	2,280
Current Difference	(327)	(949)	(1,250)	(780)	(780)	(780)	(780)
Accumulated Ending Balance	5,633	4,684	3,434	2,654	2,654	1,874	1,874

Background Information:

The Technology Fee was established to offset the cost of system development and maintenance for on-line licensing products. This fee recovers transaction costs that are incurred.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Provide funding for specialized telecommunications services and equipment in order to make Minnesota’s telecommunications network fully accessible to persons with hearing, sight, speech, or mobility issues.

Legal Citation: M.S. 237.50 - 237.56

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: TAM (B133200)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	4,476	3,946	3,475	2,031	2,031	1,539	1,539
Resources:							
Departmental Earnings	3,592	3,356	2,548	3,500	3,500	3,500	3,500
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	88	121	75	75	75	75	75
Resource Reductions:							
Earnings Transferred Out	2,093	2,103	2,093	2,093	2,093	2,093	2,093
Revenue Collected for Another Agency							
Total Resources	1,587	1,374	530	1,482	1,482	1,482	1,482
Expenditures:							
Direct Expenditures	2,105	1,831	1,946	1,946	1,946	1,946	1,946
Indirect Expenditures	12	14	28	28	28	28	28
Total Expenditures	2,117	1,845	1,974	1,974	1,974	1,974	1,974
Current Difference	(530)	(471)	(1,444)	(492)	(492)	(492)	(492)
Accumulated Ending Balance	3,946	3,475	2,031	1,539	1,539	1,047	1,047

Background Information:

The department contracts, through its Telecommunications Access Minnesota (TAM) program, to provide specialized telecommunications services and equipment for Minnesotans with hearing, vision, speech, and physical disabilities. TAM also provides funding for Accessible News for the Blind, Rural Real-Time Captioning, and the Commission of Deaf, Deaf-blind and Hard-of-Hearing Minnesotans.

Revenue to fund these programs is generated by a surcharge on all wired and wireless telephone access lines in Minnesota. Minnesota statutes set a maximum for the surcharge at \$0.20 per month, per access line.

The Public Utilities Commission sets the actual amount of the surcharge based on recommendations from the Department of Commerce.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

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

Legal Citation: M.S. 237.295; 237.30

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: AUDIT INVESTIGATION ACCOUNT (B132441); Telephone Investigation (B133100)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	25	247	276	(16)	(16)	2	2
Resources:							
Departmental Earnings	1,416	1,095	1,715	1,590	1,590	1,590	1,590
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	20	8	8	8	8	8	8
Revenue Collected for Another Agency							
Total Resources	1,396	1,087	1,707	1,582	1,582	1,582	1,582
Expenditures:							
Direct Expenditures	986	859	1,766	1,341	1,341	1,341	1,341
Indirect Expenditures	188	199	233	223	223	223	223
Total Expenditures	1,174	1,058	1,999	1,564	1,564	1,564	1,564
Current Difference	222	29	(292)	18	18	18	18
Accumulated Ending Balance	247	276	(16)	2	2	20	20

Background Information:

The department assesses the full cost of telephone regulation to the regulated companies. Approximately 300 regulated telephone companies are assessed for the regulatory costs incurred by the Department of Commerce and the Attorney General. In addition, statewide indirect costs are assessed.

The telephone assessment is limited by statute to three-eighths of one percent of each company's annual gross revenue. Revenue is deposited on a cash basis while expenditures are reported on an accrual basis.

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

The department, as required by statute, bills in advance for indirect costs.

- The department completes a make-whole settlement after the close of the fiscal year.
- There are statutory limitations on assessments.
- A small accounts of accounts receivable may be outstanding.

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

Forecast Basis:

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

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Recovers cost of inspecting weighing and measuring equip and metrology lab services

Legal Citation: M.S .239.101, Subd. 2

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Non Ded Rec - Weights&Measures (B139810); W&M - EVSE (B13Z209)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1,452	3,013	4,413	4,413	5,813	5,813
Resources:							
Departmental Earnings	1,452	1,561	1,400	1,400	1,400	1,400	1,588
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,452	1,561	1,400	1,400	1,400	1,400	1,588
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	1,452	1,561	1,400	1,400	1,400	1,400	1,588
Accumulated Ending Balance	1,452	3,013	4,413	5,813	5,813	7,213	7,401

Background Information:

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

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

Under current law, Weights and Measures is funded by \$0.89 of the Petroleum Inspection Fee. The Petroleum Inspection Fee is collected by the Department of Revenue and transferred to Weights and Measures.

Statute also mandates that Weights and Measures recover costs for services provided. This revenue is deposited into the general fund and is shown in this departmental earnings category. All expenditures for Weights and Measures are shown in the category titled "Petroleum Inspection Fees".

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the "Electric Vehicle Supply Equipment (EVSE) Testing" proposal in the Department of Commerce's 2026-27 Governor's Budget Recommendations.

Agency:
Earnings Group:

Commerce
Worker's Compensation/Self Insurance Application and Filing Fees

2026-27 Departmental Earnings

Purpose: Workers Compensation/Self Insurance Application and Filing Fees

Legal Citation: M.S. 65B, 70A, 79, 179

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dec Receipts-Insurance (B139600)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(361)	(607)	(1,290)	(1,290)	(1,847)	(1,847)
Resources:							
Departmental Earnings	349	449	392	392	392	392	392
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		20					
Revenue Collected for Another Agency							
Total Resources	349	429	392	392	392	392	392
Expenditures:							
Direct Expenditures	620	613	993	872	872	872	872
Indirect Expenditures	90	62	82	77	77	77	77
Total Expenditures	710	675	1,075	949	949	949	949
Current Difference	(361)	(246)	(683)	(557)	(557)	(557)	(557)
Accumulated Ending Balance	(361)	(607)	(1,290)	(1,847)	(1,847)	(2,404)	(2,404)

Background Information:

Revenue from these fees is usually not sufficient to recover the cost of regulation as illustrated by the deficit position on the fiscal page. As a result, the department has historically reviewed this earnings category along with the Insurance Agents and Insurance Company categories. The net surplus position in those categories will off-set the deficit in Workers Compensation/Self Insurance.

Forecast Basis:

The forecast is based on actual data from prior fiscal years and estimates calculated from the current fiscal year and the next biennium.

Recent Changes:

None.

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Provide funding to programs to aid victims of crime

Legal Citation: M.S. 241.26, subd. 5

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Aid to Victims of Crime (P784241)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	299	375	301	301	301	301	301
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	299	375	301	301	301	301	301
Revenue Collected for Another Agency							
Total Resources							
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference							
Accumulated Ending Balance							

Background Information:

Offenders are assessed a portion of their earnings to provide funding to programs established by law to aid victims of crime. Receipts collected are transferred to the Department of Public Safety.

Forecast Basis:

No changes are anticipated in the amount of revenue generated.

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee charged

Agency:
Earnings Group:

Corrections
Charges to Counties - Per Diem Charges for MCF-Red Wing Juveniles

2026-27 Departmental Earnings

Purpose: Charge counties cost of confinement at MCF-Red Wing

Legal Citation: M.S. 242.192

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: MCF-RW Non Dedicated Revenue (P783019)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		6,275	13,147	20,147	20,147	27,147	27,147
Resources:							
Departmental Earnings	6,275	6,872	7,000	7,000	7,000	7,000	7,000
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6,275	6,872	7,000	7,000	7,000	7,000	7,000
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	6,275	6,872	7,000	7,000	7,000	7,000	7,000
Accumulated Ending Balance	6,275	13,147	20,147	27,147	27,147	34,147	34,147

Background Information:

Effective 1/1/99, counties are charged 65% of the MCF-Red Wing per diem for cost of confinement, excluding educational costs, and 65% of the cost of confinement of juvenile females committed to the commissioner of corrections. These funds are deposited as non-dedicated receipts.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee charged.

Purpose: Collect fees from offenders for supervision

Legal Citation: M.S. 241.272

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Field Services-P&SR Non Ded Re (P786019)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		635	1,253	1,928	1,928	2,603	2,603
Resources:							
Departmental Earnings	635	618	675	675	675	675	675
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	635	618	675	675	675	675	675
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	635	618	675	675	675	675	675
Accumulated Ending Balance	635	1,253	1,928	2,603	2,603	3,278	3,278

Background Information:

Correctional fees collected include fees for community service work placement and supervision, restitution collection, supervision, court-ordered investigations or any other service provided by a probation officer or parole agent for offenders supervised by the commissioner of corrections. To defray costs associated with correctional services, the commissioner of corrections may establish a schedule of correctional fees to charge persons convicted of a crime. The correctional fees on the schedule must be reasonably related to the offender's ability to pay and actual cost of correctional services. Fees collected go to the general fund.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee charged.

Purpose: Charge rent/utilities fees to staff residing at MCF-Togo

Legal Citation: M.S. 241.01, Subd. 5A

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: MCF-Togo-CIP Utilities & Rent (P781839)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	7	13	11	10	10	9	9
Resources:							
Departmental Earnings	6	8	7	7	7	7	7
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6	8	7	7	7	7	7
Expenditures:							
Direct Expenditures		10	8	8	8	8	8
Indirect Expenditures							
Total Expenditures		10	8	8	8	8	8
Current Difference	6	(2)	(1)	(1)	(1)	(1)	(1)
Accumulated Ending Balance	13	11	10	9	9	8	8

Background Information:

Rent and utilities charged to staff residing at MCF-Togo.

Forecast Basis:

This fee is reviewed annually, reflecting inflationary increases. No significant changes are anticipated in the amount of revenue generated by these fees.

Recent Changes:

None

Agency Analysis/Comments:

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

Purpose: Counties reimburse the state for adult and juvenile probation and parole services.

Legal Citation: M.S. 244.19, subd. 5

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Field Services-P&SR Non Ded Re (P786019); P&SR Dedicated Receipts (P786050)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	4,856	9,101	9,219	9,219	9,219	9,219	9,219
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	4,856	3,296					
Revenue Collected for Another Agency							
Total Resources		5,805	9,219	9,219	9,219	9,219	9,219
Expenditures:							
Direct Expenditures		5,805	9,219	9,219	9,219	9,219	9,219
Indirect Expenditures							
Total Expenditures		5,805	9,219	9,219	9,219	9,219	9,219
Current Difference							
Accumulated Ending Balance							

Background Information:

Counties must reimburse the Department of Corrections for provision of adult and juvenile probation and parole services.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

Change in MS 244.19 allows the CPO reimbursement to remain with the Department of Corrections instead of the general fund.

Purpose: Cost recovery for a variety of facility activities

Legal Citation: M.S. 241.01, subd. 5A

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: MCF-SCL Dedicated Receipts (P781030); MCF-SCL Rental Income (P781036); MCF-STW Dedicated Receipts (P781130); MCF-LL Dedicated Receipts (P781230); MCF-OPH Dedicated Receipts (P781330); MCF-ML Dedicated Receipts (P781430); MCF-FRB Dedicated Receipts (P781530); MCF-FRB Rental Income (P781536); MCF-WR-CIP Dedicated Receipts (P781630); MCF-RC Resident Phones (P781721); MCF-RC Dedicated Receipts (P781730); MCF-Togo-CIP-Male Ded Receipts (P781830); MCF-SHK Dedicated Receipts (P782030); MCF-RW Dedicated Receipts (P783030)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	348	788	486	347	347	250	250
Resources:							
Departmental Earnings	154	99	68	68	68	68	68
Other Resources:							
Earning Transferred In	428						
Revenue Collected by Another Agency							
Other Receipts	181	15	12	12	12	12	12
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	763	114	80	80	80	80	80
Expenditures:							
Direct Expenditures	305	392	213	172	172	75	75
Indirect Expenditures	18	24	6	5	5	5	5
Total Expenditures	323	416	219	177	177	80	80
Current Difference	440	(302)	(139)	(97)	(97)		
Accumulated Ending Balance	788	486	347	250	250	250	250

Background Information:

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

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change in current fee structure.

Purpose: Adult Offenders Health Care Co-Payment Obligation

Legal Citation: M.S. 243.212

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Adult Health Care Co-pay (P784142)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		51	22	29	29	36	36
Resources:							
Departmental Earnings	60	71	62	62	62	62	62
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	60	71	62	62	62	62	62
Expenditures:							
Direct Expenditures	9	100	55	55	55	55	55
Indirect Expenditures							
Total Expenditures	9	100	55	55	55	55	55
Current Difference	51	(29)	7	7	7	7	7
Accumulated Ending Balance	51	22	29	36	36	43	43

Background Information:

Offenders in adult facilities shall incur co-payment obligations for health care services provided. The co-payment shall be at \$5.00 per visit to a health care provider. The co-payment, paid from the offender account of earnings and other funds, are appropriated to the commissioner of corrections for the delivery of health care services to offenders.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

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

Purpose: Receipts from Housing Inmates from other government units

Legal Citation: M.S. 243.51 and M.S. 253B.045, subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: ISS Detention Receipts (P780047); Cost of Confinement-County (P784253)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,062	1,102	1,288	1,333	1,333	1,378	1,378
Resources:							
Departmental Earnings	112	199	150	150	150	150	150
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	112	199	150	150	150	150	150
Expenditures:							
Direct Expenditures	64	13	100	100	100	100	100
Indirect Expenditures	8		5	5	5	5	5
Total Expenditures	72	13	105	105	105	105	105
Current Difference	40	186	45	45	45	45	45
Accumulated Ending Balance	1,102	1,288	1,333	1,378	1,378	1,423	1,423

Background Information:

Receipts from housing inmates are generated when the Department of Corrections enters into agreements with other units of government. Additional revenue is from charges to counties for confinement of persons held temporarily while waiting hearing for civil commitment. These receipts allow the department to fund essential correctional projects.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

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

Purpose: Confinement charges deducted from offender monies

Legal Citation: M.S. 243.23, subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Correctional Industries (4400)

Appropriation: MCF-SCL Cost of Confinement (P781034); MCF-STW Cost of Confinement (P781134); MCF-LL Cost of Confinement (P781234); MCF-OPH Cost of Confinement (P781334); MCF-ML Cost of Confinement (P781434); MCF-FRB Cost of Confinement (P781534); MCF-WR-CIP Cost of Confinement (P781634); MCF-RC Cost of Confinement (P781734); MCF-Togo-CIP-Male Cost Confine (P781834); MCF-SHK Cost of Confinement (P782034); MCF-RW Cost of Confinement (P783034); MINNCOR Inmate Confinement (P785027)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	12,625	12,672	13,680	12,576	12,576	13,826	13,826
Resources:							
Departmental Earnings	3,622	4,566	5,598	5,629	5,629	5,629	5,629
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	303	462	100	100	100	100	100
Resource Reductions:							
Earnings Transferred Out	2,050	1,000					
Revenue Collected for Another Agency							
Total Resources	1,875	4,028	5,698	5,729	5,729	5,729	5,729
Expenditures:							
Direct Expenditures	1,647	2,914	6,729	4,406	4,406	4,406	4,406
Indirect Expenditures	181	106	73	73	73	73	73
Total Expenditures	1,828	3,020	6,802	4,479	4,479	4,479	4,479
Current Difference	47	1,008	(1,104)	1,250	1,250	1,250	1,250
Accumulated Ending Balance	12,672	13,680	12,576	13,826	13,826	15,076	15,076

Background Information:

Offenders employed in the MINNCOR interstate programs are assessed confinement charges that are deducted from their pay. These receipts partially fund the MINNCOR program. Offenders in correctional facilities are charged 10% on incoming offender monies. These cost of confinement receipts are used to partially fund offender incarceration costs.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

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

Purpose: Agreement with Anoka County for services provided

Legal Citation: M.S. 241.01, subd. 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: MCF-LL Anoka Service Agreement (P781235)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	12	9					
Resources:							
Departmental Earnings	140	93	150	150	150	150	150
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	140	93	150	150	150	150	150
Expenditures:							
Direct Expenditures	140	98	145	145	145	145	145
Indirect Expenditures	3	4	5	5	5	5	5
Total Expenditures	143	102	150	150	150	150	150
Current Difference	(3)	(9)					
Accumulated Ending Balance	9						

Background Information:

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

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Recover costs for certifying out of state juvenile facilities

Legal Citation: M.S. 260B.198, subd. 11

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Out-Of-State Juvenile Inspectn (P789051)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	66	69	69	52	52	45	45
Resources:							
Departmental Earnings	10	16	15	15	15	15	15
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	10	16	15	15	15	15	15
Expenditures:							
Direct Expenditures	6	15	30	20	20	20	20
Indirect Expenditures	1	1	2	2	2	2	2
Total Expenditures	7	16	32	22	22	22	22
Current Difference	3		(17)	(7)	(7)	(7)	(7)
Accumulated Ending Balance	69	69	52	45	45	38	38

Background Information:

A court may not place a juvenile in a residential or detention facility outside Minnesota unless the commissioner of corrections has certified that facility. The fees, collected by the DOC Facilities Planning and Inspection Unit, are to recover the costs incurred in the certification process.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Fees for meals provided to staff and visitors at facilities

Legal Citation: M.S. 241.01, subd. 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: MCF-SCL Staff/Visitors Meals (P781033); MCF-STW Staff/Visitors Meals (P781133); MCF-LL Staff/Visitors Meals (P781233); MCF-OPH Staff/Visitors Meals (P781333); MCF-ML Staff/Visitors Meals (P781433); MCF-FRB Staff/Visitors Meals (P781533); MCF-WR-CIP Staff/Visitors Meal (P781633); MCF-RC Staff/Visitors Meals (P781733); MCF-Togo-CIP-Male Staff/V Meal (P781833); MCF-SHK Staff/Visitors Meals (P782033); MCF-RW Staff/Visitors Meals (P783033)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2					1	1
Resources:							
Departmental Earnings	7	6	8	8	8	8	8
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7	6	8	8	8	8	8
Expenditures:							
Direct Expenditures	8	6	7	6	6	7	7
Indirect Expenditures	1		1	1	1	1	1
Total Expenditures	9	6	8	7	7	8	8
Current Difference	(2)			1	1		
Accumulated Ending Balance				1	1	1	1

Background Information:

The commissioner may provide meals for staff and visitors at correctional facilities for efficiency of operation and may require the participants to pay all or part of the costs of the meals. Funds collected recover the costs of the meals.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: Fees generated from various work programs for offenders

Legal Citation: M.S. 241.01, subd. 5A and M.S. 241.278

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001)

Appropriation: MCF-STW Vocational Work Proj (P781132); MCF-ML Carpentry Program (P781436); MCF-FRB Vocational Work Proj (P781532); MCF-RC Vocational Work Proj (P781732); MCF-SHK Vocational Work Proj (P782032); MCF-RW Vocational Work Proj (P783032); ICWC Affordable Housing (P786844); Instn Comm Svcs Work Crews-Ded (P786845)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,093	2,409	1,976	1,717	1,717	1,449	1,449
Resources:							
Departmental Earnings	1,813	1,873	2,510	2,510	2,510	2,510	2,510
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,813	1,873	2,510	2,510	2,510	2,510	2,510
Expenditures:							
Direct Expenditures	1,310	2,217	2,741	2,750	2,750	2,760	2,760
Indirect Expenditures	187	89	28	28	28	28	28
Total Expenditures	1,497	2,306	2,769	2,778	2,778	2,788	2,788
Current Difference	316	(433)	(259)	(268)	(268)	(278)	(278)
Accumulated Ending Balance	2,409	1,976	1,717	1,449	1,449	1,171	1,171

Background Information:

Offenders working on various institution and community work programs generate dedicated revenue that is utilized to support the work programs.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure.

Purpose: To recover the costs of regulating hair care, skin care, and nail care service providers.

Legal Citation: M.S. 155A

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: COS Non dedicated receipts (B111000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(547)	(965)	(2,492)	(2,492)	(3,547)	(3,547)
Resources:							
Departmental Earnings	2,591	2,632	2,650	2,644	2,644	2,645	2,645
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	5						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,596	2,632	2,650	2,644	2,644	2,645	2,645
Expenditures:							
Direct Expenditures	3,038	2,988	4,081	3,603	3,603	3,603	3,603
Indirect Expenditures	105	62	96	96	96	96	96
Total Expenditures	3,143	3,050	4,177	3,699	3,699	3,699	3,699
Current Difference	(547)	(418)	(1,527)	(1,055)	(1,055)	(1,054)	(1,054)
Accumulated Ending Balance	(547)	(965)	(2,492)	(3,547)	(3,547)	(4,601)	(4,601)

Background Information:

The Minnesota Board of Cosmetology protects the health and safety of Minnesotans and visitors to the state through the regulation of the practice of cosmetology. The board's statutory authority resides in M.S. Chapter 155A and is necessary due to concerns for infection control, the use of chemicals, implements, and apparatuses, and the requirement of special skills and education for cosmetology practitioners. The board accomplishes its statutory mission by applying the fundamental agency values of service, equality, accuracy, dependability, and advancement.

The board's core mission is to constantly strive to serve and care for our licensees, applicants, and the public by being committed to public protection, superior service, excellence, and continuous improvement. The board achieves its mission while encouraging industry development, leading with a vision, and making sound decisions. This results in in quality outcomes and successful operations.

The board provides the following services:

- Review and credentialing of initial license applicant's educational training, preparatory skills, and test scores for minimum competency to provide safe services.
- Review and credentialing of licensure renewal applications.
- Inspections and review of salons and schools to ensure compliance with infection control practices as well as compliance with state statute and rules.
- Complaint investigation and action against practitioners, salons, or schools that violate laws and rules the board is empowered to enforce.
- Responses to public inquiries, general complaints, and requests that the board receives.
- Outreach and communication to practitioners, salons, and schools to encourage compliance with laws and rules and encourage best practices within the profession.

The board collects the following types of fees:

- Licensing and administrative fees paid by licensees and applicants for licensure. All fees are a fixed rate, as determined in M.S. Chapter 155A.
- Civil penalties are collected from licensees who violate state statute or rule and have been afforded their due process through the complaint process. Civil penalty fees can be assessed at up to \$2,000 per violation, but is variable and assessed by the complaint committee.

Forecast Basis:

The board's budget is exclusively generated from fees and penalties charged to applicants and licensees. Licensing fees and violation penalties are set in M.S. Chapter 155A to cover all direct and indirect costs of the board. Revenues are projected based on actual revenue collected the previous fiscal year. The board anticipates an increase in licensure of approximately 3,500 new licensees each fiscal year. This analysis is consistent with previous fiscal years.

Agency Analysis/Comments:

The board is general funded and the legislature appropriates the base budget of the agency.

Purpose: To recover the costs of regulating the dental profession.

Legal Citation: M.S. 150A.06-.09, M.S. 214, M.S. 319B, and M.R. 3100

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Dent Non Dedicated Receipts (H7F1000); Vol Health Care Prov Fees (H7F6600)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,939	2,031	2,180	2,009	2,009	1,952	1,852
Resources:							
Departmental Earnings	1,954	1,978	1,967	1,967	1,967	1,967	1,967
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		3	1	1	1	1	1
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,954	1,981	1,968	1,968	1,968	1,968	1,968
Expenditures:							
Direct Expenditures	1,497	1,461	1,775	1,661	1,761	1,663	1,763
Indirect Expenditures	365	371	364	364	364	364	364
Total Expenditures	1,862	1,832	2,139	2,025	2,125	2,027	2,127
Current Difference	92	149	(171)	(57)	(157)	(59)	(159)
Accumulated Ending Balance	2,031	2,180	2,009	1,952	1,852	1,893	1,693

Background Information:

The Board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of dentists, dental therapists, dental hygienists, and dental assistants to ensure safe, competent, and ethical practice.

The Board of Dentistry provides the following services:

- Review applicant education, training, and testing to determine compliance with the Board's licensure requirements.
- Issue initial licensure and renew licenses for qualified professionals.
- Set standards and scope of practice and professional conduct for licensees.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Investigate all complaints and take corrective or disciplinary action against applicants or unlicensed dental practice, applicants or licensees as warranted.
- Establish standards for Professional Development (continuing education) for maintaining licensure and monitor licensee compliance with credits and professional development activities required by the Board.
- Provide information about licensure requirements and standards of practice to the public and other stakeholders, including other state and federal agencies.

Forecast Basis:

Fees charged to applicants, licensees, and registrants are set to recover the Board's direct and indirect expenditures. Revenues are forecast based on a number of factors, including actual revenue collected in previous years, the number of applicants seeking initial licensure, and trends in the number of licensees and registrants applying for biennial renewal. A small amount of revenue is also received through fines and cost recovery a result of disciplinary actions by the Board.

Recent Changes:

Fees were readjusted in 2012 with a change in statutory language. The Board has had an increase in new applicants over the last two years. However, there is a significant amount of voluntary terminations and emeritus active/inactive applications due to retirement or leaving the profession. This was of significance after 2020-2022 timeframe in the COVID-19 pandemic. This change affects budget projections for the future. There has not been a significant measurable growth in new licensee numbers and there has been a decrease in renewals.

Agency Analysis/Comments:

The Board is requesting no changes to current fees.

Governor's Recommendation:

For information about recommended expenditure change, see the "New Administrative Staff Position" proposal in the Board of Dentistry's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the costs of regulating the dietetics and nutrition profession.

Legal Citation: M.S. 148.624, M.S. 148.625, M.S. 214, M.S. 319B, and M.R. 3250

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: DNP Non Dedicated Receipts (H7U1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	360	428	516	487	487	515	515
Resources:							
Departmental Earnings	231	270	271	271	271	271	271
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	231	270	271	271	271	271	271
Expenditures:							
Direct Expenditures	142	156	274	217	217	217	217
Indirect Expenditures	21	26	26	26	26	26	26
Total Expenditures	163	182	300	243	243	243	243
Current Difference	68	88	(29)	28	28	28	28
Accumulated Ending Balance	428	516	487	515	515	543	543

Background Information:

The board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of dietetics and nutrition to reasonably ensure a standard of competent and ethical practice.

The Board of Dietetics and Nutrition Practice regulates the profession by:

- Setting educational standards for initial licensure.
- Reviewing applicant's education and training to determine compliance with the board's licensure requirements.
- Reasonably ensuring that only applicants who meet licensure requirements are granted a license.
- Issuing initial licensure for qualified professionals.
- Setting continuing education requirements for maintenance of licensure.
- Renewing licenses of qualified professionals.
- Setting standards of practice and professional conduct for licensees.
- Taking disciplinary or corrective action against an applicant or licensee for misconduct.
- Responding to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Providing information about licensure requirements and standards of practice to citizens and other interested persons or agencies.

Forecast Basis:

Fees charged to applicants and licensees are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law. A temporary fee reduction approved during the 2005 legislative session was extended during the 2009 legislative session through FY 2013.

Recent Changes:

None

Agency Analysis/Comments:

None

Purpose: To provides services to individuals who have been civilly committed to receive sex offender treatment.

Legal Citation: M.S. 246B.01, Subd. 2b

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: DCT-MN Sex Offender Program (H516400); 71 MN Sex Offender Program (Non-Dedicated Rev) (H550000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(93,169)	(194,981)	(313,264)	(313,264)	(423,930)	(411,233)
Resources:							
Departmental Earnings	18,809	20,154	19,800	19,800	40,853	19,800	41,349
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	18,809	20,154	19,800	19,800	40,853	19,800	41,349
Expenditures:							
Direct Expenditures	102,732	111,895	126,682	119,694	128,050	119,694	131,351
Indirect Expenditures	9,246	10,071	11,401	10,772	10,772	10,772	10,772
Total Expenditures	111,978	121,966	138,083	130,466	138,822	130,466	142,123
Current Difference	(93,169)	(101,812)	(118,283)	(110,666)	(97,969)	(110,666)	(100,774)
Accumulated Ending Balance	(93,169)	(194,981)	(313,264)	(423,930)	(411,233)	(534,596)	(512,007)

Background Information:

Minnesota Sex Offender Program (MSOP) provides services to individuals who been civilly committed as a Sexually Dangerous Person and/or Sexual Psychopathic Personality. MSOP is a three-phase treatment program. Clients initially address treatment-interfering behaviors and attitudes (Phase I) in preparation for focusing on their patterns of abuse and identifying and resolving the underlying issues in their offenses (Phase II). Clients in the later stages of treatment focus on deinstitutionalization and reintegration, applying the skills they acquired in treatment across settings and maintaining the changes they have made while managing their risk for re-offense (Phase III).

MSOP is funded by general fund appropriations. When a county commits someone to the program, the county is responsible for part of the cost of care. For commitments initiated before August 2011, the county share is ten percent. For commitments after that date, the county share is 25 percent. When a client is court ordered to provisional discharge (continued community supervision by MSOP), there is a 25% county share.

Forecast Basis:

Cost of Care is defined in M.S. 246B.01, Subd. 2b as the commissioner's charge for housing and treatment provide to any person admitted to MSOP. That statute also specifies that: " 'charge for housing and treatment services' means the cost of services, treatment, maintenance, bonds issued for capital improvements, depreciation of buildings and equipment, and indirect costs related to the operation of state [MSOP] facilities. The commissioner may determine the charge for services on an anticipated average per diem basis as an all-inclusive charge per facility."

Recent Changes:

Under the authority of M.S. 246B.01, Subd. 2b, Cost of Care per diem rates for services are calculated and set annually based on estimated costs for the upcoming fiscal year.

Agency Analysis/Comments:

Cost of Care per diem rates are exempt from the legislative approval requirement of M.S. 16A.1283 because they are a charge for "services provided for the direct and primary use of private individuals."

Governor's Recommendation:

For information about recommended revenue and expenditure changes, see "Increase County Share on Inpatient Stays for Minnesota Sex Offender Program (MSOP)" and "Operating Adjustment" proposals in the Direct Care and Treatment's 2026-27 Governor's Budget Recommendations.

Purpose: To provide educational training, meaningful employment, and the teaching of proper work habits to the clients of the Minnesota Sex Offender program.

Legal Citation: M.S. 246B.06

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Minnesota State Industries (4503)

Appropriation: MSOP Vocational Program (H516402); 64 MSOP Vocational Program (H550002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3,211	3,238	3,289	2,447	2,447	1,790	1,790
Resources:							
Departmental Earnings	1,662	1,546	1,500	1,500	1,500	1,500	1,500
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	97	170	10	10	10	10	10
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,759	1,716	1,510	1,510	1,510	1,510	1,510
Expenditures:							
Direct Expenditures	1,729	1,662	2,349	2,164	2,164	2,164	2,164
Indirect Expenditures	3	3	3	3	3	3	3
Total Expenditures	1,732	1,665	2,352	2,167	2,167	2,167	2,167
Current Difference	27	51	(842)	(657)	(657)	(657)	(657)
Accumulated Ending Balance	3,238	3,289	2,447	1,790	1,790	1,133	1,133

Background Information:

In accordance with the provisions of M.S. 246B.06, the Commissioner of Human Services is authorized to establish industrial and commercial activities to provide education training, meaningful employment, and the teaching of proper work habits for clients of the Minnesota Sex Offender Program (MSOP). The vocational work program is supported with the net profits. Six months operating cash must be restricted for use by the vocational work program.

Forecast Basis:

Revenue from the operations of the vocational work program is used to pay for the purchase of equipment, supplies, and other operating expenses necessary to operate the program. Charges for services and products are established through an analysis of all factors discussed above.

Recent Changes:

These fees have not changed in recent years.

Agency Analysis/Comments:

Minnesota State Industries is exempt from M.S. 16A.1283. Minnesota State Industries is provided for the direct and primary use of private individuals, businesses, or other entities.

Purpose: To maintain the Direct Care and Treatment buildings and property being rented

Legal Citation: M.S. 245.037

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); DHS Chemical Dependency Servs (4101); MN State Operated Comm Svcs (4350)

Appropriation: MSOCS Waivered Services (H516204); Ded Srv-Lease Inc-Brainerd (H516509); 61 CARE - Statewide (H556002); 62 Waivered Services (MSOCS) (H556009); 65 Ded Srvs-Lease Inc-Syswide (H556023); 65 Ded Srv-Lease Inc-Brainerd (H556049)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,509	1,530	1,574	1,418	1,418	1,473	1,473
Resources:							
Departmental Earnings	1,457	1,614	1,919	1,919	1,919	1,919	1,919
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,457	1,614	1,919	1,919	1,919	1,919	1,919
Expenditures:							
Direct Expenditures	1,426	1,560	2,065	1,854	1,854	1,854	1,854
Indirect Expenditures	10	10	10	10	10	10	10
Total Expenditures	1,436	1,570	2,075	1,864	1,864	1,864	1,864
Current Difference	21	44	(156)	55	55	55	55
Accumulated Ending Balance	1,530	1,574	1,418	1,473	1,473	1,528	1,528

Background Information:

M.S. 245.037 authorizes the Commissioner of Human Services to charge and collect rent (M.S. 16B.24, Sub. 5) for state property maintained by Direct Care and Treatment (DCT) services. The funds are dedicated to the program and are used to maintain buildings and property owned by the state. Balances in these accounts may be used toward deferred maintenance cost for leased buildings in the future.

Forecast Basis:

Rates are based on projection of actual costs of maintaining and utilization of buildings.

Recent Changes:

Rates are adjusted as costs increase or decrease.

Agency Analysis/Comments:

Direct Care and Treatment Rental Income is exempt from 16A.1283. Leases are provided for the direct and primary use of a private individual, business, or other entity.

Purpose: To retain the revenue required for the provision of services that are of mutual benefit to the state, other governmental entities and private business and organizations

Legal Citation: M.S. 246.57

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: DD-Mobile Crisis Teams (H516205); 62 DD-Mobile Crisis Teams (H556027); 63 Ded Srvs-Outpatient (SP) (H556034)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	152	119	97	27	27	27	27
Resources:							
Departmental Earnings	39	46	30	30	30	30	30
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	64						
Revenue Collected for Another Agency							
Total Resources	(25)	46	30	30	30	30	30
Expenditures:							
Direct Expenditures	8	67	99	30	30	30	30
Indirect Expenditures		1	1				
Total Expenditures	8	68	100	30	30	30	30
Current Difference	(33)	(22)	(70)				
Accumulated Ending Balance	119	97	27	27	27	27	27

Background Information:

M.S. 246.57 was enacted to allow DHS to provide services to other governmental agencies and both non-profit and for-profit organizations through shared service agreements of mutual benefit to the state, other governmental entities, and other organizations and the public. Rates are established by the respective programs providing the services.

Forecast Basis:

Fees are established based on projection of actual costs required to provide services.

Recent Changes:

Rates are adjusted as costs increase or decrease.

Agency Analysis/Comments:

Shared service rates are exempt from 16A.1283. Shared services are provided for the direct and primary use of a private individual, business, or other entity.

Purpose: To provide care and treatment to individuals admitted to Direct Care and Treatment programs regardless of their ability to pay

Legal Citation: M.S. 246.50, Subd. 5

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); SOS TBI & Adol Ent Svcs (4100); DHS Chemical Dependency Servs (4101); MN State Operated Comm Svcs (4350)

Appropriation: DCT-Adult Mental Hlth Svcs (H516100); MSOCS Waivered Services (H516204); Community Health Clinics (H516207); DCT-Forensic Services (H516300); Ded Svcs-Outpatient (SP) (H516305); 57 MH Innovation Grant Program (H551761); 61 SOS-Adult Mental Hlth Svcs (H556000); 63 SOS-Forensic Services (H556001); 61 CARE - Statewide (H556002); 62 Waivered Services (MSOCS) (H556009); 63 Ded Svcs-Outpatient (SP) (H556034); 62 CABHS - MITH (H556040); 65 Community Health Clinics (H556043)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(153,374)	(369,464)	(638,419)	(638,419)	(869,513)	(867,451)
Resources:							
Departmental Earnings	284,870	292,134	291,401	299,222	311,326	301,062	316,791
Other Resources:							
Earning Transferred In	20,035			29,390	29,390		
Revenue Collected by Another Agency							
Other Receipts	2,818	3,823	3,817	4,193	4,193	4,527	4,527
Resource Reductions:							
Earnings Transferred Out		2,554		1,000	1,000	1,000	1,000
Revenue Collected for Another Agency							
Total Resources	307,723	293,403	295,218	331,805	343,909	304,589	320,318
Expenditures:							
Direct Expenditures	437,084	482,262	533,515	532,303	542,345	534,077	553,053
Indirect Expenditures	24,013	27,231	30,658	30,596	30,596	30,596	30,596
Total Expenditures	461,097	509,493	564,173	562,899	572,941	564,673	583,649
Current Difference	(153,374)	(216,090)	(268,955)	(231,094)	(229,032)	(260,084)	(263,331)
Accumulated Ending Balance	(153,374)	(369,464)	(638,419)	(869,513)	(867,451)	(1,129,597)	(1,130,782)

Background Information:

Direct Care and Treatment (DCT) operates as a health care system providing a wide range of services to individuals with behavioral health needs. These services are provided throughout the state with 24/7 operations of sites that include psychiatric hospitals, residential treatment sites, vocational services, secure facilities and community clinics. The majority of these services are funded with direct appropriations some are funded through collections from third party resources – referred to as Enterprise Services.

DCT bills Medical Assistance (MA), Medicare, counties, private health insurance and individual clients. All collections from Appropriated Services are returned to the General Fund and not retained by the programs. Collections from Enterprise Services are retained by the program.

Forecast Basis:

Cost of Care is defined in M.S. 246.50, Subd. 5 as the commissioner’s charge for services provided to any person admitted to a state [Direct Care and Treatment] facility. That statute also specifies that: “ ‘charge for services’ means the usual and customary fee charged for services provided to clients. The usual and customary fee shall be established in a manner required to appropriately bill services to all payers and shall include the costs related to the operations of any program offered by the state.”

Recent Changes:

Under the authority of M.S. 246.50, Subd. 5, Cost of Care per diem rates for appropriated services are calculated and set annually based on estimated costs for the upcoming fiscal year. Rates for most enterprise services are negotiated with counties based on individual client service needs. Others enterprise rates are based on published Medical Assistance rates.

Agency Analysis/Comments:

Cost of Care per diem rates are exempt from the legislative approval requirement of M.S. 16A.1283 because they are a charge for “services provided for the direct and primary use of private individuals.”

Governor's Recommendation:

For information about recommended revenue and expenditure changes, see “Inpatient Competency Examination Liability and Data Sharing” and the "Operating Adjustment" proposals in the Direct Care and Treatment's 2026-27 Governor’s Budget Recommendations.

Purpose: To provide therapeutic work activities for people who have developmental disabilities and/or mental illness.

Legal Citation: M.S. 246.56

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); MN State Operated Comm Svcs (4350)

Appropriation: MSOCS Waivered Services (H516204); Ded Svcs-Work Actv (SP) (H516304); 62 Waivered Services (MSOCS) (H556009); 63 Ded Svcs-Work Actv (SP) (H556033)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	563	655	763	820	820	878	878
Resources:							
Departmental Earnings	743	689	809	809	809	809	809
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	82						
Revenue Collected for Another Agency							
Total Resources	661	689	809	809	809	809	809
Expenditures:							
Direct Expenditures	569	581	752	751	751	752	752
Indirect Expenditures							
Total Expenditures	569	581	752	751	751	752	752
Current Difference	92	108	57	58	58	57	57
Accumulated Ending Balance	655	763	820	878	878	935	935

Background Information:

In accordance with the provision of M.S. 246.56, the Commissioner of Human Services is authorized to create a work activity center revolving fund for the purposes of receiving and expending money to provide therapeutic work activities for people who have developmental disabilities and/or mental illness. Participants must receive pay as prescribed in the United States Department of Labor regulations, in accordance with the employment of workers with disabilities under special certificates. Work Activity programs include the provision of services and the manufacture, processing, and repairing of goods, wares and merchandise.

Forecast Basis:

Work Activity programs are operated by the Minnesota Security Hospital and Minnesota State Operated Community Services. Revenue from the operations of work activity programs are used to pay client wages according to their productivity, and to purchase equipment, supplies, and other expenses necessary to operate the program. Workers are not considered state employees and do not qualify for state benefits. Wages are based on the prevailing wages of comparable jobs in the community and on the worker's productivity compared to production of a non-disabled worker. Charges for services and products are established through an analysis of all factors discussed above.

Recent Changes:

N/A

Agency Analysis/Comments:

Work Activity rates are exempt from 16A.1283. Work Activity services are provided for the direct and primary use of a private individual, business, or other entity

Purpose: Participation Fees Collected from Specialty Court Clients

Legal Citation: M.S. 357.42

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: 10th Treatment Court Fees (J330SP0); 1st Treatment Court Fees (J330SP1); 2nd Treatment Court Fees (J330SP2); 3rd Treatment Court Fees (J330SP3); 4th Treatment Court Fees (J330SP4); 5th Treatment Court Fees (J330SP5); 6th Treatment Court Fees (J330SP6); 7th Treatment Court Fees (J330SP7); 8th Treatment Court Fees (J330SP8); 9th Treatment Court Fees (J330SP9)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	498	533	554				
Resources:							
Departmental Earnings	212	207	202	202	202	202	202
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	213	207	202	202	202	202	202
Expenditures:							
Direct Expenditures	178	186	756	202	202	202	202
Indirect Expenditures							
Total Expenditures	178	186	756	202	202	202	202
Current Difference	35	21	(554)				
Accumulated Ending Balance	533	554					

Background Information:

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

Forecast Basis:

Forecast to continue at current levels. This program has been in place for several years and currently is not expected to increase.

Recent Changes:

No changes have been made in the last couple of years.

Agency Analysis/Comments:

Forecast to offset all Revenue received with expenditures.

Purpose: To collect fees necessary to recover all expenditures related to the operation of the Minnesota Career Information System.

Legal Citation: M.S. 124D.505

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: MCIS Service Fees (E370100)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	264	180	266				
Resources:							
Departmental Earnings	513	677	682	682	682	682	682
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	7	17	18	18	18	18	18
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	520	694	700	700	700	700	700
Expenditures:							
Direct Expenditures	545	549	907	641	641	641	641
Indirect Expenditures	59	59	59	59	59	59	59
Total Expenditures	604	608	966	700	700	700	700
Current Difference	(84)	86	(266)				
Accumulated Ending Balance	180	266					

Background Information:

The Minnesota Career Information System (MCIS) is a fee-based subscription available to all schools where more than 80 percent of Minnesota schools have chosen to purchase the subscription. The system is Internet-based and offers a wealth of career, educational and labor market information in one comprehensive, easy-to-use tool. MCIS included interest and skill assessments, information on colleges, program requirements for various occupations, ACT practice tests and more. MCIS also includes a student Personal Learning Plan that meets the requirements of MS 120B.125. Using MCIS, students have the option of building a portfolio which will populate their Personal Learning Plan and track progress toward their educational goals.

MCIS is used by schools, colleges, libraries, Workforce Centers and many community-based organizations. There are a variety of subscription fee levels, based on the number of users at each site. The system is updated annually to ensure that the information is current and reliable.

Forecast Basis:

The revenue collected is on a fee for subscription basis. The fee is set based on the number of users at a given site. An annual subscription includes:

- Unlimited access to the Website
- Free training via hands-on workshops held around the state
- Free technical support
- Listserv membership

We are always improving our products and reaching out for new clients. We anticipate an increase in receipts because of this focus.

Purpose: The purpose of this account is to facilitate the accurate and timely processing of non-dedicated receipts and payments to the Department of Education.

Legal Citation: M.S. 16A.275

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Tuition Reciprocity (E37ND06)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		517	976	1,502	1,502	2,028	2,028
Resources:							
Departmental Earnings	517	459	526	526	526	526	526
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	517	459	526	526	526	526	526
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	517	459	526	526	526	526	526
Accumulated Ending Balance	517	976	1,502	2,028	2,028	2,554	2,554

Background Information:

The commissioner of education may enter into K-12 education tuition reciprocity agreements that allow students residing in school districts along state borders to attend schools in adjoining districts across the border. Minnesota currently has agreements with South Dakota and Iowa. (Minn. Stat. §§ 124D.04 and 124D.041) Tuition reciprocity payments are collected and deposited to the general fund as a non-dedicated receipt and the expenditures associated with these receipts are general and special education expenditures.

Purpose: To collect fees necessary to recover expenditures related to approving online learning providers or reviewing a challenge by an enrolling district.

Legal Citation: MS 124D.095, subd 7(c)

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Online Learning Provider Fee (E370103)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	16	18	18				
Resources:							
Departmental Earnings	2		2	2	2	2	2
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2		2	2	2	2	2
Expenditures:							
Direct Expenditures			20	2	2	2	2
Indirect Expenditures							
Total Expenditures			20	2	2	2	2
Current Difference	2		(18)				
Accumulated Ending Balance	18	18					

Background Information:

M.S. Statutes 124D.094, Online Instruction Act, ... M.S. Statutes 124D.095, Online Learning Option, authorizes and provides limitations on student enrollment for full-time enrollment in an approved online learning program. The Department of Education may collect a fee not to exceed \$250 for approving online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

Forecast Basis:

The receipts for the approval of supplemental online learning providers are estimates. These resources provide for professional development activities for approved providers.

Purpose: To assure staffing by qualified administrators.

Legal Citation: M.S. 122A.14, Subd. 9

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: School Administrator Licensing (E37ND04)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(17)	190	158	158	253	253
Resources:							
Departmental Earnings	351	485	500	500	500	500	500
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	351	485	500	500	500	500	500
Expenditures:							
Direct Expenditures	368	278	532	405	405	405	405
Indirect Expenditures							
Total Expenditures	368	278	532	405	405	405	405
Current Difference	(17)	207	(32)	95	95	95	95
Accumulated Ending Balance	(17)	190	158	253	253	348	348

Background Information:

An annual fee is charged to licensed administrators which is intended to cover general fund appropriations used to fund the functions of the Board of School Administrators. The Board of School Administrators was created by the Legislature in 2001. The Governor appoints ten (10) members. The Board is responsible for the licensing of school administrators (including variances), approval of administrator preparation or alternative programs, reviewing and approving continuing education for administrators' professional development, enforcing school administrators' code of ethics covering standards of professional practice, gathering data mandated by the legislature, and approving licenses and renewals for administrators.

Forecast Basis:

Beginning July 1, 2019, in State Fiscal Year 2020, the fee for active license holders is \$100, and for inactive license holder, it is \$50. The Board of School Administrators collects the fees.

The 2022-24 biennium revenue forecast is based on historical data and projected compliance rates. While the agency has experienced a significant increase in fee revenue in recent years (28% or \$137,000), future projections anticipate a more gradual growth due to increased compliance rates. By 2027, the agency expects a 92% compliance rate, driven by implementing a new system that enhances auditing capabilities.

Recent Changes:

The 2023 Legislature increased the BOSA's base appropriation to \$405,000 annually. A portion of this increase, \$22,000, was allocated for Minn. Stat. § 214.035 (Licensing Disqualifications).

Agency Analysis/Comments:

The 2026-27 biennium revenue forecast is based on historical data and projected compliance rates. While the agency has experienced a significant increase in fee revenue in recent years (28% or \$137,000), future projections anticipate a more gradual growth due to increased compliance rates. By 2027, the agency expects a 92% compliance rate, driven by implementing a new system that enhances auditing capabilities.

Purpose: To recover a portion of the costs of regulating emergency medical services ambulance services and education programs.

Legal Citation: M.S. 144E.29, M.S. 144E.31

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: EMS Receipts (H7S1000); EMS Receipts (H8S1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(836)	(1,745)	(2,829)	(2,829)	(3,914)	(3,914)
Resources:							
Departmental Earnings	67	99	67	67	67	67	67
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	67	99	67	67	67	67	67
Expenditures:							
Direct Expenditures	843	724	992	993	993	993	993
Indirect Expenditures	60	284	159	159	159	159	159
Total Expenditures	903	1,008	1,151	1,152	1,152	1,152	1,152
Current Difference	(836)	(909)	(1,084)	(1,085)	(1,085)	(1,085)	(1,085)
Accumulated Ending Balance	(836)	(1,745)	(2,829)	(3,914)	(3,914)	(4,999)	(4,999)

Background Information:

Services provided by the board include:

- Administer and enforce statutory provisions relating to ambulance services and EMS training programs.
- Certify EMS personnel on a biannual basis.
- Investigate, hear, and resolve complaints against EMS providers to ensure competent and safe EMS systems.
- Ensure active medical direction for the pre-hospital EMS system throughout the state of Minnesota.

Forecast Basis:

Revenues are collected through charges to ambulance services licensees and an additional vehicle fee, training program approvals, duplicate card issuance, and fines for violations of statutes. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law. All revenue collected is deposited into the General Fund. There are no significant changes anticipated to the amount of revenue generated in the upcoming biennium.

Recent Changes:

The last time ambulance and other fees were increased or assessed was in FY 2000.

Agency Analysis/Comments:

None

Purpose: Revenue related to costs of copies.

Legal Citation: M.S. 13.03 subd 10, M.S. 144E.123

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Request For Data-Misc Receipts (H7S1400); Request for Data-Misc Receipts (H8S1400)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	176	128	133	135	135	137	137
Resources:							
Departmental Earnings	1	5	2	2	2	2	2
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1	5	2	2	2	2	2
Expenditures:							
Direct Expenditures	49						
Indirect Expenditures							
Total Expenditures	49						
Current Difference	(48)	5	2	2	2	2	2
Accumulated Ending Balance	128	133	135	137	137	139	139

Background Information:

The mission of the board is to protect the public's health and safety through regulation and support of the EMS system.

Services provided by the board include:

- Administer a statewide EMS data collection program for 600,000 ambulance runs per year under Minn. Stat. 144E.123.
- Ensure effective and safe delivery of emergency care through the analysis and distribution of collected data.
- Respond to data requests under the Data Practices Act, Minn. Stat. Ch. 13.

Forecast Basis:

Revenues are collected to recover the costs of copies and data requests; estimates are based on receipts from prior years.

Recent Changes:

None

Agency Analysis/Comments:

None

Purpose: The commissioner may charge each employer an application fee, not to exceed \$500 per employer, for the purpose of covering the cost of administering the jobs training program as outlined in M.S, 116L.41 Subd 5.

Legal Citation: M.S. 116L.41 Subd 5

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Job Training Grants Admin (B221552)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	24	24	24	19	19	14	14
Resources:							
Departmental Earnings			10	10	10	10	10
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources			10	10	10	10	10
Expenditures:							
Direct Expenditures			15	15	15	15	15
Indirect Expenditures							
Total Expenditures			15	15	15	15	15
Current Difference			(5)	(5)	(5)	(5)	(5)
Accumulated Ending Balance	24	24	19	14	14	9	9

Background Information:

Jobs Training grants program was established in the Laws 2015, 1st special session, Chapter 1, Article 2. subd. 8 for the purpose of providing funds for new or expanding businesses to train individuals hired into newly created jobs. The statute allows the commissioner to charge each employer an application fee of up to \$500. The fee is deemed approved under sections 16A.1283 and is deposited in the jobs training account in the special revenue funds and the amounts in the account are appropriated to the commissioner for the costs of administering the program. If an application is denied because program funding is not available, the fee is returned to the employer.

Forecast Basis:

\$1,350,000 available for grants annually in the base budget. Estimating about \$125,000 per grant equals roughly 10 grants per year. Ten grants times the application fee of \$500 per employer for a total of \$5,000 in revenues. The trend in recent years hasn't fully utilized the program funds, and fewer applications have been approved.

Purpose: To recover the cost of promoting international trade and attracting investment from foreign countries. As well as trade-related marketing materials. No set fee amount, amount charged varies depending on the expected costs of missions and the number of businesses participating.

Legal Citation: M.S. 116J.966 and M.S. 116J.035

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Trade Office Revenue (B221920)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	94	143	192				
Resources:							
Departmental Earnings	18	162	199	160	160	160	160
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	143						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	161	162	199	160	160	160	160
Expenditures:							
Direct Expenditures	110	111	386	155	155	155	155
Indirect Expenditures	2	2	5	5	5	5	5
Total Expenditures	112	113	391	160	160	160	160
Current Difference	49	49	(192)				
Accumulated Ending Balance	143	192					

Background Information:

Minnesota businesses reimburse the Minnesota Trade Office (MTO) for their participation in international trade activities such as missions to other countries and international trade shows. The MTO also collects fees for providing trade-related activities marketing materials to businesses and organizations (Certificates of Free Sale, publications, and market research reports).

Forecast Basis:

Anticipated Trade Missions in future years, based on previous years.

Agency Analysis/Comments:

Goal is to break even with a small amount of carry over for missions crossing fiscal years. Revenues increase during years where there is a large governors trade mission that MTO leads. The last major governors trade missions were in the summer of 2015 to Mexico, a mission to Japan and Korea in the fall of 2019, and a mission to the United Kingdom and Finland in 2022. Future revenues are estimated on the lower end with no major governor trade missions currently scheduled.

Purpose: To help support the function of the Business Enterprises Program (BEP) which creates vending business opportunities for qualified legally blind persons to operate and to provide access to the printed word for blind, visually impaired and physically impaired Minnesotans.

Legal Citation: M.S. 248.07, subd. 5; M.S. 248.07, subd. 8

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: BEP GENERAL SUP (B223015); BEP ESCROW MDSE (B223016); BEP OPERATIONS (B223017); BEP ESCROW FED (B223018); SSB Communication Center (B223480)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,042	768	713	663	663	668	668
Resources:							
Departmental Earnings	314	374	796	796	796	796	796
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	29	47	22	22	22	22	22
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	343	421	818	818	818	818	818
Expenditures:							
Direct Expenditures	617	476	867	812	812	817	817
Indirect Expenditures			1	1	1	1	1
Total Expenditures	617	476	868	813	813	818	818
Current Difference	(274)	(55)	(50)	5	5		
Accumulated Ending Balance	768	713	663	668	668	668	668

Background Information:

Communication Center: Reimbursement from other states for the estimated cost of providing for the production and handling of Braille books, audio tapes, and related services for the blind. This fee offsets some of the costs to produce braille/audio materials. Fees are based on general market tolerance and actual costs to produce materials.

Braille Textbooks:

- Braille Textbooks, New:\$6.00
- Braille Textbook, previously transcribed and electronic:\$1.25
- Braille Non-textbook New and Copies:\$2.25
- Braille Non-textbook Email:\$1.75
- Braille Non-textbook Electronic:\$0.10

All fees are per braille page.

Audio charges:

- Audio charges per recorded hour for schools:\$2.00
- Audio charges per recorded hour for business/organizations:\$12.50
- No charge for personal use or staff.

Business Enterprise Program: This fee is comprised of monthly revenues collected from the blind vending operators (including interest earned) and exists primarily to

- Pay the salaries for two BEP technicians and the costs associated with vending parts, repairs and upkeep of over 1500 vending machines statewide
- Reimburse the elected committee of blind vendor's attendance at meetings, conferences and trainings
- Reimburse blind vending operators with an annual fringe benefit credit

The fee is based on a sliding scale from the blind operators' monthly net proceeds; this means the monthly cash receipts including any vending machine or other income, less merchandise purchases, general expenses, and payroll, (excluding set-aside charges).

The sliding scale is:

- On the first \$100 or portion thereof: 2 percent
- On the second \$100 or portion thereof: 4 percent
- On the third \$100 or portion thereof: 6 percent
- On the fourth \$100 or portion thereof: 8 percent
- On the fifth \$100 or portion thereof: 10 percent
- On the sixth \$100 or portion thereof: 12 percent
- On the seventh \$100 or portion thereof: 14 percent
- Any amounts over \$700: 16 percent.

This information can be found in Minnesota Rule 3321.0800

Forecast Basis:

Communication Center: Revenue was based on past requests for materials and costs to produce that material. The trends vary depending upon requests received, however, stay consistent through the year.

Business Enterprise Program: The revenue generated for this fund has been pretty consistent year after year. The trend indicates the amount collected from blind vending operators has been declining due to reduced net

proceeds of BEP businesses. This is consistent with the fact that the annual vending sales continue to decline, the expenses to operate a business have increased and the limited number of viable vending business opportunities on state and federal property.

Recent Changes:

Communication Center: The fees for braille transcription had a price increase that took place July 1, 2017. This cost increase occurred because of a cost analysis study done 2 years ago comparing other producers of braille and the study confirmed our new prices were aligned with the market for braille transcription.

Business Enterprise Program: The fee has not been changed since inception. The percentage is competitive with what is collected in other state BEPs. This is a sensitive subject for the BEP blind vending operators due to it impacting their livelihood. The BEP has no plans to adjust the collection rate at this time.

Agency Analysis/Comments:

Communication Center: The majority of Braille sold is produced by the 40+ volunteers. Ninety-nine percent (99%) of audio charges are produced by 100+ volunteers. The funds received are used to offset cost of the Audio and Braille Units.

Business Enterprise Program: The BEP monitors the fund regularly to ensure it remains solvent.

Purpose: Loan Origination Fees are used for the administration of the small business loan guarantee program and as additional loan loss reserve fund for the program.
 Application fees for certifying qualified small businesses expansion are used for administrative expenses related to the greater Minnesota business expansion program.

Legal Citation: Loan Origination Fee - M.S. 116J.881 Subd. 6
 Greater MN Business Expansion - M.S. 116J.8738 Subd 3

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Federal (3000)

Appropriation: State Sm Bus Credit Initiative (B221269)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings		14					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources		14					
Expenditures:							
Direct Expenditures		14					
Indirect Expenditures							
Total Expenditures		14					
Current Difference							
Accumulated Ending Balance							

Background Information:

The Qualified Expansion of Greater Minnesota Business Program was created in the Laws of 2013. The commissioner may impose an application fee in an amount sufficient to defray the commissioner's cost of processing certifications.

The Small Business Loan guarantee program was re-established in response to the 2020 public health emergency, and will help Minnesota lenders provide capital to small businesses in Minnesota affected by COVID-19. These loans can be used for a variety of purposes and can be subordinate to other financing. Allowable loan uses must be exclusively in Minnesota and include machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets when possible.

Forecast Basis:

Qualified Expansion - No fees estimated in future years very low program usage

Small Business Loan Guarantee - No future fees estimated, temporary COVID program.

Recent Changes:

Qualified Expansion - The 2015 legislature amended the statute language regarding the fees, making it explicit that application fees are deposited in the program's administration account in the special revenue fund, thus allowing DEED to spend the fees on program operations and services.

Small Business Loan Guarantee - The 2020 legislature made \$10 million of general fund dollars available for the small business loan guarantee program. They later redirected \$2.5 million of those funds towards the Small Business Relief Grant program, resulting in \$7.5 million available to issue loan guarantees.

Agency Analysis/Comments:

Qualified Expansion - DEED is charging 3% for an application fee on program operations and services. If we presume all of the \$7 million tax base per year is awarded, then \$210,000 per year will be collected. However, historical performance of the program has been significantly under subscribed. Resulting in only \$30k collected for program administration since 2013. No fees were estimated with the programs low usage, if the program doesn't have applications and doesn't bring in funds, then that staff won't work on this program or charge time towards it.

Purpose: To provide tax incentives to investors or investment funds. Applications and annual report fees are collected to recover the cost of administering the program.

Legal Citation: M.S. 116J.8737

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001)

Appropriation: 21st Century Fund (B221121); Small Business Invest Tax Cred (B221140)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	973	890	871	1,180	1,180	1,584	1,584
Resources:							
Departmental Earnings	108	257	643	782	782	974	974
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	108	257	643	782	782	974	974
Expenditures:							
Direct Expenditures	166	240	296	339	339	421	421
Indirect Expenditures	25	36	38	39	39	41	41
Total Expenditures	191	276	334	378	378	462	462
Current Difference	(83)	(19)	309	404	404	512	512
Accumulated Ending Balance	890	871	1,180	1,584	1,584	2,096	2,096

Background Information:

The Small Business Investment Tax Credit (Angel Tax Credit) program was created on April 1, 2010 to provide tax incentives to investors or investment funds that put money into startup and emerging companies focused on high technology and new proprietary technology. Application and annual report fees are collected to recover the cost of administering the program.

Forecast Basis:

The program has been re-authorized for CY2022 to authorize \$5 million in tax credits. However it is not authorized for any years past CY22. The program is currently not accepting applications without legislative re-authorization. The reporting fees for the certified investors, funds, and businesses will result in reporting fees for the next five years to complete the reporting and administration requirements of the program. But no application fees are forecasted.

Recent Changes:

On May 27, 2022, the Angel Tax Credit Program exhausted its available credits for investments in all businesses; as a result we are no longer accepting certification or credit allocation applications. For 2022, \$5 million in credits were available, \$2.5 million of which were reserved for minority- and women-owned businesses, as well as businesses located in Greater Minnesota.

The 2022 legislative session adjourned without approving an Omnibus Tax Bill. Without passage of this bill, the proposed additional \$7M of funding is not available.

Agency Analysis/Comments:

With the programs up and down authorization levels, the staffing levels have been reduced to only manage the reporting requirements at times, resulting in uneven collections compared to spend and a healthy balance remaining in the administrative account. If the program is authorized again, more staff would need to be hired for the certification process and would use up some of the reserve that has built up in the administrative account due to reduced workload requirement.

Purpose: To recover the costs of regulating Nursing Home Administrators, Assisted Living Directors, and Health Service Executive.

Legal Citation: M.S. 144A.19 – M.S. 144A.291, M.S. 214, and M.R. 6400

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: NHA Non Dedicated Receipts (H7K1000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	688	702	860	773	773	788	887
Resources:							
Departmental Earnings	825	874	872	872	971	872	971
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	825	874	872	872	971	872	971
Expenditures:							
Direct Expenditures	699	603	838	736	736	736	736
Indirect Expenditures	112	113	121	121	121	121	121
Total Expenditures	811	716	959	857	857	857	857
Current Difference	14	158	(87)	15	114	15	114
Accumulated Ending Balance	702	860	773	788	887	803	1,001

Background Information:

The board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing nursing home administrators to ensure a standard of competent and ethical practice.

The Board of Nursing Home Administrators provides the following services:

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

Forecast Basis:

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants historically seeking initial licensure, and any fee changes set in current law. There some changed that are expected as more licensee age and retire and we have not yet seen the equilibrium of directors need for all these smaller assisted living facilities becoming licensed.

Recent Changes:

The board last increased fees to Nursing Home Administrators and Health Service Executives in fiscal Year 2024 by \$25.00, and Assisted Living Director in fiscal year 2025 by \$25.00 to offset increasing indirect costs.

Agency Analysis/Comments:

The board will continue to monitor revenues and expenditures and will seek statutory fee increase to be available when needed and bring equity to the all license class and standardization of processes.

Governor's Recommendation:

For information about recommended fee changes, see the "Fee Increase" proposal in the Board of Executives for Long Term Services and Supports' 2026-27 Governor's Budget Recommendations.

Purpose: Promote tourism in Minnesota

Legal Citation: M.S. 116U.45

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Tourism Promotional Revenue (B202404); Explore Minnesota USA (B202405); Worldwide Web (B202417)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	969	1,058	923	591	591	322	322
Resources:							
Departmental Earnings	192	142	223	223	223	223	223
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	58	35	35	35	35	35	35
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	250	177	258	258	258	258	258
Expenditures:							
Direct Expenditures	161	312	590	527	527	327	327
Indirect Expenditures							
Total Expenditures	161	312	590	527	527	327	327
Current Difference	89	(135)	(332)	(269)	(269)	(69)	(69)
Accumulated Ending Balance	1,058	923	591	322	322	253	253

Background Information:

These earnings recover the costs of tourism promotional efforts, such as producing and distributing publications, mailing list management, trade and consumer shows, and other programs.

Forecast Basis:

Forecast is based on past levels of similar programs and current market trends.

Recent Changes:

Revenue strategy shift. Increasing investment in a newsletter ad sale approach to meet market demand and increase audience participation.

Agency Analysis/Comments:

The agency has generally been recovering costs at an appropriate level. Due to the fiscal year calendar timing vs. the tourism promotion seasons, we often carry funds forward between fiscal years, in order to use the funds in the next fiscal year. For example, ads sold in spring/summer are used to recover the costs of printed material for the following year.

Purpose: To cover cost of regulating lawful gambling in Minnesota.

Legal Citation: M.S. 349.16, Subd 6, M.S. 349.161, M.S. 349.163, M.S. 349.165-167

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Gambling Control Acct (G090001); Gambling Control Acct (G906001)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	9,763	11,448	14,185	14,598	14,598	16,269	16,269
Resources:							
Departmental Earnings	7,420	7,914	8,075	8,075	8,075	8,075	8,075
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	220	70	70	70	70	70	70
Revenue Collected for Another Agency							
Total Resources	7,200	7,844	8,005	8,005	8,005	8,005	8,005
Expenditures:							
Direct Expenditures	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Indirect Expenditures							
Total Expenditures	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Current Difference	1,685	2,737	413	1,671	1,671	1,671	1,671
Accumulated Ending Balance	11,448	14,185	14,598	16,269	16,269	17,940	17,940

Background Information:

The Board collects license and permit fees from manufacturers and distributors of gambling equipment, linked bingo providers and nonprofit organizations conducting charitable gambling.

Annual License Fees:

- Manufacturer of gambling equipment fee is \$10,000, licensed manufacturers also pay \$30 for each item of gambling equipment submitted for approval and \$125 for each sample of gambling equipment tested by the Board.
- Linked Bingo Providers fee is \$5,000,
- Distributors of gambling equipment fee is \$7,000. Distributor Salespersons fee is \$150.
- Nonprofits licensed to conduct gambling in MN pay \$350 for an organization license, \$100 for gambling manager, and \$150 for premises permits for each site where gambling is conducted. Licensed nonprofit organizations also pay a regulatory fee of 0.125% of gross receipts. The regulatory fee is collected by the Minnesota Department of Revenue with monthly lawful gambling tax payments then transferred from Revenue to the Gambling Control Board.
- The fee for nonprofits conducting limited gambling (up to five days of activity, total prizes of \$50,000 or less) is \$100 per event (\$150 if not submitted 30 days before the event).

Forecast Basis:

Revenue forecast is based on current revenues.

Recent Changes:

On 7/1/2015 the following fees became effective:

Manufacturer license fee increased to \$10,000, game approval fees paid by manufacturers increased to \$30, game testing to \$125

Distributor license fee increased to \$7,000, Distributor Salespersons to \$150

Regulatory fee paid by nonprofit organizations conducting gambling increased from 0.1% (.001) to 0.125% (.00125).

Permit fee for nonprofit organizations conducting limited gambling (up to 5 days of activity, total prizes valued at \$50,000 or less per year) increase to \$100 (\$150 if not submitted 30 days before event).

Agency Analysis/Comments:

At current levels lawful gambling regulation fund balance will be sufficient to fund lawful gambling regulation in Minnesota and increase staffing to reflect industry growth in gross receipts and complexity.

Purpose: The Minnesota Fathers' Adoption Registry protects adoptive families and the rights of putative fathers.

Legal Citation: Minnesota Statutes, section 259.52

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Policy (H12970J)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(31)	(51)	(67)	(67)	(83)	(83)
Resources:							
Departmental Earnings	49	46	50	50	50	50	50
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	50	50	50	50	50	50	50
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	99	96	100	100	100	100	100
Expenditures:							
Direct Expenditures	100	89	89	89	89	89	89
Indirect Expenditures	30	27	27	27	27	27	27
Total Expenditures	130	116	116	116	116	116	116
Current Difference	(31)	(20)	(16)	(16)	(16)	(16)	(16)
Accumulated Ending Balance	(31)	(51)	(67)	(83)	(83)	(99)	(99)

Background Information:

The Minnesota Fathers' Adoption Registry allows putative fathers—men who believe they are a biological father but have not established paternity—to register themselves in order to receive notice if plans are made to place a child that they believe is theirs for adoption. Registration has no fee. The authorizing law directs the district court administrator in every judicial district to assess a \$75 adoption filing fee surcharge on each adoption petition filed in the district court for the purpose of implementing and maintaining the registry. The authorizing law also allows the department to set a reasonable fee, which is \$25, for use of the registry to meet the requirements to search for a putative father before adoption petitions are finalized. Child support enforcement staff can search the registry and are exempted from paying the fee.

Forecast Basis:

The forecast is based on the number of adoptions, the \$75 per filing fee, the \$25 registry use fee, and costs to the department to maintain the registry.

Recent Changes:

The filing and administrative search fees have not changed since the registry was established in 1997.

Agency Analysis/Comments:

Expenditures are projected to exceed revenues. No changes are needed at this time. The department will continue to monitor this program for needed changes.

Purpose: The Adverse Health Events reporting system reviews incidents, identifies root causes and initiates corrective action plans in order to correct systemic failures in hospitals and ambulatory surgical centers.

Legal Citation: Minnesota Statutes, section 144.706

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		74	100	108	108	116	116
Resources:							
Departmental Earnings	556	568	559	559	559	559	559
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	556	568	559	559	559	559	559
Expenditures:							
Direct Expenditures	370	416	423	423	423	423	423
Indirect Expenditures	112	126	128	128	128	128	128
Total Expenditures	482	542	551	551	551	551	551
Current Difference	74	26	8	8	8	8	8
Accumulated Ending Balance	74	100	108	116	116	124	124

Background Information:

The Adverse Health Events reporting system requires reporting on 29 serious reportable events whenever they occur in hospitals and licensed ambulatory surgical centers. The department is required to review all events, along with the accompanying root cause analyses and corrective action plans. The department works to identify patterns of systemic failure in the health care system and can propose methods to potentially correct these failures.

A team of clinical and quality improvement experts evaluate the root causes and corrective action plans for every event.

Forecast Basis:

The forecast is based on fee revenue from the number of licensed facilities, established by the Minnesota Adverse Health Care Events Reporting Act, of a \$600.00 base fee plus \$16.00 per bed or bassinets regardless of a hospital's accreditation status. Ambulatory surgical centers are assessed a base fee of \$2,200 per surgical center.

Recent Changes:

The Adverse Health Events reporting system was established in 2003 and is funded through a fee on hospitals and ambulatory surgical centers. This fee has not changed since it was established. The continued increase in number of adverse events continues to increase the work required to administer the statute.

Agency Analysis/Comments:

Revenues are projected to slightly exceed expenses. The department will continue to monitor to determine if a change is needed.

Purpose: The Asbestos Abatement program protects the public from exposure to asbestos fibers by regulating abatement work, certifying professionals, and permitting training.

Legal Citation: Minnesota Statutes, section 326.75

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	9	73	143	142	142	141	329
Resources:							
Departmental Earnings	824	886	866	866	1,230	866	1,230
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	824	886	866	866	1,230	866	1,230
Expenditures:							
Direct Expenditures	584	627	666	666	842	666	842
Indirect Expenditures	176	189	201	201	201	201	201
Total Expenditures	760	816	867	867	1,043	867	1,043
Current Difference	64	70	(1)	(1)	187	(1)	187
Accumulated Ending Balance	73	143	142	141	329	140	516

Background Information:

The problem of asbestos exposure affects all people residing in older homes or visiting older buildings as a part of their daily routine. The department's Asbestos Abatement program protects the public from exposure to asbestos fibers by approving project permits for asbestos-related work, licensing asbestos abatement professionals (e.g., contractors, workers, site supervisors, inspectors, management planners, and project designers), permitting training courses, and inspecting project sites for appropriate work practices.

There are approximately 132 licensed contractors who conduct an estimated 2,000 asbestos abatement projects annually. The licensed asbestos abatement professionals are comprised of 2,300 individuals who seek certification on an annual basis. There are 57 permitted training courses provided by six training entities each year. Training courses are required annually so that individuals involved in asbestos work receive appropriate instruction and hands-on training to perform their jobs according to public health and worker safety standards.

Fee structure:

- Asbestos project fees are based on 2% of the total project cost for commercial facilities.
- Residential structures require a \$35 permit fee; asbestos contractor fees are \$105 annually.
- Worker and supervisor fees are \$52.50 annually.
- Inspectors, project designers, and management planner fees are \$105 annually. Permit fees for initial and renewal of training courses are \$500 and \$250 biennially.
- Air monitoring fees are 2% of the total cost of time and materials used for the permitted project.

Fees support on-site project inspection, education for regulated parties and property owners, credentialing regulated parties, auditing training course providers, and maintaining relationships with partners including county and local government, the public, and businesses.

Forecast Basis:

The revenue generated for the Asbestos Abatement program is closely associated with the construction industry and capital investment by building owners and developers in existing facilities. Residential permit applications have remained stable in recent years.

Recent Changes:

The Asbestos Abatement program was established in 1988. The fees were modified in 2021, including a 1% increase to project fees, a \$5 increase to the asbestos inspector and contractor fee, and a \$2.50 increase to the asbestos worker and supervisor fee.

Agency Analysis/Comments:

The current appropriation is not sufficient to meet statutory requirements. The department requests a fee increase to address resource needs for a new FTE to perform communication and data analysis activities so that inspectors can conduct additional inspections.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Asbestos Abatement Language Clarification and Fee Increase" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The assisted living licensure program regulates the assisted living industry to ensure best practices and high quality of care for consumers.

Legal Citation: Minnesota Statutes, sections 144G.08 to 144G.9999

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	432	94	(945)	(1,070)	(1,070)	(1,195)	859
Resources:							
Departmental Earnings	8,162	11,113	10,779	10,779	14,388	10,779	14,388
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	8,162	11,113	10,779	10,779	14,388	10,779	14,388
Expenditures:							
Direct Expenditures	6,528	9,333	8,374	8,374	9,929	8,374	9,929
Indirect Expenditures	1,972	2,819	2,530	2,530	2,530	2,530	2,530
Total Expenditures	8,500	12,152	10,904	10,904	12,459	10,904	12,459
Current Difference	(338)	(1,039)	(125)	(125)	1,929	(125)	1,929
Accumulated Ending Balance	94	(945)	(1,070)	(1,195)	859	(1,320)	2,788

Background Information:

The legislature established assisted living licensure in 2019 and established an appropriation based on estimates of the likely number of future licensees. Now that the third year of the licensure is complete, the department has more accurate estimates of revenue based on the number of participating providers than prior to the passage of the assisted living licensure law. At the beginning of 2022, there were 2,000 assisted living providers, 25% higher than the original estimates. In the beginning of August 2024 this number had risen to over 2,200 facilities. Some providers do close their license, but even with factoring in closures there has been an average of 14 new licenses per month since January 1, 2023. The higher-than-expected number of assisted living licenses means the workload for the department continues to rise. The increase in work affects a number of areas: from licensing to survey, to enforcement and reconsideration. The state-wide health assessment indicates that the proportion of Minnesotans older than 65 is expected to increase between 2030 to 2050 more than ever before. To ensure proper care and services are provided to this aging population the department continues to strive to stay ahead of this workload.

Forecast Basis:

The forecast is based on estimates of facility types, number of regulated facilities, estimated capacity, and per resident fees. Currently, Minnesota is home to 2,238 licensed assisted living facilities with a resident capacity of 63,088 people.

Recent Changes:

The legislature established the assisted living licensure in the Laws of 2019, chapter 60. Effective March 15, 2025, a new fee of \$3,905 for relocating an assisted living facility will be available. MDH estimates that there will be 130 facilities applying for this relocation license.

Agency Analysis/Comments:

In 2019, the legislature enacted the assisted living licensure law with an effective date in 2021. At that time, it was estimated that the department would license around 1,500 facilities and that the cost of the fee would cover licensing, surveys, enforcement, and reconsiderations for assisted living licensure. Currently, there are 2,238 assisted living licenses. Of those, at least 1,100 are small residential assisted living facilities (5 residents or less).

Expenditures are projected to exceed revenue. The department proposes a per resident fee increase of \$32. This will ensure expenses required for the continued increase of new assisted living licenses are covered and will ensure statutory timeframes for licensing requirements are met

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Assisted Living Licensure Implementation" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The audiologist licensing program assures minimum standards for professionals, investigates complaints, pursues enforcement action, and provides information to consumers. The hearing instrument dispenser certification program enforces standards by requiring a certification examination, investigates complaints, and pursues enforcement action.

Legal Citation: Minnesota Statutes, sections 148.5194 and 153A.17

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	29	95	150	187	187	224	224
Resources:							
Departmental Earnings	384	392	438	438	438	438	438
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	384	392	438	438	438	438	438
Expenditures:							
Direct Expenditures	244	259	308	308	308	308	308
Indirect Expenditures	74	78	93	93	93	93	93
Total Expenditures	318	337	401	401	401	401	401
Current Difference	66	55	37	37	37	37	37
Accumulated Ending Balance	95	150	187	224	224	261	261

Background Information:

Audiologist licensing program fee revenue is used to issue licenses, administer a hearing instrument practical examination, convene an advisory council, investigate complaints, pursue enforcement actions, and administer a consumer information center.

Audiologist fees include:

- \$523 initial licensure fee.
- \$510 biennial license renewal fee.
- \$13.00 one-time surcharge to process criminal background checks.
- \$600 for a practical exam to dispense hearing instruments.
- \$60 fee for late renewals.
- \$25 for written verification of credentialed status.

Hearing instrument dispenser certification program fee revenue is used to administer the hearing instrument dispenser practical exam, issue trainee status and certificates to hearing instrument dispensers, convene an advisory council, investigate complaints, pursue enforcement actions, and administer a consumer information center.

Hearing instrument dispenser fees include:

- \$230 for trainee status
- \$772.50 for initial certification application fee.
- \$750 renewal fee for certified dispensers
- \$22.50 one-time surcharge to process criminal background checks
- \$1,200 fee for taking the hearing instrument dispenser practical exam
- \$600 for retaking the examination
- \$260 for late renewals
- \$25 to verify certification in other jurisdictions

There are penalty fees for working as a certified dispenser before being issued a certificate or after the certificate is lapsed and failure to submit the appropriate continuing education hours.

Forecast Basis:

Audiologist revenue forecast was determined based on the projected growth of the occupation over time. By the end of fiscal year 2024, there were 510 audiologists in the licensing system. The program has continued to see increases in the number of individuals applying for licensure, with a mix of new graduates and individuals applying through reciprocity or other methods authorized by the regulation. The occupation is expected to continue to grow to meet the demand for audiologists in all age cohorts. By the end of fiscal year 2024, there were 245 hearing instrument dispensers and 35 hearing instrument dispenser trainees in the certification program. The revenue forecast was determined based on the projected growth of the occupation over time.

Recent Changes:

Audiologist fees increased in 2017 to reflect the increased program cost to regulate audiologist practitioners. This included an increase from \$250 to \$600 to retake the hearing instrument practical examination and an increase in licensing fees. Other fee increases included a one-time surcharge to process criminal background checks and processing verification of licensure requests and late renewals.

Hearing instrument dispenser certification program fees increased in 2017 to reflect the following increased program cost to regulate hearing instrument dispensers and trainees:

- Initial certificate fee increased from \$600 to \$772.50
- The certification renewal application fee increased from \$500 to \$750
- Trainee status fee and other licensing fees increased from \$200 to \$230. Other fee increases included a one-time surcharge to process criminal background checks, processing verification of licensure requests and late renewals.
- The penalty fee for late submission of a renewal application increased from \$200 to \$260.
- The program ceased collecting a \$500 fee for administering a written examination. In prior years, the department administered a written exam, approved by the commissioner, on behalf of the International Hearing Society. The examination is now administered online.
- Over the counter hearing aid change – did not affect revenue

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will monitor the program to determine if any future changes are needed.

Purpose: The Body Art program licenses and monitors body art establishments and technicians that tattoo or provide piercing.

Legal Citation: Minnesota Statutes, section 146B.10

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	17	285	698	1,091	1,091	1,484	1,484
Resources:							
Departmental Earnings	676	934	821	821	821	821	821
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	676	934	821	821	821	821	821
Expenditures:							
Direct Expenditures	313	400	329	329	329	329	329
Indirect Expenditures	95	121	99	99	99	99	99
Total Expenditures	408	521	428	428	428	428	428
Current Difference	268	413	393	393	393	393	393
Accumulated Ending Balance	285	698	1,091	1,484	1,484	1,877	1,877

Background Information:

The department regulates the practice of body art, including the requirement that body art establishments and technicians that tattoo or provide piercing services be licensed. Any body art establishments located within county and municipal jurisdictions with an ordinance that meets or exceeds state regulations are exempt from the regulation. Those areas that meet or exceed state regulations and are exempt from MDH regulation include Anoka, Hennepin and Steele counties and the cities of Minneapolis, Maplewood, Brooklyn Park, Bloomington, Richfield, and Edina. All body artist technicians regardless of where they practice must have a technician license from the Minnesota Department of Health.

Fee revenue recovers the cost of issuing licenses to body art technicians and body art establishments, conducting inspections, investigating complaints, pursuing enforcement actions, approving blood borne pathogen coursework and providing information to the public and practitioners about body art regulations.

Forecast Basis:

The practice of body art has been regulated by the department since January 2011. The program continues to see an increase in the number of practitioners entering the occupation as the demand for body art services continues to grow and practitioners expand the types of services and methods used to provide such services.

There are currently 344 licensed body art establishments, 1,643 licensed technicians, and 350 temporary licensees. The fee for the initial establishment license application and application for renewal of an establishment license is \$1,500. Establishment renewal is required biennially.

The initial application fee for licensure as a body art technician, and the renewal fee, is \$420. Renewal is required biennially.

The application fee for Temporary Technician licensure is \$200. Temporary licenses are valid for one year and may be renewed twice.

Recent Changes:

The last fee change occurred in 2017. New fees were added to reflect the increased program cost to regulate this growing industry through the issuance of credentials and inspection and investigation of complaints of illegal practice. The establishment renewal cycle changed from three to two years.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures, resulting in a positive accumulated balance. The department will continue to monitor to determine if any future changes are needed.

Purpose: The Doula Registry verifies the certification of professions who provide emotional and physical support during pregnancy, labor, birth and postpartum.

Legal Citation: Minnesota Statutes, section 148.997

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1	8	28	33	33	38	38
Resources:							
Departmental Earnings	11	21	10	10	10	10	10
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	11	21	10	10	10	10	10
Expenditures:							
Direct Expenditures	3	1	4	4	4	4	4
Indirect Expenditures	1		1	1	1	1	1
Total Expenditures	4	1	5	5	5	5	5
Current Difference	7	20	5	5	5	5	5
Accumulated Ending Balance	8	28	33	38	38	43	43

Background Information:

Doulas provide continuous emotional and physical support through labor and birth and as needed during prenatal and postpartum periods. The department has registered doulas since 2007. Fees are collected to support program staffing, verify applicants are certified by a doula certifying organization identified in statute, conduct a criminal background check, and update the program website. Doulas register for a three-year term and must stay current with the certifying organization to remain on the registry. There are currently 346 doulas on the registry. The application fee for doula registration is \$185. There is also a \$15 criminal background check fee.

Forecast Basis:

The number of doulas on the registry may vary due to the three-year renewal cycle and the doula certification status. The revenue forecast assumes the profession will continue to grow.

Recent Changes:

In 2021, legislation went into effect that allows MDH to designate doula certifying organizations (Minnesota Statute, section 148.9965). MDH established designation criteria and a review process to review designation requests. There is no fee associated with designating organizations.

In 2017, the application fee was increased from \$130 to \$185. The criminal background check fee increased from \$6 to \$15.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will continue to monitor this program to determine whether any future changes are needed.

Purpose: The Drinking Water Protection program certifies water operators, inspects public water systems and helps communities keep public drinking water supplies safe.

Legal Citation: Minnesota Statutes, sections 144.383 to 144.387

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	284	761	1,509	2,729	2,729	3,949	4,097
Resources:							
Departmental Earnings	13,969	14,121	13,934	13,934	21,909	13,934	21,909
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	13,969	14,121	13,934	13,934	21,909	13,934	21,909
Expenditures:							
Direct Expenditures	10,362	10,270	9,764	9,764	17,591	9,764	17,591
Indirect Expenditures	3,130	3,103	2,950	2,950	2,950	2,950	2,950
Total Expenditures	13,492	13,373	12,714	12,714	20,541	12,714	20,541
Current Difference	477	748	1,220	1,220	1,368	1,220	1,368
Accumulated Ending Balance	761	1,509	2,729	3,949	4,097	5,169	5,465

Background Information:

The department assumed primary enforcement responsibility for the federal Safe Drinking Water Act in 1977. The drinking water service connection fee was established in 1992 to support the department's safe drinking water program and ensures compliance of public water supplies with the Safe Drinking Water Act. More than just maintaining a consistently high level of compliance with the Safe Drinking Water Act, Minnesota's proactive strategy protects our drinking water, people's health, and provides a reliable water supply for economic development.

As part of Minnesota's vital strategy to protect drinking water, the department uses revenue to:

- Test water quality for 7,000 public water supplies.
- Provide expert review of test results and trend analysis.
- Perform specialized engineering review of treatment plant plans or source changes.
- Assist in prevention or treatment of contamination issues.
- Train and certify water operators.
- Conduct regular site visits to systems to identify and prevent potential problems.
- Support testing for and risk management of unregulated contaminants.
- Increase replacement of failing infrastructure by reducing use of Drinking Water Revolving Fund for program activities.

While the department provides these services to all public water supplies, this robust technical assistance is especially valuable for smaller systems that lack resources and technical capability. Without this additional assistance, small systems have lower compliance with standards.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program. The fee is based on the number of service connections to public water supplies. This number is relatively stable with a slight historical increase as a result of new building development within public water supply domains.

Recent Changes:

The service connection fee was last increased in 2020 from \$6.36 to \$9.72

Agency Analysis/Comments:

Although state revenues are projected to exceed expenditures, the department anticipates the loss of federal revenue which will require a fee increase to administer the expansions in the Safe Drinking Water Act requirements as mandated by the EPA. An increase of \$5.52, from \$9.72 to \$15.24 is being proposed.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Public Water Supply Fee" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The Certified Food Protection Manager program is a statewide registration of food safety professionals to ensure they are trained in safe food handling practices.

Legal Citation: Minnesota Statutes, section 157.16 and 31.96; Minnesota Rules, part 4626.0033

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(100)	(108)	(108)	(108)	(108)	(108)
Resources:							
Departmental Earnings	459	478	490	490	490	490	490
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	459	478	490	490	490	490	490
Expenditures:							
Direct Expenditures	429	373	376	376	376	376	376
Indirect Expenditures	130	113	114	114	114	114	114
Total Expenditures	559	486	490	490	490	490	490
Current Difference	(100)	(8)					
Accumulated Ending Balance	(100)	(108)	(108)	(108)	(108)	(108)	(108)

Background Information:

The food protection manager certification requirement has been in effect since July 1, 2000. The certification fee of \$35 supports the issuance of approximately 12,000 certificates annually, with renewal requirements every three years. If the certificate is lost or destroyed, the fee for a duplicate certificate is \$20. Instructor qualifications for initial and continuing education courses are reviewed to ensure they meet the requirements in Minnesota Rules, chapter 4626. Initial and continuing education course curriculum is also reviewed to ensure that they meet the requirements in rule. An online instructor and course lookup portal is maintained, along with data management functions and web communications. Course and instructor complaints are responded to, and enforcement is taken, as necessary. Education of, and communication with, course instructors is conducted to ensure the materials instructors use to teach their courses are current.

Forecast Basis:

The forecast is based on the number of initial, renewal, or replacement certificates issued. Although revenues fluctuate somewhat from year to year reflecting the three-year certification cycle, the program is expected to remain relatively stable, with continued issuance of approximately 12,000 certificates annually.

Recent Changes:

The fee was last increased to \$35 in 2009.

Agency Analysis/Comments:

Projected expenditures and revenues are in balance. The department will continue to monitor this program to determine whether any changes are needed.

Purpose: The department licenses and regulates facilities and providers that provide health services. Oversight includes delegated authority for some federally certified providers.

Legal Citation: Minnesota Statutes, sections 144.122, 144.53, 144.554, 144A.07, 144A.753, 144.615, subdivision 8, and 144A.71

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200); Restrict Misc Special Revenue (2000)

Appropriation: Outpatient Surgical Center (H12291J); Health Regulation (H12970H)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	311	322	304	(215)	(215)	(734)	(734)
Resources:							
Departmental Earnings	6,155	6,382	6,524	6,524	8,455	6,524	8,455
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6,155	6,382	6,524	6,524	8,455	6,524	8,455
Expenditures:							
Direct Expenditures	4,718	4,608	5,409	5,409	7,340	5,409	7,340
Indirect Expenditures	1,426	1,792	1,634	1,634	1,634	1,634	1,634
Total Expenditures	6,144	6,400	7,043	7,043	8,974	7,043	8,974
Current Difference	11	(18)	(519)	(519)	(519)	(519)	(519)
Accumulated Ending Balance	322	304	(215)	(734)	(734)	(1,253)	(1,253)

Background Information:

The department licenses or registers the following:

- Ambulatory surgery centers – 92 facilities
- Birth centers – 9 facilities
- Boarding care homes - 17 facilities – 1,166 beds
- Hospice – 104 facilities (fee based on revenue)
- Hospitals -125 facilities – 15,818 hospital beds, 1,819 bassinets
- Nursing homes 339 facilities, beds, 24,129
- Out-patient surgical centers – 8 facilities
- Prescribed pediatric extended care center – 0 facilities
- Supervised living facilities/ICFIID – 190 facilities, 4,280 beds
- Supplemental Nursing Services Agencies – 338 agencies

Fee revenue recovers the department's costs to process licenses and registrations, inspect facilities, conduct onsite surveys, coordinate inspections by the state Fire Marshal, conduct background studies, investigate complaints, issue deficiency orders, and collect fines and penalties.

Engineering plan review fees revenue, which were enacted in 2013 and are based on construction costs for licensed or certified health care facilities, are also included in this earnings group. Engineering plan review helps identify major code compliance issues to resolve problems before construction begins.

Forecast Basis:

Revenue estimates are based on certain number of providers, bed counts, and industry trends. Expenses are based on budgeted workload projections, federal regulatory requirements, and other estimated costs.

Recent Changes:

The nursing home fee increased from \$91 per bed to \$100 per bed effective July 1, 2018; and from \$100 per bed to \$105 per bed effective July 1, 2020.

Agency Analysis/Comments:

Projected expenditures are in excess of revenues. A portion of the imbalance is due to the engineering plan review fees which currently recover about 50 percent of the costs associated with performing this work as well as an increase in assisted living licenses which also require engineering time and review. Required codes have been updated, resulting in more time needed to review plans, while fees have not changed in nearly a decade. The department is requesting a fee increase and subsequent appropriation increase in the Engineering Plan Review Fees change item to manage the increased workload and to assist with balancing revenues and expenditures.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Engineering Plan Review Fees" and "Licensing and Certification Fee Increases" proposals in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The oversight of health information exchange ensures the quality, security and efficient exchange of the electronic transmission of health-related information between organizations.

Legal Citation: Minnesota Statutes, sections 62J.498 to 62J.4982

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Policy (H12970J)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(14)	(28)	(42)	(42)	(49)	(49)
Resources:							
Departmental Earnings	7	7	7	14	14	7	7
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7	7	7	14	14	7	7
Expenditures:							
Direct Expenditures	16	16	16	16	16	16	16
Indirect Expenditures	5	5	5	5	5	5	5
Total Expenditures	21	21	21	21	21	21	21
Current Difference	(14)	(14)	(14)	(7)	(7)	(14)	(14)
Accumulated Ending Balance	(14)	(28)	(42)	(49)	(49)	(63)	(63)

Background Information:

The health information exchange oversight program was established in 2010 to ensure the quality, security, and efficient exchange of the electronic transmission of health-related information between organizations. The program requires health information organizations, a type of entity that provides health information exchange services in Minnesota to be certified by the department, and to pay application and certification fees.

Health information organizations pay a one-time \$7,000 application fee when they first apply to be certified by the department. Along with that application fee, they pay a \$7,000 certification fee to cover their one-year certification costs. In subsequent years, health information organizations are required to pay an annual \$7,000 certification fee. Currently, two organizations are certified by the department as a health information organization.

The revenues generated from this program support staff oversight functions, including reviewing application and annual re-certification materials to ensure compliance with state requirements, managing a public process for new applicants, monitoring progress towards expectations, and facilitating collaboration among state-certified health information exchange service providers.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program.

Recent Changes:

Prior to 2021, certification fees were also collected for a different type of entity called a health data intermediary. In 2021, the statute was updated to eliminate certification for these entities, resulting in an overall decrease in revenue due to those entities no longer paying application and certification fees.

Agency Analysis/Comments:

Expenditures are projected to exceed revenues. The department will continue to monitor this program to determine whether a change is needed to bring revenues and expenditures into balance.

Purpose: The Home Care program licenses organizations that provide home care and home management services to ensure consumers receive quality home making services and care with activities of daily living. This includes licensed only and Home Care Agencies who are also federally certified.

Legal Citation: Minnesota Statutes, sections 144A.43 to 144A.484

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000); State Government Special Rev (1200); Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001)

Appropriation: Home Care Advisory Council (H12230H); Sale of Materials & Products (H12269E); Health Regulation (H12970H); Environmental Health (H12970P); Health Regulation (H12971H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	168	422	1,153	645	645	137	137
Resources:							
Departmental Earnings	3,848	3,445	2,378	2,378	2,378	2,378	2,378
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,848	3,445	2,378	2,378	2,378	2,378	2,378
Expenditures:							
Direct Expenditures	2,760	2,084	2,216	2,216	2,216	2,216	2,216
Indirect Expenditures	834	630	670	670	670	670	670
Total Expenditures	3,594	2,714	2,886	2,886	2,886	2,886	2,886
Current Difference	254	731	(508)	(508)	(508)	(508)	(508)
Accumulated Ending Balance	422	1,153	645	137	137	(371)	(371)

Background Information:

The Home Care program oversees home care providers who provide services within individual homes. Home care providers must hold either a basic or comprehensive home care license. The license a provider holds is based on the types of services they provide. A basic home care license provider delivers simple services, while a comprehensive home care licensed provider can deliver more complex cares. The program also registers providers that offer only housekeeping, meal preparation, and shopping services to clients (who, because of a disability, illness, or physical condition) have a need for these home management services.

This program oversees providers by licensing and registering entities, conducting onsite surveys and enforcement, and training providers on home care laws and regulations, and informing the public. In addition, licensed home care agencies that are also federally certified have recertification surveys consistent with federal requirements. Revenues include license and renewal fees, penalties, change of ownership fees, and maltreatment fines.

Forecast Basis:

The forecast is based on estimates of the number of fee payers, fee rates, and regulatory costs. The department anticipated that after assisted living licensure went into effect on August 1, 2021, the majority of licensed providers would switch from home care to assisted living licensure. But the number of home care providers that made this switch was smaller than anticipated. This shift will have ongoing effects on ongoing home care revenue. Currently, there are 609 licensed home care providers in Minnesota.

Recent Changes:

The legislature established the assisted living licensure in the Laws of 2019, chapter 60, with an effective date of August 1, 2021. This new licensing process incorporated two separate registration/licenses (housing with services registrations and home care licenses) into a single license.

Agency Analysis/Comments:

As home care providers transition to the assisted living licensure, revenues are expected to decrease from previous years resulting in projected expenditures exceeding revenues. The department will monitor actual revenue with the shift in some providers from a home care license to an assisted living licenses and recommend potential realignment in future earnings reports as needed.

Purpose: The statewide hospitality fee supports assistance to state and local agencies to provide uniform and consistent regulatory services for food, beverage, and lodging establishments.

Legal Citation: Minnesota Statutes, section 157.16

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3	60	208	308	308	408	408
Resources:							
Departmental Earnings	949	983	961	961	961	961	961
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	949	983	961	961	961	961	961
Expenditures:							
Direct Expenditures	692	601	661	661	661	661	661
Indirect Expenditures	200	234	200	200	200	200	200
Total Expenditures	892	835	861	861	861	861	861
Current Difference	57	148	100	100	100	100	100
Accumulated Ending Balance	60	208	308	408	408	508	508

Background Information:

Statutes granting the authority to regulate food, beverage, and lodging establishments have been enacted and amended since 1902. The statewide hospitality fee was adopted in 2005 and is collected from each food, beverage, and lodging establishment in the state.

The department uses fee revenue to:

- Coordinate statewide food establishment inspection activities according to the standards of the federal Food and Drug Administration.
- Develop and maintain partnerships with locally delegated agencies.
- Assist state and local agencies in providing uniform and consistent regulatory services.
- Provide training, education, and ongoing professional development.
- Monitor data systems and perform program evaluations.
- Conduct outreach and education for the public.
- Collect and enforce unpaid fees from nearly 20,000 businesses statewide.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program.

Recent Changes:

In 2017, the hospitality fee increased by \$5, or by 14.2%, from \$35 to \$40.

Agency Analysis/Comments:

Resources and expenditures do not meet current statutory requirements. An increase in fees collected is proposed. The department is requesting a fee increase to address resource needs to support local units of government with delegated authority for the food safety system in the state.

Purpose: Inspection programs at MDH and local public health agencies license and inspect food and beverage establishments, such as restaurants, schools, cafes, food carts, special event food stands, and seasonal food stands. They also license and inspect public swimming pools, youth camps, manufactured home parks, and recreational camping.

Legal Citation: Minnesota Statutes, sections 144.99, 144.1222, 157.16, 157.20, and 327.15

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H); Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	24	(120)	(1,101)	(1,068)	(1,068)	(1,035)	(1,035)
Resources:							
Departmental Earnings	7,799	7,952	7,888	7,888	13,371	7,888	13,371
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7,799	7,952	7,888	7,888	13,371	7,888	13,371
Expenditures:							
Direct Expenditures	6,164	6,432	6,033	6,033	11,516	6,033	11,516
Indirect Expenditures	1,779	2,501	1,822	1,822	1,822	1,822	1,822
Total Expenditures	7,943	8,933	7,855	7,855	13,338	7,855	13,338
Current Difference	(144)	(981)	33	33	33	33	33
Accumulated Ending Balance	(120)	(1,101)	(1,068)	(1,035)	(1,035)	(1,002)	(1,002)

Background Information:

The department reviews, licenses, inspects, and enforces activities related to several industries: food, beverage, and lodging establishments; public swimming pools, youth camps, manufactured home parks; and recreational camping. Laws specifying the authority to regulate food, beverage and lodging establishments have been enacted and amended since 1902. The manufactured home park and recreational camping rules have been in effect since the 1950s.

The department has the authority to delegate those responsibilities to local governments. In cases where the department has delegated its authority, the local unit of government is responsible for collecting fees to cover the cost of regulatory activities.

Forecast Basis:

The forecast is based on the number of fee payers and types of establishments the department regulates, fee revenue, and the cost to the department of administering the program. Revenue projections for fiscal year 2023 and beyond are based on regular fluctuations within these industries and a slight increase to the license base.

Recent Changes:

The fee structure was changed in 2017, which resulted in some types of establishments paying a lower fee and others paying a higher fee. Fiscal year 2018 revenue increased by \$462,000 because of the change in fee structure. However, additional legislation in 2017 removed the requirement for some lodging establishments to obtain a license. This resulted in a decrease in revenue of \$71,000 in license and plan review fees specifically for lodging establishments in fiscal year 2018. In August 2021, the department began licensing assisted living facilities and reporting related earnings in its own earnings group, which further decreased revenue in this program.

Agency Analysis/Comments:

The department recommends a fee increase to ensure service frequency is met and balance is maintained in this fund.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Food, Pools, and Lodging License Fees and Delegated Agency Support" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The spoken language health care roster is a searchable list by geographic area and language of spoken language health care interpreters.

Legal Citation: Minnesota Statutes, section 144.058

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6	84	203	242	242	281	281
Resources:							
Departmental Earnings	132	149	129	129	129	129	129
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	132	149	129	129	129	129	129
Expenditures:							
Direct Expenditures	42	22	70	70	70	70	70
Indirect Expenditures	12	8	20	20	20	20	20
Total Expenditures	54	30	90	90	90	90	90
Current Difference	78	119	39	39	39	39	39
Accumulated Ending Balance	84	203	242	281	281	320	320

Background Information:

The department has maintained a roster of spoken language health care interpreters since 2009. Fees are collected to support staffing and program activities, an online system for individuals to apply and renew their status, and for assisting interpreters and consumers as needed on how to use the online search functions. Spoken language health care interpreters provide services to limited English proficient consumers with access to health care systems. The department does not verify the information provided by interpreters or track the demand for interpreter services. The annual fee to be included on the roster is \$50.

Forecast Basis:

The number of spoken language health care interpreters listed on the roster can vary monthly as there is no established renewal cycle date. Interpreters apply to the roster, pay a fee and provide an email address to receive the annual renewal notice. The revenue forecast assumes a constant level of interpreters. The fee to be included on the roster is \$50, there are currently 2,848 interpreters on the roster. The renewal fee is \$50 and must be completed annually.

Recent Changes:

Fees have not changed since the establishment of the program in 2009.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will continue to monitor this program to determine whether any future changes are needed.

Purpose: To ensure the accredited laboratory has the capability to perform analytical measurements, and to hold accredited laboratories accountable to standards that support the generation of reliable and accurate data.

Legal Citation: Minnesota Statutes, section 144.98

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		8	3	3	3	3	3
Resources:							
Departmental Earnings	400	403	410	410	410	410	410
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	400	403	410	410	410	410	410
Expenditures:							
Direct Expenditures	304	294	315	315	315	315	315
Indirect Expenditures	88	114	95	95	95	95	95
Total Expenditures	392	408	410	410	410	410	410
Current Difference	8	(5)					
Accumulated Ending Balance	8	3	3	3	3	3	3

Background Information:

The department accredits public and private environmental laboratories to perform testing for federal and state programs that require laboratory certification for compliance determinations. The use of certified laboratories is required for the purpose of determining compliance with the Safe Drinking Water Act per § 40 CFR 141.28. Department staff work closely with the department’s Drinking Water Protection, Well Management, and Water Policy Center. Across the enterprise, the Minnesota Environmental Laboratory Program works with the Minnesota Pollution Control Agency to ensure that laboratories are held accountable to standards that support defensible and accurate data from which decisions are made regarding the environmental conditions in Minnesota and with the Department of Commerce. The fees support review of laboratory proficiency tests, assessment reports, and standard operating procedures, which happen before granting accreditation. The department accredits laboratories to the National Environmental Laboratory Accreditation Program consensus standards. The department also approves third-party assessors who are perform on-site audits of accredited laboratories.

Fees that a laboratory pays to be accredited depend on the specific testing for which the laboratory is seeking accreditation and range from \$800 to \$26,000 for a very large laboratory conducting a wide range of testing. The average fee for a laboratory seeking accreditation in 2023 was \$5,000. Data from the program is used for compliance decisions by state and federal agencies, under the Safe Drinking Water Act, Clean Water Act, Resource Conservation Recovery Program, Underground Storage Tank Program, and state requirements for new wells. Other users of data include any entity or citizen seeking data for which accuracy and defensibility of the data are important and include other regulatory programs and private citizens interested in credible environmental data and testing.

Forecast Basis:

The forecast is based on the number of accredited labs, fee revenue, and the cost of accreditation to the department. The number of laboratories seeking accreditation has remained stable since 2022.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The department will monitor the program and will likely seek future fee increases to ensure that the program is able to carry out its statutorily required activities.

Purpose: The lead firms and professionals program enforces public health standards to safeguard the public from exposure to lead-based paint hazards.

Legal Citation: Minnesota Statutes, section 144.9505

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1	(87)	(263)	(617)	(617)	(971)	(971)
Resources:							
Departmental Earnings	46	56	56	56	56	56	56
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	46	56	56	56	56	56	56
Expenditures:							
Direct Expenditures	104	167	95	95	95	95	95
Indirect Expenditures	30	65	315	315	315	315	315
Total Expenditures	134	232	410	410	410	410	410
Current Difference	(88)	(176)	(354)	(354)	(354)	(354)	(354)
Accumulated Ending Balance	(87)	(263)	(617)	(971)	(971)	(1,325)	(1,325)

Background Information:

Lead exposure affects young children and pregnant women residing in pre-1978 housing and child-occupied facilities. The lead program enforces public health standards to safeguard the public from exposure to lead-based paint hazards. The program's aim is to protect the health of children, pregnant women, and other adults with primary and secondary lead exposure prevention methods.

The department uses fee revenue to:

- License workers, supervisors, inspectors, risk assessors and project designers.
- Certify abatement and renovation firms.
- Permit training courses for abatement and renovation.
- Inspect abatement and renovation project sites.
- Provide consultation and technical assistance to regulated parties and property owners on issues related to lead-based paint hazards.
- Credential regulated parties and professions and perform compliance monitoring of their activities.

There are approximately 150 certified abatement firms who perform an estimated 300 lead hazard reduction projects annually. The five lead program disciplines are comprised of 600 individuals who seek licensure on an annual basis. There are 30 permitted training courses provided by three training entities each year. Training courses are required annually so that individuals involved in lead hazard reduction receive appropriate instruction and hands-on training to perform their jobs according to public health and worker safety standards.

Since April 2010, the Environmental Protection Agency's region five office has been responsible for administering and enforcing the renovate, repair, and paint program in Minnesota. There are approximately 4,00 certified renovation firms in Minnesota performing renovation work under the federal program.

Forecast Basis:

There has been a decline in the number of individual licenses and certified lead abatement firms over the past few years. This decline could be attributed to a decrease in overall grant funding from the U.S. Department of Housing and Urban Development for lead hazard reduction. The decrease is also attributed to declining levels of elevated blood leads in children and pregnant women in Minnesota. The number of certified renovation firms remains the same due to permitting requirements for residential building contractors conducting renovation work in pre-1978 housing and child-occupied facilities.

Recent Changes:

The department's lead abatement program was established in 1989. Fees have not been modified since that time. Renovate, repair, and paint regulations are anticipated to be adopted in fiscal year 2025, resulting in both increased revenue and expenditures above prior year levels.

Agency Analysis/Comments:

Expenditures are projected to exceed revenues. The department will continue to monitor this program to determine whether a change is needed to bring revenues and expenditures more closely into balance.

Purpose: The Managed Care program licenses and regulates health maintenance organizations (HMOs), county-based purchasers, and community integrated service networks, and ensures quality of care, monitors adequacy of provider networks, and addresses enrollee complaints and appeals.

Legal Citation: Minnesota Statutes, section 62D.21; Minnesota Rules, part 4685.2800

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Policy (H12970J)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6	(1,092)	(664)	(933)	(933)	(1,202)	(782)
Resources:							
Departmental Earnings	754	1,647	1,567	1,567	1,987	1,567	1,989
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	754	1,647	1,567	1,567	1,987	1,567	1,989
Expenditures:							
Direct Expenditures	1,437	878	1,410	1,410	1,410	1,410	1,410
Indirect Expenditures	415	341	426	426	426	426	426
Total Expenditures	1,852	1,219	1,836	1,836	1,836	1,836	1,836
Current Difference	(1,098)	428	(269)	(269)	151	(269)	153
Accumulated Ending Balance	(1,092)	(664)	(933)	(1,202)	(782)	(1,471)	(629)

Background Information:

The Managed Care program has been in operation since 1973. This program is responsible for licensing HMOs in Minnesota and ongoing monitoring of compliance with applicable laws and rules governing financial solvency, quality assurance, network adequacy, and consumer rights. Revenue also recovers the cost of investigating complaints and appeals filed by health plan enrollees. As of November 2022, there are 12 HMOs and three county-based purchasers which, although not licensed, are subject to laws that regulate HMOs. HMOs are required to file documents for review and approval. Each filing must include a fee, which is set by Minnesota Rules, part 4685.2800. In addition, HMOs are required to pay an annual certificate of authority renewal fee. HMOs also undergo annual financial reviews and quality audits every three years.

Forecast Basis:

The revenue forecast is based on an annual renewal fee that includes a fee of \$21,500 per HMO, plus \$0.70 per enrollee. Filing fees are based on the cost of agency oversight and monitoring.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Revenues exceeded expenditures in fiscal year 2024 but are projected to under recover going forward. The department will continue to monitor this program to determine whether changes are needed to bring revenues and expenditures into balance.

Governor's Recommendation:

For information about the recommended fee changes, see "HMO Fee Structure" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The Medical Cannabis program regulates the manufacture of cannabis, enrolls eligible patients for treatment, and conducts research.

Legal Citation: Minnesota Statutes, section 152.35

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Medical Cannabis (H12970M)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	5,219	235					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,219	235					
Expenditures:							
Direct Expenditures	4,008	180					
Indirect Expenditures	1,211	55					
Total Expenditures	5,219	235					
Current Difference							
Accumulated Ending Balance							

Background Information:

The Medical Cannabis program was established in 2014 for people with medical conditions approved for medical cannabis. MDH managed the program through fiscal year 2024. Effective August 1, 2024, the authority to manage the Medical Cannabis program was transferred to the newly created Office of Cannabis Management.

Forecast Basis:

Effective August 1, 2024, the responsibility to manage the Medical Cannabis program transitioned from MDH to the Office of Cannabis Management.

Recent Changes:

Effective August 1, 2024, the responsibility to manage the Medical Cannabis program transitioned from MDH to the Office of Cannabis Management.

Agency Analysis/Comments:

Effective August 1, 2024, the responsibility to manage the Medical Cannabis program transitioned from MDH to the Office of Cannabis Management.

Purpose: The Mortuary Science program regulates practitioners and the facilities used to prepare deceased people for final disposition.

Legal Citation: Minnesota Statutes, section 149A.65

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	44	(86)	(214)	(110)	(110)	(6)	(6)
Resources:							
Departmental Earnings	534	534	835	835	835	835	835
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	534	534	835	835	835	835	835
Expenditures:							
Direct Expenditures	515	477	561	561	561	561	561
Indirect Expenditures	149	185	170	170	170	170	170
Total Expenditures	664	662	731	731	731	731	731
Current Difference	(130)	(128)	104	104	104	104	104
Accumulated Ending Balance	(86)	(214)	(110)	(6)	(6)	98	98

Background Information:

The Mortuary Science program protects the overall health, safety, and welfare of the general public and those who are involved in the care and disposition of the dead through licensing, regulation, education, and enforcement.

Fee revenue recovers the costs to:

- Issue licenses to funeral establishments, crematories, alkaline hydrolysis facilities and natural organic reduction facilities.
- Conduct administrative and facility inspections and issue corrective orders to address deficiencies.
- Administer an examination on state mortuary science laws.
- Issue licenses to morticians and funeral directors and to review and post continuing education coursework for the funeral professions.
- Register and monitor mortuary science interns and transfer care specialists.
- Investigate complaints and pursue enforcement actions.
- Administer a mortuary science ad hoc committee.
- Provide information to the funeral professions and consumers about professional standards and funeral laws and regulations.

Forecast Basis:

The revenue forecast assumes a constant regulatory environment, including the number of practitioners entering and leaving the profession and the number of licensed funeral establishments and crematories in the metro and in rural Minnesota that support staffing and program needs.

There are currently 509 licensed funeral establishments and 87 licensed crematories and 5 licensed alkaline hydrolysis facilities. The initial and renewal application fee for these facilities is \$425. Renewal is required annually, and there is a \$100 fee for late renewal.

There are currently 1,132 licensed morticians and 48 registered interns. The application fee for a license to practice mortuary science is \$200 for both the initial and renewal applications. Renewal is required annually, and the fee for late renewal is \$100. There is also a \$125 fee for the mortuary science examination that is required as part of the application process. The initial and renewal application fee for registration as an intern is \$75. Renewal is required annually.

Recent Changes:

Fees and appropriations for this program were last increased in 2015. A registration for Transfer Care Specialists was added in 2024. The initial registration and renewal application fees are \$226. There are currently 116 registered transfer care specialists. There was also a new licensure for Natural Organic Reduction facilities created during the 2024 legislative session, licensure for Natural Organic Hydrolysis is effective July 1, 2025. The fee for initial licensure application and license renewal will be \$425. Renewal will be required annually, and there is a \$100 fee for late renewal.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will continue to monitor industry trends to determine whether any future changes are needed.

Purpose: The Newborn Screening program works with hospitals, laboratories, and medical professionals across the state to screen newborns for more than 60 disorders that affect metabolism, hormones, the immune system, blood, breathing, digestion, hearing, or the heart. When a disorder is detected, the program ensure families are connected to appropriate services.

Legal Citation: Minnesota Statutes, section 144.125; 144.064

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Public Health Laboratory (H12970S)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	251	4,158	5,133	4,858	4,858	4,583	4,583
Resources:							
Departmental Earnings	13,881	12,188	14,080	14,080	14,080	14,080	14,080
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	13,881	12,188	14,080	14,080	14,080	14,080	14,080
Expenditures:							
Direct Expenditures	7,740	8,073	11,025	11,025	11,025	11,025	11,025
Indirect Expenditures	2,234	3,140	3,330	3,330	3,330	3,330	3,330
Total Expenditures	9,974	11,213	14,355	14,355	14,355	14,355	14,355
Current Difference	3,907	975	(275)	(275)	(275)	(275)	(275)
Accumulated Ending Balance	4,158	5,133	4,858	4,583	4,583	4,308	4,308

Background Information:

Minnesota is a national leader in newborn screening. This program screens all Minnesota newborns soon after birth to see if they are at risk for rare, hidden disorders. If left untreated, these disorders can lead to illness, physical disability, developmental delay, or death. By identifying these disorders early, interventions, medications, or changes in diet can help prevent most health problems caused by the disorders on the newborn screening panel. The current fee is \$220 per specimen.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program. Forecasted program costs are increasing due to the addition of new disorders to the screening panel. Estimated revenue for newborn screening is related to the state's birth rate. The number of births in Minnesota is expected to be about 61,000 annually in 2026 and 2027.

Recent Changes:

In fiscal year 2022, the fee increased from \$177 to \$220, due to the addition of congenital Cytomegalovirus (cCMV) to the screening panel. This fee increase was part of the Vivian Act, which directed the newborn screening advisory committee to review cCMV for addition to the panel. The committee reviewed and recommended the addition of cCMV to the commissioner in January 2022, and the commissioner approved the recommendation that same month. There is an additional \$15 fee for follow-up services for children found to be deaf or hard-of-hearing through newborn screening, which deposits to the general fund to recover the cost of support services to families with children who are deaf or have a hearing loss (see earnings group: *Newborn Screening – Hearing Detection*).

Agency Analysis/Comments:

While actual revenues have exceeded expenditures for fiscal years 2024 and 2025, projected expenditures are expected to exceed revenues. The department will continue to monitor the earning group to determine if any changes are needed to bring revenues and expenditures more closely into balance.

Purpose: The Early Hearing Detection and Intervention - Support Services to Families program provides support, education, and connection to timely and appropriate intervention services for families of children who are deaf or hard of hearing. Early identification and timely intervention for children who are deaf or hard of hearing improves communication, literacy, and social/emotional development.

Legal Citation: Minnesota Statutes, sections 144.125 and 144.966, subdivision 3a

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Public Health Laboratory (H12971S)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	71	71	71	71	71	71	71
Resources:							
Departmental Earnings	964	831	1,005	1,005	1,005	1,005	1,005
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	964	831	1,005	1,005	1,005	1,005	1,005
Expenditures:							
Direct Expenditures	749	598	772	772	772	772	772
Indirect Expenditures	215	233	233	233	233	233	233
Total Expenditures	964	831	1,005	1,005	1,005	1,005	1,005
Current Difference							
Accumulated Ending Balance	71	71	71	71	71	71	71

Background Information:

All Minnesota newborns receive a newborn screening soon after birth to see if they are at risk for rare, hidden disorders. If left untreated, these disorders can lead to illness, physical disability, developmental delay, or death. In 2007, hearing screening was added to the panel of over 60 disorders screened for through Minnesota's Newborn Screening/Early Hearing Detection and Intervention program. Approximately 200 infants and children are identified as deaf or hard of hearing each year in Minnesota.

In 2013, statute was amended so that children identified as deaf or hard of hearing through Minnesota's Newborn Screening program would receive important support services. These services include unbiased information on communication, education, and medical options. In addition, services include individualized deaf and hard of hearing mentors who provide education and instruction in American Sign Language as an available option to interested families. A \$15 per newborn screening specimen fee was added to cover the cost of support services provided by a nonprofit organization under contract with the department.

Family support services are provided to over 1,000 families of children who are deaf and hard of hearing annually. The goal of Minnesota's Newborn Screening/Early Hearing Detection and Intervention program is to identify all infants and children who are deaf and hard of hearing as early as possible and connect those children and families to timely and appropriate services in order to maximize their language and communication skills, literacy, and social/emotional development.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program. Forecasted birth rates should remain steady at 61,000 for 2026 and 2027. Receipts from the \$15 surcharge are deposited as non-dedicated revenue to the general fund. Expenditures are legislatively defined appropriations in the general fund for family support services related to early hearing detection and follow up.

Recent Changes:

There have been no recent changes since adding the surcharge fee in 2013.

Agency Analysis/Comments:

Revenues and expenditures are projected to be in balance. The department will continue to monitor the earnings group to determine if a change is needed.

Purpose: The program reviews plans for public water supply system additions and changes to ensure the health and safety of community public water systems.

Legal Citation: Minnesota Statutes, sections 115.77 and 144.383; Minnesota Rules, parts 4720.0010 to 4720.0015

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200); Restrict Misc Special Revenue (2000)

Appropriation: Public Interest Review (H12102J); Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(8)	(41)	(40)	(40)	(39)	(39)
Resources:							
Departmental Earnings	156	129	163	163	163	163	163
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	156	129	163	163	163	163	163
Expenditures:							
Direct Expenditures	127	117	124	124	124	124	124
Indirect Expenditures	37	45	38	38	38	38	38
Total Expenditures	164	162	162	162	162	162	162
Current Difference	(8)	(33)	1	1	1	1	1
Accumulated Ending Balance	(8)	(41)	(40)	(39)	(39)	(38)	(38)

Background Information:

The commissioner’s authority to approve the site, design, construction, and alteration of public water supplies was established in 1977. The program reviews plans to ensure compliance with state standards and other widely recognized national standards for health and safety of community public water systems. The program works with 640 community water supply systems and their engineering consultants, along with the municipal governments, to optimize system design and conduct inspections of water system infrastructure construction. Fees range from \$150 to \$1,000 depending on the type of infrastructure improvement.

Forecast Basis:

Revenue for this program is generated by drinking water construction projects and will vary depending on economic conditions, and the availability of grants and low interest loans. The department forecasts revenues to remain stable.

Recent Changes:

There are no recent statutory changes. Fees were last revised over 30 years ago.

Agency Analysis/Comments:

Projected revenues and expenditures are nearly balanced. The department will monitor the program to determine if any changes are needed.

Purpose: The radioactive material registration program regulates the use of radioactive materials to protect the public from radiation hazards by licensing facilities, inspecting, responding to incidents or alarms involving radioactive materials, and ensuring security of radioactive sources.

Legal Citation: Minnesota Statutes, section 144.1205

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	11	69	140	53	53	(34)	124
Resources:							
Departmental Earnings	999	998	930	930	1,288	930	1,288
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	999	998	930	930	1,288	930	1,288
Expenditures:							
Direct Expenditures	730	667	779	779	979	779	979
Indirect Expenditures	211	260	238	238	238	238	238
Total Expenditures	941	927	1,017	1,017	1,217	1,017	1,217
Current Difference	58	71	(87)	(87)	71	(87)	71
Accumulated Ending Balance	69	140	53	(34)	124	(121)	195

Background Information:

The department assumed regulatory control of all radioactive materials in March 2006 under an agreement with the Nuclear Regulatory Commission. The department regulates approximately 150 specific licenses and 55 general license registrations. The regulated community that uses radioactive materials is primarily comprised of healthcare, industrial, research and academic facilities. The fee exists to cover the costs of incident response, inspections, and licensing users of radioactive material. License fees are based on the type of use of the radioactive materials, and the risk associated with that use. Licensees with mobile radioactive material or larger scale programs will have larger fees than those with radioactive material that is considered less of a public health and safety risk.

Changes to federal and state regulations for increased security requirements in 2015 added to department inspection and licensing activities. In addition, the number of licensees over the history of the program has decreased slightly, with large organizations acquiring smaller facilities and adding them to the larger license.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program.

Recent Changes:

Fees were established in 2004 and modified in 2021. Modifications include consolidating approximately 20 different license types into already existing license types to make licensing easier to navigate for regulated parties. Most remaining fee categories were increased by 10-20%. Increases in revenue from these changes were just over \$300,000 annually in fiscal year 2022 compared to fiscal year 2021. The number of licensees is projected to remain level at or near the fiscal year 2022 level.

Agency Analysis/Comments:

Projected expenditures exceed revenues. The department recommends a fee increase to bring the fund into balance and to contribute toward shared resources to reflect actual program expenditures. The department will continue to monitor this program to determine whether other changes are needed to bring revenues and expenditures more closely into balance.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Radioactive Materials" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The radon program licenses and regulates certain radon measurement and mitigation services in order to prevent lung cancer from radon.

Legal Citation: Minnesota Statutes, section 144.4961

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2	236	352	580	580	808	808
Resources:							
Departmental Earnings	573	667	550	550	550	550	550
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	573	667	550	550	550	550	550
Expenditures:							
Direct Expenditures	263	397	247	247	247	247	247
Indirect Expenditures	76	154	75	75	75	75	75
Total Expenditures	339	551	322	322	322	322	322
Current Difference	234	116	228	228	228	228	228
Accumulated Ending Balance	236	352	580	808	808	1,036	1,036

Background Information:

Radon is a colorless and odorless radioactive soil gas that seeps up from the earth. When inhaled, radioactive particles from radon can damage the lung. There is no known safe level, and the greatest risk for exposure is where radon gas can concentrate—indoors. About 40% of MN homes have elevated radon that should be mitigated. To prevent lung cancer from radon, it is a best practice to have qualified professionals measure radon and install radon-reduction systems in homes and other buildings with high radon levels.

The department's radon program licenses and regulates radon measurement and mitigation services to ensure that radon-related work meets standards and effectively reduces the risk of lung cancer by minimizing radon exposures. Revenue recovers the cost of staff to conduct licensing, inspection, enforcement, education, and outreach. Revenue also supports an IT system for processing applications and report radon data.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program. In FY23 and FY24, actual revenue exceeded the forecasted estimate. The fee forecast is based on the number of radon professionals in Minnesota that are currently licensed by MDH. In addition, mitigation tag revenue is estimated based on the numbers of system tags that have been purchased by licensee during FY22-24. The strength of the economy and real estate market may influence the numbers of regulated parties, the number of mitigation tags they purchase, and the associated fees collected. Increased confidence in the industry and higher quality work may result in higher numbers of regulated parties and fees.

Recent Changes:

The program was established in 2015 and fully implemented in September 2020. In 2016, the fee structure was reduced, and new exemptions were added. The effective date was delayed several times. As a result, some_ of the regulatory requirements started in January 2019, while others were delayed to June and September 2020.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will continue to monitor the program to determine if changes are needed to align revenue and expenditures.

Purpose: The Speech-Language Pathologists program assures minimum standards for professionals, investigates complaints, pursues enforcement action, and provides information to consumers.

Legal Citation: Minnesota Statutes, sections 148.5194 and 153A.17

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Health Regulation (H12970H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	15	90	144	237	237	330	330
Resources:							
Departmental Earnings	242	249	442	442	442	442	442
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	242	249	442	442	442	442	442
Expenditures:							
Direct Expenditures	130	138	268	268	268	268	268
Indirect Expenditures	37	57	81	81	81	81	81
Total Expenditures	167	195	349	349	349	349	349
Current Difference	75	54	93	93	93	93	93
Accumulated Ending Balance	90	144	237	330	330	423	423

Background Information:

Fee revenue from the Speech-Language Pathologist program is used to issue licenses to speech language pathologists, convene an advisory council, investigate complaints, pursue enforcement actions, and participate in stakeholder engagement activities.

The program fees include:

- \$210.50 initial license application fee for speech-language pathologist.
- \$200 biennial renewal application fee.
- \$60 fee for late renewals.
- \$25 for written verification of credentialed status.

Forecast Basis:

The revenue forecast was determined based on the projected growth of the occupation over time. There are currently 2121 speech language pathologists in the licensing system. The program has seen a consistent number of licensees in this area, with a mix of new graduates and new applicants through reciprocity or other methods authorized by the regulation. We presume the occupation will remain consistent.

Recent Changes:

Effective July 1, 2025, there will be a new licensure for Speech Language Pathology Assistants. The initial and renewal application fee for this licensure will be \$493. Renewal will be required biennially.

Agency Analysis/Comments:

Revenues are projected to exceed expenditures. The department will monitor to determine if any future changes are needed.

Purpose: A special revenue account was established as a dedicated account to create and maintain a statewide 988 suicide and crisis lifeline system according to the National Suicide Hotline Designation Act of 2020.

Legal Citation: Minnesota Statutes, section 145.561

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: 988 Suicide & Crisis Lifeline (H12231B)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings			7,665	10,257	10,257	10,257	10,257
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources			7,665	10,257	10,257	10,257	10,257
Expenditures:							
Direct Expenditures			5,887	7,877	7,877	7,877	7,877
Indirect Expenditures			1,778	2,380	2,380	2,380	2,380
Total Expenditures			7,665	10,257	10,257	10,257	10,257
Current Difference							
Accumulated Ending Balance							

Background Information:

The 988 Minnesota Suicide and Crisis Lifeline (988 Minnesota Lifeline) provides support and resources for people in emotional distress. Minnesotans who call, text, or chat with 988 are connected with the 988 Minnesota Lifeline. Four centers answer calls to the 988 Minnesota Lifeline. Two centers answer texts and chats to the 988 Minnesota Lifeline. Each center is staffed by 988 Minnesota Lifeline Counselors that are highly trained to provide emotional support and crisis intervention. Additionally, 988 Minnesota Lifeline Counselors connect help-seekers to local resources including emergency medical care, mental health organizations, and social services.

The 988 Minnesota Lifeline answers more than 53,000 contacts annually (calls, text, and chats).

Fee Structure: \$0.12 monthly telecommunication fee on all consumer wired line, wireless, IP-enabled voice services, and pre-paid wireless service.

Fee Supported Activities: Implementation, maintaining, and improving the 988 suicide and crisis lifeline, including staff, grants, technology, and infrastructure enhancements needed to achieve the operational standards and best practices.

Forecast Basis:

Revenue forecast was determined based on the projected growth of the 988 Minnesota Lifeline. Minnesota has seen an increase in users to the 988 Minnesota Lifeline since its inception. We presume this 988 Minnesota Lifeline will continue to grow to meet the demand of users of the service.

Recent Changes:

The \$0.12 monthly telecommunications fee started on September 1, 2024.

Agency Analysis/Comments:

Expenditures and revenues are projected to be in balance. The department will continue to monitor to determine if any changes are needed.

Purpose: The Commissioner of Health is responsible for the Minnesota Statewide Trauma System; MDH reviews and designates hospitals that ensure severely injured patients are rapidly assessed, stabilized, and treated at facilities appropriate to the complexity of their injuries.

Legal Citation: Minnesota Statutes, sections 144.602 – 144.608

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000); State Government Special Rev (1200)

Appropriation: Health Policy (H12970J); Health Regulation (H12971H)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	343	340	668	668	668	668	668
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	343	340	668	668	668	668	668
Expenditures:							
Direct Expenditures	266	245	513	513	513	513	513
Indirect Expenditures	77	95	155	155	155	155	155
Total Expenditures	343	340	668	668	668	668	668
Current Difference							
Accumulated Ending Balance							

Background Information:

Established in 2005, the Minnesota Statewide Trauma System exists to improve outcomes and reduce death and disability from traumatic injuries by developing a network of hospitals committed to optimizing the care provided to trauma patients. Currently, 123 of Minnesota's 131 eligible hospitals are designated at one of six levels. Each designated hospital has met rigorous criteria that ensures coordinated around-the-clock resuscitation and stabilization of trauma patients, and post-event critical review of the care provided as part of a comprehensive performance improvement process.

Fee revenue supports the following operations of the statewide trauma system:

- Contracting experienced surgeons, physicians, and nurses to conduct hospital designation reviews.
- Administering the program and coordinating and reviewing approximately 40 hospitals each year.
- Overseeing designation, re-designation, and probationary status of hospitals.
- Coordinating compliance with—as well as exception waiver requests from—the emergency medical services trauma triage and transportation law.
- Contracts oversight and administration for the statewide trauma registry and electronic license management system used by hospitals.
- Collecting, analyzing, and publishing trauma registry data.
- System performance improvement using industry clinical metrics and state-specific performance measures.
- Appointing members to, and monitoring activities of, six regional trauma advisory committees.
- Convening the State Trauma Advisory Council to advise the Commissioner on this work.

Forecast Basis:

All licensed Minnesota hospitals, regardless of whether they voluntarily participate in the trauma system, pay a base fee of \$1,826 per facility, and a \$23 fee per licensed bed and bassinets. Fees deposit into a dedicated state government special revenue fund.

Recent Changes:

The fee was increased in 2023 to reflect increase costs in _information technology, personnel, and other costs since the establishment of the program in 2005.

Agency Analysis/Comments:

Expenditures and revenues are projected to be in balance. The department will monitor to determine if any changes are needed.

Purpose: The department operates and maintains a statewide system to collect data, register vital events, create and maintain birth, fetal death, and death records for the state of Minnesota. The department’s Office of Vital Records and local vital records offices based in every county across the state issue birth and death certificates. Data from vital records informs public health and provides civil registration for identity documents and legal certifications of vital events.

Legal Citation: Minnesota Statutes, section 144.226; Minnesota Rules, part 4601.0400

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200); Other Misc Special Revenue (2001)

Appropriation: Health Policy (H12970J); MRC Transition Account (H12MRCJ)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1	(503)	(915)	(1,159)	(1,159)	(1,363)	(1,363)
Resources:							
Departmental Earnings	780	761	858	898	898	893	893
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,880	2,861	2,958	2,998	2,998	2,993	2,993
Expenditures:							
Direct Expenditures	2,626	2,357	2,460	2,460	2,460	2,460	2,460
Indirect Expenditures	758	916	742	742	742	742	742
Total Expenditures	3,384	3,273	3,202	3,202	3,202	3,202	3,202
Current Difference	(504)	(412)	(244)	(204)	(204)	(209)	(209)
Accumulated Ending Balance	(503)	(915)	(1,159)	(1,363)	(1,363)	(1,572)	(1,572)

Background Information:

The fee program recovers costs to the department for oversight and maintenance of a reliable statewide system to collect data, register, certify, and report vital events (e.g., births, deaths, and fetal deaths). The fee program applies to almost all certificates or documents, and most data files, issued from the department's Office of Vital Records and from local vital records offices. Under statute, local offices retain a portion of each fee they collect to compensate them for their vital records activities.

Forecast Basis:

The forecast is based on the number of individuals expected to request vital records certificates, fee payers, fee revenue and the cost to the department to administer the program. In general, demand for vital records follows population trends. In recent years, the number of vital events occurring in Minnesota has remained steady overall. The federal REAL ID deadline set for May 2025 may increase the demand for birth certificates and amendments to birth certificates for individuals who have not yet secured an enhanced driver's license.

Recent Changes:

In 2022, legislation was passed allowing vital records offices to collect a convenience fee and a transaction fee for orders submitted by telephone or Internet. MDH expects to implement an online ordering system in SFY25. Electronic orders placed via the online ordering system will require customers to pay a transaction fee of \$6 per order. Effective January 1, 2022, a new law provided homeless youth a no-cost birth certificate or certified statement of no record found. Before this, the last substantial fee change was in 2013. Changes in 2013 increased the vital records surcharge from \$2 to \$4 for every certified and noncertified birth, stillbirth, or death record and for certifications that a record cannot be found. Changes in 2013 also eliminated some situations that previously required waiving the \$9 administrative review fee.

Changes in 2013 also added a \$10 birth record surcharge that is deposited as non-dedicated revenue to the general fund, which is not credited to this earnings group.

Agency Analysis/Comments:

Projected expenditures are expected to exceed revenues. The department will continue to monitor this program to determine whether a change is needed for revenues and expenditures to balance more closely.

Purpose: The Well Management program regulates the construction, maintenance, and sealing of wells and borings to ensure these activities are conducted in a manner that protects public health, groundwater, and the environment.

Legal Citation: Minnesota Statutes, section 103I.521

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	18	(466)	(1,259)	(2,146)	(2,146)	(3,033)	(2,261)
Resources:							
Departmental Earnings	3,105	3,146	3,017	3,017	3,789	3,017	3,789
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,105	3,146	3,017	3,017	3,789	3,017	3,789
Expenditures:							
Direct Expenditures	2,785	2,836	2,998	2,998	2,998	2,998	2,998
Indirect Expenditures	804	1,103	906	906	906	906	906
Total Expenditures	3,589	3,939	3,904	3,904	3,904	3,904	3,904
Current Difference	(484)	(793)	(887)	(887)	(115)	(887)	(115)
Accumulated Ending Balance	(466)	(1,259)	(2,146)	(3,033)	(2,261)	(3,920)	(2,376)

Background Information:

The department's Well Management program was established in 1989 and protects the safety of groundwater by assuring proper construction of new wells and borings, maintenance, and seals unused wells. Improper construction and maintenance can lead to pollutants entering the aquifer and can act as contamination pathways and pollute our valuable groundwater. The program collects fees for several categories that include notification, registration, licensing and certification, and permitting.

Principal tasks of the program include:

- Maintaining and enforcing well/boring regulations.
- Licensing and training well/boring contractors.
- Assuring the sealing of unused wells and borings.
- Providing education and technical assistance to contractors, consultants, and the public.
- Maintaining records on wells and borings.

Forecast Basis:

The forecast is based on the number of fee payers, fee revenue, and the cost to the department of administering the program. It is possible that revenues may be about \$880,000 lower than forecast in fiscal year 2025 through 2027 should the number of notifications to construct a well or boring lag behind prior projections. Since fiscal year 2017, new and renewing well and boring contractor companies decreased by 30%, well contractor new and renewing licenses decreased by 15%, registration of drill rigs decreased by 8%, and sealing notifications have decreased by 37%, while the well and boring construction work have remained relatively stable.

Recent Changes:

In 2017, legislation increased fees across several categories, eliminated some licensing categories and eliminated fees on other agencies. Even though some fees were increased, overall revenue decreased, in part because of the loss of environmental construction, maintenance permit, sealing fees, and legislation allowed environmental wells and temporary environmental wells to group multiple wells into a single "site" fee. This legislation caused revenues to decrease significantly. In 2019, the legislature repealed authority for sealing notifications for temporary borings between 15 and 25 feet deep which further decreased revenue for the program.

Agency Analysis/Comments:

Projected expenditures exceed revenues. The department recommends a fee increase to bring the fund into balance.

Governor's Recommendation:

For information about the recommended fee changes, see "Well Management Fee Increase" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: The x-ray machine registration and inspection program controls and prevents hazards to health and safety from ionizing radiation, without limiting or interfering with its constructive uses.

Legal Citation: Minnesota Statutes, section 144.121

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: Environmental Health (H12970P)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	9	479	662	635	635	608	484
Resources:							
Departmental Earnings	1,692	1,703	1,656	1,656	2,525	1,656	2,525
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,692	1,703	1,656	1,656	2,525	1,656	2,525
Expenditures:							
Direct Expenditures	948	1,094	1,293	1,293	2,286	1,293	2,121
Indirect Expenditures	274	426	390	390	390	390	390
Total Expenditures	1,222	1,520	1,683	1,683	2,676	1,683	2,511
Current Difference	470	183	(27)	(27)	(151)	(27)	14
Accumulated Ending Balance	479	662	635	608	484	581	498

Background Information:

The legislature authorized fee requirements for the registration of the facility and x-ray equipment in 1974, which included a minimum four-year inspection cycle. The x-ray program is responsible for registering and inspecting facilities that receive, possess, use, transfer, own or acquire any radiation-producing equipment. The x-ray program protects the registrant, employees, and the public from unnecessary ionizing radiation through regulatory activities, education, and guidance for the safe use of equipment. The program activities include the inspection of 4,537 registered x-ray facilities, with roughly 20,101 radiation-producing equipment systems. This program does not include those sources of ionizing radiation known as radioactive materials.

Fee Structure

Facilities pay a base facility fee of \$100 for each facility in possession of ionizing radiation-producing equipment and other sources of ionizing radiation.

Facilities may also pay the following additional fees, when applicable:

- \$100 for each x-ray tube in medical equipment, veterinary equipment, x-ray equipment not used on humans or animals, devices with sources of ionizing radiation not used on humans or animals, or security screening system.
- \$40 for each x-ray tube in dental x-ray equipment.
- \$500 for all radiation therapy and accelerator equipment.
- \$150 for all industrial accelerator equipment.

Forecast Basis:

Fee revenue is directly related to the registered facilities that possess x-ray equipment in Minnesota. The fees are collected initially and annually for the facility and each x-ray system located on premises. The growth trend of facilities with x-ray equipment and associated fees are expected to remain relatively stable.

Recent Changes:

Fees were last increased in 2009.

Agency Analysis/Comments:

Projected expenditures exceed revenues. The department requests a fee increases and an appropriation increase to add staff to handle an increased workload and balance revenues and expenditures.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "X-ray Radiation Inspection Fee Restructure" proposal in the Department of Health's 2026-27 Governor's Budget Recommendations.

Purpose: State and federal criminal background checks are required in the licensure and re-licensure process of Minnesota health care professionals to protect the health and safety of healthcare consumers.

Legal Citation: Minnesota Statutes, § 214.075

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Criminal Background Check Rece (H7B9210); Criminal Background Check Rec (H7C9210); Criminal Background Check Rece (H7D9210); Criminal Background Check Rec (H7F9210); Criminal Background Check Rece (H7H9210); Criminal Background Check Rec (H7J9210); BELTSS Background Check (H7K9211); Criminal Background Checks (H7L3000); Criminal Background Check Rec (H7M9210); Criminal Background Check Rec (H7Q9210); Criminal Background Check Rec (H7R9210); Criminal Background Check Rec (H7U9210); Criminal Background Check Rec (H7V9210); Criminal Background Check Rec (H7W9210); Criminal Background Check Rec (H7X9210); OT Criminal Background Check (H7Y9210)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	627	763	342				
Resources:							
Departmental Earnings	1,206	754	701	701	701	701	701
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,206	754	701	701	701	701	701
Expenditures:							
Direct Expenditures	1,070	1,175	1,043	701	701	701	701
Indirect Expenditures							
Total Expenditures	1,070	1,175	1,043	701	701	701	701
Current Difference	136	(421)	(342)				
Accumulated Ending Balance	763	342					

Background Information:

Per statute, The Minnesota Health Licensing Boards are required to complete criminal background checks on initial applicants for licensure or reinstatement if more than one year has elapsed. The Criminal Background Check Program has been established by the Health Licensing Boards to meet this mandate. Background checks are completed by the MN Department of Public Safety and its Bureau of Criminal Apprehension (BCA) via interagency agreements. The BCA coordinates directly with the Federal Bureau of Investigation (FBI) to conduct the requisite federal background checks. The Boards Criminal Background Check Program collects the required documentation and submits it directly to the BCA for processing. The fees for background checks are set by the BCA and the FBI and collected by the Boards. The fee for a general Minnesota and FBI background check is currently \$33.25.

Forecast Basis:

Background check fees are set by the BCA and the FBI and are set to recover the costs for those to agencies. Since the fees are passed through to the BCA, net revenue is \$0.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Since all collected fees are passed through to the BCA, the Health Licensing Boards have neither over-recovered nor under-recovered costs.

Purpose: To recover the cost of registration and licensing private and out-of-state public postsecondary institutions/career schools

Legal Citation: M.S. 136A.0411, M.S. 136A.61 to M.S. 136A.834

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: PIR/PCS Licensure (E602500)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	688	593	332	123	123		
Resources:							
Departmental Earnings	502	484	495	495	836	645	986
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		8	10	10	10	10	10
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	502	492	505	505	846	655	996
Expenditures:							
Direct Expenditures	545	638	646	620	961	647	988
Indirect Expenditures	52	115	68	8	8	8	8
Total Expenditures	597	753	714	628	969	655	996
Current Difference	(95)	(261)	(209)	(123)	(123)		
Accumulated Ending Balance	593	332	123				

Background Information:

Licensure of private degree granting postsecondary institutions.

Statutes require the Office of Higher Education to set minimum standards for private and out-of-state institutions that offer academic programs in Minnesota. The Minnesota Private Institution Registration Act (M.S. 136A.61-136A.71) provides quality control and consumer protection for private and out-of-state postsecondary institutions offering associate degree and higher educational programs within the state. Licensing of private schools (M.S. 136A.82-136A.83.4) provides quality control and consumer protection for private, career training providers offering programs below the associate degree level.

Standards address the quality of academic programs faculty, facilities and other program resources, financial stability, advertising and promotion, and protection for students if an institution does not maintain the program as promised or ceases operations. State oversight protects prospective students from schools that collect tuition money fraudulently, “diploma mills” that sell degrees without offering legitimate programs, and schools that lack sufficient expertise or financial resources to develop and maintain adequate postsecondary programs.

Forecast Basis:

Based on historical receipt patterns.

Recent Changes:

In FY20 OHE received the ability to charge a SARA participation fee, which should help balance the cost that OHE incurs to administer the national reciprocity agreement. The SARA fee is used to cover operational costs associated with fulfilling Minnesota's responsibility under the SARA agreement, including handling an increased number of student complaints from out of state students attending Minnesota institutions, approving institutions, monitoring, and tracking institutions. The fee is charged to institutions participating in SARA and is based on the institution's full-time equivalent enrollment (FTE).

Agency Analysis/Comments:

Even though OHE obtained the ability to charge a participation fee for State Authorization Reciprocity Agreements (SARA), which in combination with existing fees, are anticipated to cover program expenses, OHE will monitor the new fee revenue to ensure it performs as projected and that the program does not run a deficit.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see “Licensing and Registration Proposal” proposal in the Office of Higher Education's 2026-27 Governor’s Budget Recommendations.

Purpose: Fees collected for the issue of Workforce Certificates to fund the cost of issuing certificates and assessing if vendors are in compliance with state law requirements.

Legal Citation: M.S. 363A.36, subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Compliance Certificates (G172000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(351)	(842)	(1,366)	(1,366)	(1,931)	(1,931)
Resources:							
Departmental Earnings	274	198	200	200	200	200	200
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	274	198	200	200	200	200	200
Expenditures:							
Direct Expenditures	596	634	674	715	715	758	758
Indirect Expenditures	29	55	50	50	50	50	50
Total Expenditures	625	689	724	765	765	808	808
Current Difference	(351)	(491)	(524)	(565)	(565)	(608)	(608)
Accumulated Ending Balance	(351)	(842)	(1,366)	(1,931)	(1,931)	(2,539)	(2,539)

Background Information:

The fee for the Workforce Certificate of Compliance is statutorily set in Minn. Stat. 363A.36 Subd. 2 at \$250. The period of 4 years for the certificate's validity is set in Minn. Stat. 363A.36 Subd. 1. Revenue from this fee is statutorily dedicated to a special revenue account to support the activities of this program.

In FY24, the Minnesota Department of Human Rights issued 407 Workforce Certificates.

Forecast Basis:

This program has been in place for decades and the Department has used past certificate fee data as well as analysis of recent changes to generate projections.

Recent Changes:

This fee was raised from \$150 for 4 years to \$250 for 4 years in 2021 to account for inflation. This was effective as of July 1, 2021.

Agency Analysis/Comments:

Fees generated by this certificate does not cover the cost of the program and have not for decades. It was not the apparent legislative intent for this fee to fully cover the cost of the program in Minn. Stat. 363A.36-37 and related statutes.

Purpose: Fees collected for the issue of Equal Pay Certificates to fund the cost of issuing certificates and assessing if vendors are in compliance with state law requirements.

Legal Citation: M.S. 363A.44

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Pay Equity Certificates (G172900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(52)	(127)	(276)	(276)	(439)	(439)
Resources:							
Departmental Earnings	163	161	100	100	100	100	100
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	163	161	100	100	100	100	100
Expenditures:							
Direct Expenditures	205	218	232	246	246	260	260
Indirect Expenditures	10	18	17	17	17	17	17
Total Expenditures	215	236	249	263	263	277	277
Current Difference	(52)	(75)	(149)	(163)	(163)	(177)	(177)
Accumulated Ending Balance	(52)	(127)	(276)	(439)	(439)	(616)	(616)

Background Information:

The fee for the Equal Pay Certificate is statutorily set in Minn. Stat. 363A.44, Subd. 2 at \$250. The period of 4 years for the certificate's validity is set in Minn. Stat. 363A.44, Subd. 1. Revenue from this fee is statutorily dedicated to a special revenue account to support the activities of this program.

In FY24, the Minnesota Department of Human Rights issued 212 Equal Pay Certificates.

Forecast Basis:

The Department is basing the projection for next biennium on the number of certificates issued since during the past four fiscal years and the projected number of state contracts over \$500,000 in the next biennium.

Recent Changes:

This fee was raised from \$150 for 4 years to \$250 for 4 years in 2021 to account for inflation. This was effective as of July 1, 2021.

Agency Analysis/Comments:

Fees generated by this certificate does not fully cover the cost of the program. When the Women's Economic Security Act (WESA) law was enacted by the legislature, creating this program, there was general fund money included to pay for a vast majority of the program's expenses. It was not the apparent legislative intent for this fee to fully cover the cost of the program in Minn. Stat. 363A.44.

Purpose: Premiums required from eligible clients to help pay program participation costs.

Legal Citation: M.S. 256B.0913

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Federal (3000)

Appropriation: 34 Alternative Care Grants (H551227); 34 Medicaid Services (H551563); 34 Alternative Care (COVID-19) (H551915)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	487	(353)	408	1,308	1,308	2,218	2,218
Resources:							
Departmental Earnings	751	914	1,854	1,854	1,854	1,854	1,854
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1,928	2,480	1,267	1,267	1,267	1,267	1,267
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,679	3,394	3,121	3,121	3,121	3,121	3,121
Expenditures:							
Direct Expenditures	3,519	2,633	2,221	2,211	2,211	2,211	2,211
Indirect Expenditures							
Total Expenditures	3,519	2,633	2,221	2,211	2,211	2,211	2,211
Current Difference	(840)	761	900	910	910	910	910
Accumulated Ending Balance	(353)	408	1,308	2,218	2,218	3,128	3,128

Background Information:

Alternative Care is state funded and as of 11/1/13 also receives an FFP. The program is available to people aged 65 or older who would be eligible for Medical Assistance within 135 days of admission to a nursing facility. A fee is required for all Alternative Care eligible clients to help pay for the cost of participating in the program. The amount of the fee that the client pays is determined as follows:

- When the Alternative Care client's income less recurring and predictable medical expenses is less than 100% FPG and their total assets are less than \$10,000 the fee is zero,
- When the Alternative Care client's income less recurring and predictable medical expenses is equal to or greater than 100% FPG but less than 150% FPG and total assets are less than \$10,000 the fee is 5% of the total cost of the Alternative Care services that the client uses,
- When the Alternative Care client's income less recurring and predictable medical expenses is equal to or greater than 150% FPG but less than 200% FPG and total assets are less than \$10,000 the fee is 15% of the total cost of the Alternative Care services that the client uses,
- When the Alternative Care client's income less recurring and predictable medical expenses is equal to or greater than 200% FPG and assets are less than \$10,000 or,
- When the Alternative Care client's assets are equal to or greater than \$10,000, the fee is 30% of the cost of AC services that the client uses.

Fees are due and payable each month Alternative Care services are received unless the actual cost of the services is less than the fee, in which case the fee is the lesser amount. The commissioner will bill and collect the fee from the client and the money collected is deposited in the general fund.

Forecast Basis:

None

Recent Changes:

These fees have not changed in recent years.

Agency Analysis/Comments:

None

Purpose: To recover the actual cost of conducting background studies, including staff, infrastructure, and fixed third party costs.

Legal Citation: M.S. 144.057, 245C.10, 524.5-118., 518.165 Subd. 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: 11 Licensing/Bkgrd Studies (H551127); 18 Licensing/Bkgrd Studies (H55Z041)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,641	2,090	4,594	10,627	10,627	10,627	10,627
Resources:							
Departmental Earnings	7,783	10,518	14,444	8,411	8,411	8,411	8,411
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	4,276	4,450	3,484	3,484	3,484	3,484	3,484
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	12,059	14,968	17,928	11,895	11,895	11,895	11,895
Expenditures:							
Direct Expenditures	10,560	11,325	11,440	11,440	11,440	11,440	11,440
Indirect Expenditures	1,050	1,139	455	455	455	455	455
Total Expenditures	11,610	12,464	11,895	11,895	11,895	11,895	11,895
Current Difference	449	2,504	6,033				
Accumulated Ending Balance	2,090	4,594	10,627	10,627	10,627	10,627	10,627

Background Information:

State law directs DHS to complete background studies for more than 60 provider types, including but not limited to:

- Programs licensed by DHS
- Programs licensed or regulated by the Minnesota Department of Health (MDH)
- Programs licensed or regulated by the Department of Children, Youth, and Families (DCYF)
- Certain children's residential treatment services programs licensed by the Department of Corrections (DOC)
- Occupations regulated by MNSure
- Personal Care Provider Organizations (PCPOs)
- Unlicensed Personal Care Provider Organizations
- Child foster care providers
- Counties and agencies assisting people who are seeking to adopt
- County probate courts in guardianship and conservatorship cases
- Early Intensive Developmental Behavioral Intervention (EIDBI) providers
- Statewide guardian ad litem program
- Tribal governments in foster care cases, adoption cases, and the Tribal child care center
- Temporary personnel agencies and educational programs that place people in facilities that are subject to background studies
- Supplemental nursing services agencies that are registered with MDH
- County social service agencies and private child placing agencies.

Revenues obtained from these background studies are placed in Appropriation H551127, a 2000 fund account. The background study fees collected are appropriated to the Commissioner for the purpose of conducting background studies. (See Minnesota Statutes, section 245C.10). There are 12 revenue accounts and three revenue source codes. The earnings report identifies background study fees collected under these revenue source codes.

Forecast Basis:

Budgets and revenues are based on interagency agreements state entities, including the Minnesota Judicial Branch, MNSure, Guardian ad Litem Board, and health-related licensing boards. Charges are set forth in M.S. 245C.10.

Recent Changes:

In 2021, the legislature increased fees for employment background studies from \$20 to \$42.

Purpose: To collect licensing fees for rules 9503, 245F, 245G, and 245I (as set forth in 245A), and programs under M.S. 245A.22, children's residential facilities, and program under M.S. 245D.

Legal Citation: M.S. 245A.10 Subd. 3 and 4

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: 91 Non Dedicated Revenue (H551446)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	116	2,269	4,734	6,621	6,621	5,125	5,353
Resources:							
Departmental Earnings	5,799	6,705	5,799	2,900	3,128	2,900	3,356
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,799	6,705	5,799	2,900	3,128	2,900	3,356
Expenditures:							
Direct Expenditures	3,646	4,240	3,912	4,396	4,396	4,396	4,396
Indirect Expenditures							
Total Expenditures	3,646	4,240	3,912	4,396	4,396	4,396	4,396
Current Difference	2,153	2,465	1,887	(1,496)	(1,268)	(1,496)	(1,040)
Accumulated Ending Balance	2,269	4,734	6,621	5,125	5,353	3,629	4,313

Background Information:

This earnings statement included licensing fees collected pursuant to M.S. 245A.10. License fees are treated as non-dedicated revenues and deposited into the state government special revenue fund.

Forecast Basis:

License fees vary by type of program licensed. The forecast is based on current collection history.

Governor's Recommendation:

For information about the recommended revenue change, see "EIDBI Provisional Licensure and Program Integrity" proposal in the Department of Human Services' 2026-27 Governor's Budget Recommendations.

Purpose: Human Services Miscellaneous Fees

Legal Citation:

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001)

Appropriation: 13 Prof Review Org Contrt (H551384); 44 Child Support Recoupment (H551400); 91 Systems Operations (H551442); 11 Provider Screening (H551567); 15 Interim Assistance Operati (H551666); 13 Provider Screening (H551677); 18 Provider Screening (H552039)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	567	1,575	3,518	4,985	4,985	4,985	4,985
Resources:							
Departmental Earnings	3,335	4,999	3,012	1,545	1,545	1,545	1,545
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,335	4,999	3,012	1,545	1,545	1,545	1,545
Expenditures:							
Direct Expenditures	1,890	2,319	1,391	1,391	1,391	1,391	1,391
Indirect Expenditures	437	737	154	154	154	154	154
Total Expenditures	2,327	3,056	1,545	1,545	1,545	1,545	1,545
Current Difference	1,008	1,943	1,467				
Accumulated Ending Balance	1,575	3,518	4,985	4,985	4,985	4,985	4,985

Purpose: MA-EPD provides subsidized health insurance coverage using a base \$35 or sliding fee for premiums, along with a one half percent of any unearned income.

Legal Citation: M.S. 256B.057

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Federal (3000)

Appropriation: 33 Medicaid Services (H551072); 33 Medical Assistance Grants (H551148); 33 Medical Assistance COVID-19 (H551914)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	7,586	9,607	9,675	9,675	9,675	9,675	9,675
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7,586	9,607	9,675	9,675	9,675	9,675	9,675
Expenditures:							
Direct Expenditures	7,586	9,607	9,675	9,675	9,675	9,675	9,675
Indirect Expenditures							
Total Expenditures	7,586	9,607	9,675	9,675	9,675	9,675	9,675
Current Difference							
Accumulated Ending Balance							

Background Information:

M.S. 256B.057 provides that individuals enrolling the MA-EPD program will be charged a premium based on a sliding scale or a minimum \$35 premium, whichever is greater. The premium cannot exceed 7.5% of a person's gross income. People enrolled in MA-EPD who have unearned income must also pay one half percent of their gross unearned income, in addition to the premium.

Forecast Basis:

The forecasted amounts are based on DHS's projections of MA-EPD enrollment. Premiums are assessed using a predetermined sliding scale of 1% to 7.5% of gross income or \$35 minimum, whichever is greater. Unearned Income Obligation is ½% of gross unearned income.

Recent Changes:

These fees have not changed in recent years.

Agency Analysis/Comments:

None.

Purpose: Minnesota Care provides subsidized health insurance coverage using a sliding-scale for premiums.

Legal Citation: M.S. 256L.15, Subd. 1

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Health Care Access (2360)

Appropriation: 31 Minnesotacare Grants (H551070); 31 Minnesotacare Premiums/Non (H551552); 31 Minnesotacare Premiums/BHP (H551619)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(2)	24	24	24	24	24
Resources:							
Departmental Earnings	951	417	1,752	17,678	17,678	34,148	34,148
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	951	417	1,752	17,678	17,678	34,148	34,148
Expenditures:							
Direct Expenditures	953	391	1,752	17,678	17,678	34,147	34,147
Indirect Expenditures							
Total Expenditures	953	391	1,752	17,678	17,678	34,147	34,147
Current Difference	(2)	26				1	1
Accumulated Ending Balance	(2)	24	24	24	24	25	25

Background Information:

Minnesota Statutes 256L.15 provides that individuals enrolling in the program will be charged a subsidized premium based on a sliding scale. The premium charge ranges from \$4 to \$80 per person per month. The Health Care Access Fund (Fund 2360), and BHP Trust Fund funds the remaining program cost.

Effective January 2015, MinnesotaCare operates as the state’s Basic Health Program (BHP). As a BHP, MinnesotaCare no longer receives federal funding in the form of a percentage expenditure match. Instead, the state receives a per person subsidy equal to 95% of the premium tax credits each BHP enrollee would have received through MNsure had the state opted against running a BHP. BHP premium revenue is not shared with the federal Trust Fund

Forecast Basis:

The forecasted amounts are based on DHS’s projections of Minnesota Care enrollment, distinguished by children and parents vs. adults without children. Monthly enrollment projections are multiplied by projected premiums per enrollee per month times 12.

Recent Changes:

The American Rescue Plan Act of 2021 (ARPA) increased and expanded eligibility for advanced premium tax credits (APTC) for tax years 2021 and 2022. On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law which extended the increase in APTC authorized by ARPA through December 31, 2025. These changes result in reduced MinnesotaCare premiums between calendar years 2021 through 2025. The reduced premium scales result in zero premiums for people with annual family income of less than 160% of the Federal Poverty Guideline (FPG) and a premium scale between \$4 and \$28 for people with incomes between 160% and 200% of FPG.

Additionally, because ARPA and the Inflation Reduction Act of 2022 result in higher tax credits in the individual market, the State will receive increases in federal BHP funding through calendar year 2025 as a result.

Purpose: Collection of fees from nursing homes and boarding care homes.

Legal Citation: M.S. 144A.33

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: 14 Nursing Home Adv Council (H551617)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	157	231	151				
Resources:							
Departmental Earnings	306	128	187	187	187	187	187
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	306	128	187	187	187	187	187
Expenditures:							
Direct Expenditures	232	208	338	187	187	187	187
Indirect Expenditures							
Total Expenditures	232	208	338	187	187	187	187
Current Difference	74	(80)	(151)				
Accumulated Ending Balance	231	151					

Background Information:

M.S. 144A.33 authorized the development and funding of the Resident and Family Advisory Council Education program to assist residents and families of residents in nursing homes to understand their rights and responsibilities. Funding for the program is through a \$5 per bed surcharge for each license application or renewal fee for nursing homes and boarding care homes under M.S. 144.53 or M.S. 144A.07.

Forecast Basis:

The forecast amount is based on a fee of \$5 times the estimated number of licensed beds in nursing homes and boarding care homes.

Purpose: Recover partial operating and program costs.

Legal Citation: M.S. 298.22, M.S. 298.296, M.S. 298.221

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Iron Range Resources & Rehab (2370); Douglas J Johnson Econ Protect (2380); Giants Ridge Golf & Ski Resort (4600)

Appropriation: Administration Board (B43BDAS); Giants Ridge Golf & Ski Resort (B43BDGR); Giants Ridge Rollover (B43GRRO); Administration DJJ NE4 (B43N4AS)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(10,205)	(8,346)	(14,103)	(14,103)	(19,697)	(19,697)
Resources:							
Departmental Earnings	8,581	14,412	7,380	8,101	8,101	8,351	8,351
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	8,581	14,412	7,380	8,101	8,101	8,351	8,351
Expenditures:							
Direct Expenditures	18,786	12,553	13,137	13,695	13,695	13,845	13,845
Indirect Expenditures							
Total Expenditures	18,786	12,553	13,137	13,695	13,695	13,845	13,845
Current Difference	(10,205)	1,859	(5,757)	(5,594)	(5,594)	(5,494)	(5,494)
Accumulated Ending Balance	(10,205)	(8,346)	(14,103)	(19,697)	(19,697)	(25,191)	(25,191)

Background Information:

The Department of Iron Range Resources and Rehabilitation is a state economic development agency created by the governor and the legislature in 1941 to diversify the economy of the iron mining areas of northeastern Minnesota. The agency serves the interest of the Taconite Assistance Area (TAA), a geographical region including parts of Cook, Lake, St. Louis, Itasca, Aitkin and Crow Wing counties. As part of its core mission of economic development, the agency owns and operates Giants Ridge Recreation Area. The agency also generates a small amount of revenues from its economic development activities by leasing buildings to local businesses and other miscellaneous activities.

Forecast Basis:

Giants Ridge

Giants Ridge, located in Biwabik, supports and promotes tourism and recreational opportunities and enhances the quality of life for area residents, while improving the economic enhancement and diversification of the Department of Iron Range Resources and Rehabilitation service area. The Giants Ridge Recreation Area includes: a snow sports area with alpine and Nordic skiing and snow tubing; two golf courses; mountain bike trails; disc golf; lake access; and private sector lodging and residential redevelopment.

Annual Departmental Earning Estimate: \$7,219,000

Douglas J Johnson Economic Protection Fund

The operating account of this fund receives lease payments on buildings owned by the Department of Iron Range Resources and Rehabilitation that are leased to businesses.

Annual Departmental Earning Estimate: \$96,000

Board Administration

The Board Administration budget receives miscellaneous receipts throughout the fiscal year.

Annual Departmental Earning Estimate: \$65,000

Recent Changes:

None.

Agency Analysis/Comments:

The agency recommends no change in fees at this time.

Purpose: To ensure boxing, mixed martial arts and other combative events are conducted safely and fairly in Minnesota.

Legal Citation: M.S. 341.321

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Combative Sports (B425000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	77	61	82	97	97	143	143
Resources:							
Departmental Earnings	92	57	80	80	80	80	80
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	92	57	80	80	80	80	80
Expenditures:							
Direct Expenditures	92	30	60	30	30	45	45
Indirect Expenditures	16	6	5	4	4	6	6
Total Expenditures	108	36	65	34	34	51	51
Current Difference	(16)	21	15	46	46	29	29
Accumulated Ending Balance	61	82	97	143	143	172	172

Background Information:

DLI was directed by the Minnesota Legislature to take over the duties and authority of the Combative Sports Commission as of July 1, 2012. DLI's Office of Combative Sports regulates professional boxing, professional and amateur mixed martial arts, professional and amateur tough person, professional and amateur kickboxing, and professional and amateur Muay Thai events to minimize the health and safety risks associated with combative sports. These inherently dangerous sports can result in injury during competition and can have long term health consequences.

Forecast Basis:

Forecasted revenues were built in FY26/27 with previous events at typical capacity and the addition of Kickboxing and Muay Thai.

Recent Changes:

In SFY 2024 OCS was appropriated funding from the general fund, this funding was able to offset previous expenses that were allocated to this activity. This is an annual general fund appropriation.

Agency Analysis/Comments:

The program does not expect to have any major events in the next biennium.

Purpose: The Construction Codes and Licensing Division (CCLD) works to protect the health, safety, and welfare of the public by providing reasonable and uniform standards for Minnesota’s buildings and construction professionals.

Legal Citation: M.S. 326B

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Construction Code (2020)

Appropriation: Construction Codes & Licensing (B424000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	22,639	21,760	18,275	12,109	12,109	4,242	14,797
Resources:							
Departmental Earnings	34,803	35,829	35,279	35,437	48,010	35,437	48,118
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	942	1,322	896	646	646	446	446
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	35,745	37,151	36,175	36,083	48,656	35,883	48,564
Expenditures:							
Direct Expenditures	32,410	35,339	37,877	40,221	42,239	35,218	37,364
Indirect Expenditures	4,214	5,297	4,464	3,729	3,729	4,907	4,907
Total Expenditures	36,624	40,636	42,341	43,950	45,968	40,125	42,271
Current Difference	(879)	(3,485)	(6,166)	(7,867)	2,688	(4,242)	6,293
Accumulated Ending Balance	21,760	18,275	12,109	4,242	14,797		21,090

Background Information:

The Construction Codes and Licensing Division (CCLD) works to protect the health, safety and welfare of the public by providing reasonable, uniform and balanced standards for Minnesota’s buildings and construction professionals. CCLD oversees construction-related activities in the areas of licensing, plan review, education, code development, enforcement and inspection in Minnesota. This provides for the safety of the people of Minnesota and fosters a competitive construction economy that encourages business growth and employment opportunity.

Forecast Basis:

Revenue activity is expected to remain stable over the biennium.

Recent Changes:

MNDLI has submitted a Change Item to the Governor's office to increase the fees charged for Electrical, Plumbing, Boiler and Elevator Inspections. Those increases along with potential increase to Manufactured Structures and Plumbing Plan reviews will lead to an increase of 35% in revenues and only 5% increase in expenditures.

Agency Analysis/Comments:

DLI is cautiously moving forward with revenue forecasts.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see “Construction Codes and Licensing Division (CCLD) Fee Alignment” proposal in the Minnesota Department of Labor and Industry's 2026-27 Governor’s Budget Recommendations.

Purpose: Copies of workers' compensation claim documents are provided to requesting parties and charges are assessed on a per-copy fee (plus applicable postage costs). The copy fees and postage amounts collected are used to recover the expenses associated with this activity.

Legal Citation: M.S. 13.03, subd 10

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Workers Compensation (2830)

Appropriation: Copy File Review (B422120)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	280		7				
Resources:							
Departmental Earnings	13	21					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	13	21					
Expenditures:							
Direct Expenditures	242	11	7				
Indirect Expenditures	51	3					
Total Expenditures	293	14	7				
Current Difference	(280)	7	(7)				
Accumulated Ending Balance		7					

Background Information:

The revenue reported as Data Practices/Cost of Copies represents amounts collected from requesting parties for copies of workers' compensation claim documents. The Copy File Review office within the Compliance Records and Training unit provides the copies to requesting parties and charges a per copy fee (plus applicable postage costs). The copy fees and postage amounts collected are used to recover the expenses associated with this activity.

Forecast Basis:

DLI's Workers Compensation Division have been using the Campus software system. The Campus system allows entities to access data and files electronically through the Campus website portal, eliminating the fees/revenues needed to recover costs associated with this activity.

Recent Changes:

Campus is live and working as intended, reducing the amount of staff time needed to process copies.

Agency Analysis/Comments:

No staff charging to Data Practices - Cost of Copies.

Purpose: To cover the cost of providing safety education training to Minnesota loggers and rebates to the logging businesses that successfully have their employee's complete safety training and carry loggers' workers compensation insurance each year.

Legal Citation: M.S. 176.130 subd. 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Workers Compensation (2830)

Appropriation: Loggers Program (B423801)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	224	224	225	225	225	225	225
Resources:							
Departmental Earnings	719	701	700	700	700	700	700
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	719	701	700	700	700	700	700
Expenditures:							
Direct Expenditures	718	699	700	700	700	700	700
Indirect Expenditures	1	1					
Total Expenditures	719	700	700	700	700	700	700
Current Difference		1					
Accumulated Ending Balance	224	225	225	225	225	225	225

Background Information:

The purpose of this activity is to provide Minnesota loggers with the safety training necessary to reduce the rate of on-the-job accidents, injuries, and fatalities. Assessments collected from wood mills located in Minnesota are based on the number of cords of wood purchased or acquired each calendar year in excess of 5,000 cords.

Collected fees are disbursed two ways. The first \$125,000 is allocated to DLI for the provision of safety training programs. The remainder is rebated to logging companies who provide proof of attendance at approved training programs. The rebate is used to offset the high cost of workers' compensation insurance premiums in the logging industry.

Forecast Basis:

The assessment rate is 30 cents per cord. Revenue from the logger assessments has been relatively stable in recent years. DLI anticipates consistent revenues for the next few years.

Recent Changes:

None

Agency Analysis/Comments:

To utilize the accumulation of the fund balance, DLI is still researching methods to expand on safety training programs and providing additional resources.

Purpose: To provide vocational rehabilitative services for those injured workers to whom primary liability had been denied by an insurer. Based on a negotiated agreement, the fees are billed to recover at least a portion of the salary and other costs involved in getting injured workers returned to work.

Legal Citation: M.S. 176.104

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Workers Compensation (2830)

Appropriation: Work Comp Fund Work Comp Div (B421320)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	933	(961)	(2,763)	(5,020)	(5,020)	(7,322)	(7,322)
Resources:							
Departmental Earnings	179	253	200	200	200	200	200
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	179	253	200	200	200	200	200
Expenditures:							
Direct Expenditures	2,073	2,055	2,457	2,502	2,502	2,564	2,564
Indirect Expenditures							
Total Expenditures	2,073	2,055	2,457	2,502	2,502	2,564	2,564
Current Difference	(1,894)	(1,802)	(2,257)	(2,302)	(2,302)	(2,364)	(2,364)
Accumulated Ending Balance	(961)	(2,763)	(5,020)	(7,322)	(7,322)	(9,686)	(9,686)

Background Information:

The Vocational Rehabilitation unit provides vocational rehabilitation services to injured workers whose claims have been denied liability by an insurer or self-insurer. The services provided in cases where liability is denied are subject to negotiated settlements in accordance with Minnesota Rules. Fees recovered are less than the total costs of the services provided.

Forecast Basis:

Revenues continue to remain stable and are projected to remain that way during the biennium.

Recent Changes:

None

Agency Analysis/Comments:

NA

Agency:
Earnings Group:

Labor and Industry
Rehabilitation Provider Registration and Managed Care Organization Fees

2026-27 Departmental Earnings

Purpose: To help defray the cost of regulation of rehabilitation providers and managed care organizations and to discourage statutory violations.

Legal Citation: M.S. 176.102 and M.S. 176.1351

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Workers Compensation (2830)

Appropriation: Work Comp Fund Work Comp Div (B421320)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	191	140	97	45	45	(44)	(44)
Resources:							
Departmental Earnings	45	46	46	46	46	46	46
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	45	46	46	46	46	46	46
Expenditures:							
Direct Expenditures	96	89	98	135	135	140	140
Indirect Expenditures							
Total Expenditures	96	89	98	135	135	140	140
Current Difference	(51)	(43)	(52)	(89)	(89)	(94)	(94)
Accumulated Ending Balance	140	97	45	(44)	(44)	(138)	(138)

Background Information:

Fees are collected to help defray the cost of regulation of rehabilitation providers and managed care organizations. Benefits include enhancement of early return-to-work outcomes, reduced lost-time workers' compensation claims, the review and provision of dispute resolution services, and the protection of access and quality controls for the injured workers.

Forecast Basis:

The primary components of this revenue source are as follows: rehabilitation provider registration and renewal fees, and managed care organization certification fees.

Recent Changes:

None

Agency Analysis/Comments:

Rehabilitation provider registration fees and managed care organization certification fees are collected to recover a portion of the costs of these activities.

Purpose: To compensate homeowners and lessees of Minnesota residential property who have experienced direct out-of-pocket losses as a result of a Minnesota licensed contractor’s deceptive actions or non-performance.

Legal Citation: M.S. 326B.89

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Contractor Recovery (B424130)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	9,559	9,412	7,956	5,212	5,212	4,628	4,628
Resources:							
Departmental Earnings	2,066	2,280	2,050	2,250	2,250	2,050	2,050
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	298	445	350	300	300	300	300
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,364	2,725	2,400	2,550	2,550	2,350	2,350
Expenditures:							
Direct Expenditures	2,500	4,165	5,126	3,121	3,121	3,124	3,124
Indirect Expenditures	11	16	18	13	13	21	21
Total Expenditures	2,511	4,181	5,144	3,134	3,134	3,145	3,145
Current Difference	(147)	(1,456)	(2,744)	(584)	(584)	(795)	(795)
Accumulated Ending Balance	9,412	7,956	5,212	4,628	4,628	3,833	3,833

Background Information:

The purpose of the Contractor Recovery Fund is to compensate homeowners and lessees of Minnesota residential property who have experienced direct out of pocket losses as a result of the deceptive actions or the non-performance of a Minnesota licensed residential contractor.

During the Residential Building Contractor licensure process an additional fee is collected based on contractor annual gross receipts. The fee amounts collected are placed in a dedicated special revenue account. Licenses are renewed every two years.

Forecast Basis:

Payments are projected to stabilize in SFY 26.

Recent Changes:

There were a few large contractors that went under in SFY 2024 which led to the increase in expenses for SFY24-25.

Agency Analysis/Comments:

The fund is strongly affected by the construction industry; a fund balance is kept to cover increased payments/lower revenues experienced during slow construction periods.

Purpose: To encourage compliance with workers' compensation, construction codes, and prevailing wage laws.

Legal Citation: M.S. 176, M.S. 177.43, subd 6a, and M.S. 326B.04, subd 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Workers Compensation (2830)

Appropriation: Special Comp Fund Revenues (B422320); Assigned Risk Safety (B423800)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,753	7,526	6,769	6,725	6,725	5,490	5,490
Resources:							
Departmental Earnings	1,655	1,871	1,379	1,379	1,379	1,379	1,379
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2,574	97	82	82	82	82	82
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,229	1,968	1,461	1,461	1,461	1,461	1,461
Expenditures:							
Direct Expenditures	2,184	2,386	1,447	2,545	2,545	2,646	2,646
Indirect Expenditures	272	339	58	151	151	255	255
Total Expenditures	2,456	2,725	1,505	2,696	2,696	2,901	2,901
Current Difference	1,773	(757)	(44)	(1,235)	(1,235)	(1,440)	(1,440)
Accumulated Ending Balance	7,526	6,769	6,725	5,490	5,490	4,050	4,050

Background Information:

The revenues in this category are from penalties that are assessed to encourage compliance with various aspects of the workers' compensation law, construction code and licensing law, and employment law. Workers' compensation penalties can be assessed to insurers, self-insurers, third-party administrators, and employers for a variety of actions. Construction code and licensing penalties are assessed to individuals and businesses in response to administering the statewide building, electrical, plumbing, high pressure piping, and boiler codes and licensing requirements, and also for taking punitive actions against those who fail to meet licensing or installation requirements. Penalties for employment law violations are assessed to employers violating labor laws such as minimum wage and overtime requirements.

Forecast Basis:

Increased success in agency efforts to educate its clientele and its success in enforcement of those laws correspond to reduced penalty assessments. The agency is projecting revenues to drop in SFY25 and then remain consistent. MNDLI is not projecting any special compensation fund revenues.

Recent Changes:

NA

Agency Analysis/Comments:

No change is recommended to the current penalty amounts, as penalties are designed to discourage statutory violations as opposed to generating revenue. MNDLI potentially would need to reduce services offered.

Purpose: To regulate the certification of attorneys as specialists in designated areas of legal practice to enhance public access to legal services.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Legal Certification Bd (J650LCB)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	39	34	35	28	28	21	21
Resources:							
Departmental Earnings	35	33	32	32	32	32	32
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	35	33	32	32	32	32	32
Expenditures:							
Direct Expenditures	40	32	39	39	39	39	39
Indirect Expenditures							
Total Expenditures	40	32	39	39	39	39	39
Current Difference	(5)	1	(7)	(7)	(7)	(7)	(7)
Accumulated Ending Balance	34	35	28	21	21	14	14

Background Information:

Fees for certifying accrediting agencies and annual renewal fee

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Fee for credit card processing.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Continuing Legal Education (J650CLE)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	24	23					
Resources:							
Departmental Earnings	(1)	(23)					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	(1)	(23)					
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	(1)	(23)					
Accumulated Ending Balance	23						

Purpose: To regulate the examination and licensing of individuals who practice as attorneys at law in Minnesota so that established qualifications are met and licensed attorneys are competent.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Board Of Law Examiners (J650BLE); Non dedicated receipt (J659900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,690	1,551	1,544	1,238	1,238	943	943
Resources:							
Departmental Earnings	1,958	2,023	2,074	2,087	2,087	2,107	2,107
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	6						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,964	2,023	2,074	2,087	2,087	2,107	2,107
Expenditures:							
Direct Expenditures	2,103	2,030	2,380	2,382	2,382	2,382	2,382
Indirect Expenditures							
Total Expenditures	2,103	2,030	2,380	2,382	2,382	2,382	2,382
Current Difference	(139)	(7)	(306)	(295)	(295)	(275)	(275)
Accumulated Ending Balance	1,551	1,544	1,238	943	943	668	668

Background Information:

Fees charged to enter practice of law in Minnesota, including Bar examination fees.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: To regulate accredited courses and satisfactory completion of those course/programs which satisfy the educational requirements of attorneys to continue their legal education throughout the period of their active practice of law so that the public has access to better legal practice.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Continuing Legal Education (J650CLE)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	699	662	689	554	554	421	421
Resources:							
Departmental Earnings	367	359	348	348	348	348	348
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	6	2	2	2	2	2	2
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	373	361	350	350	350	350	350
Expenditures:							
Direct Expenditures	410	334	485	483	483	483	483
Indirect Expenditures							
Total Expenditures	410	334	485	483	483	483	483
Current Difference	(37)	27	(135)	(133)	(133)	(133)	(133)
Accumulated Ending Balance	662	689	554	421	421	288	288

Background Information:

Fees charged to practicing attorneys to regulate the requirements for continuing legal education.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Monitor attorney compliance with the code of professional responsibility, advise lawyers about ethical questions and receive, investigate and assist in disposition of complaints against licensed attorneys so that the public is served by attorneys who practice law in accord with adopted codes of professional conduct.

Legal Citation: M.S. 481.01 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Continuing Legal Education (J650CLE); Lawyer Assistance (J650LAP); Lawyer Prof Respsblty Bd (J650LPR)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,772	1,260	1,466	1,014	1,014	686	686
Resources:							
Departmental Earnings	4,866	5,124	5,063	5,684	5,684	5,812	5,812
Other Resources:							
Earning Transferred In		500	500				
Revenue Collected by Another Agency							
Other Receipts	96	90	96	96	96	96	96
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,962	5,714	5,659	5,780	5,780	5,908	5,908
Expenditures:							
Direct Expenditures	5,474	5,508	6,111	6,108	6,108	6,108	6,108
Indirect Expenditures							
Total Expenditures	5,474	5,508	6,111	6,108	6,108	6,108	6,108
Current Difference	(512)	206	(452)	(328)	(328)	(200)	(200)
Accumulated Ending Balance	1,260	1,466	1,014	686	686	486	486

Background Information:

Fee charged to attorney and legal corporations to advise on ethical questions and respond to complaints.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: To reimburse clients defrauded by attorneys for the portion of the loss attributable to attorney misfeasance.

Legal Citation: M.S. 481.01, MS 481.2 and Court Rules

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Client Security Bd-Itc (J650CSB)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	4,014	4,088	3,726	3,048	3,048	2,286	2,286
Resources:							
Departmental Earnings	43	23	25	25	25	25	25
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	125	187	187	187	187	187	187
Resource Reductions:							
Earnings Transferred Out		500	500				
Revenue Collected for Another Agency							
Total Resources	168	(290)	(288)	212	212	212	212
Expenditures:							
Direct Expenditures	94	72	390	974	974	974	974
Indirect Expenditures							
Total Expenditures	94	72	390	974	974	974	974
Current Difference	74	(362)	(678)	(762)	(762)	(762)	(762)
Accumulated Ending Balance	4,088	3,726	3,048	2,286	2,286	1,524	1,524

Background Information:

Fees from attorney registration, interest earned, and restitution.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Recover cost of administering the state employees annual Combined Charities Campaign.

Legal Citation: M.S. 43A.50, subdivision 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Combined Charities Admin (G100011)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	9	5	2	2	2	2	2
Resources:							
Departmental Earnings	3	3	3	3	3	3	3
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	19	16	16	16	16	16	16
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	22	19	19	19	19	19	19
Expenditures:							
Direct Expenditures	26	22	19	19	19	19	19
Indirect Expenditures							
Total Expenditures	26	22	19	19	19	19	19
Current Difference	(4)	(3)					
Accumulated Ending Balance	5	2	2	2	2	2	2

Background Information:

The Minnesota State Employees' Combined Charities Campaign is a unique opportunity for Minnesota state employees to donate to the charity or charities of their choice through the convenience of payroll deduction. The Combined Charities Campaign is planned and run each year by state employees.

Forecast Basis:

Annual revenue is based on estimated applications for campaign in any given fiscal year. Historically, about 30 entities apply to participate in the Combined Charities Campaign each year. The application cost is \$100.

Recent Changes:

None.

Purpose: To recover the costs of regulating the marriage and family therapist profession.

Legal Citation: M.S. 148B.29-148B.392, M.S. 214, M.S. 319B

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: MFT Non Dedicated Receipts (H7M1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	434	396	493	476	476	515	515
Resources:							
Departmental Earnings	473	631	630	630	630	630	630
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	473	631	630	630	630	630	630
Expenditures:							
Direct Expenditures	397	404	513	457	457	457	457
Indirect Expenditures	114	130	134	134	134	134	134
Total Expenditures	511	534	647	591	591	591	591
Current Difference	(38)	97	(17)	39	39	39	39
Accumulated Ending Balance	396	493	476	515	515	554	554

Background Information:

The mission of the Board of Marriage and Family Therapy is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of marriage and family therapy to ensure a standard of competent and ethical practice.

To accomplish the Board's mission, we:

- Set standards for initial licensure, including a review of each applicant's education and training;
- Administer an examination of each applicant's knowledge of the laws and rules governing the practice of marriage and family therapy in Minnesota prior to issuing marriage and family therapy license;
- Annually review qualifications and renew licenses of current, qualified licensees;
- Investigate complaints made against licensees and applicants, and allegations of unlicensed practice of marriage and family therapy;
- Take disciplinary or corrective action against a licensee or applicant when warranted by conduct and necessary to protect the public;
- Review and approve all continuing education programs used by licensees to meet continuing education requirements for license renewal;
- Monitor and enforce continuing education requirements for license renewal;
- Maintain mandated and educational information on a public website;
- Work collaboratively with academic institutions and national and state marriage and family therapy professional associations to identify, discuss, and address issues involving the education, licensure and practice of marriage and family therapists;
- Provide information about licensure and standards of practice to citizens and other business entities;
- Collaborate with and assist other governmental entities and interested stakeholders on matters involving the practice of marriage and family therapy and regulation of health care professionals in Minnesota.

The Board administers and collects eighteen (18) fees. Five fees are for various applications: (1) Application for National Examination (\$150); (2) Application for LAMFT Licensure (\$100); (3) Application for LMFT Licensure (\$150); (4) Application for LMFT Licensure by Reciprocity (\$300); and (5) Program Sponsor Application for CE Course Approval (\$60).

Eight fees relate to issuance or renewal of license: (1) Initial LMFT license fee (prorated based upon month of issuance); (2) LMFT annual license renewal fee (\$225); (3) LMFT annual license renewal late fee (\$100); (4) LAMFT annual license renewals (\$100); (5) LAMFT annual license renewal late fee (\$50); (6) License reinstatement fee (after license expiration) (\$150); (7) LMFT Emeritus License status (one-time fee) (\$225); (8) Temporary license for members of military (\$100).

The Board administers five additional fees: (1) Paper license verification by mail (\$10); (2) Duplicate license certificate (\$25); (3) Duplicate license renewal card (\$10); (4) Board mailing list (\$60); (5) Board rule book (\$10). In addition, the Board may impose fees relating to disciplinary action to reimburse the board for all or part of the cost of a legal proceeding resulting in disciplinary action against a licensee.

Forecast Basis:

Fees charged to applicants, prospective applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted

based on many factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law.

Application, licensure, and renewal revenue continue to increase slightly annually. No significant changes are anticipated to the amount of revenue generated in the upcoming biennium. Costs relating to board operations have increased at a rate greater than anticipated revenues, leading the board to forecast a revenue shortfall, which was addressed by obtaining a statutory fee increase in 2023.

Recent Changes:

The Board increased four application fees and five licensure fees in 2023 to address a forecasted revenue shortfall. Fee increases are being implemented over a multi-year period to minimize impact on applicants and licensees while still generating sufficient revenue to fund board operations.

Agency Analysis/Comments:

The 2023 fee increases are sufficient to fund Board operations for the current and next biennium. Current board appropriation levels are sufficient to allow the board to provide all core functions. An increase in appropriation is likely in future biennium as costs relating to board operations continue to increase.

Purpose: The Bureau of Mediation Services (BMS) collects \$100 from each arbitrator who applies to be on the BMS arbitration roster; this cost is collected for the BMS administrative work to maintain the roster and to publish the roster to the website.

Legal Citation: MS 179.02 6 and 179A.04 Subd. 3 (10)

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: BMS Working Fund (G450200)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	66	75	81	87	87	93	93
Resources:							
Departmental Earnings	7	2	3	3	3	3	3
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2	4	3	3	3	3	3
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	9	6	6	6	6	6	6
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	9	6	6	6	6	6	6
Accumulated Ending Balance	75	81	87	93	93	99	99

Background Information:

The Bureau of Mediation Services maintains a list of arbitrators who have met rigorous standards of relevant labor relations experience, knowledge of collective bargaining, and arbitration. Requirements for empanelment, referral, conduct and removal of persons on the roster are listed in MN Rules Chapter 5530. Arbitrators pay an annual application fee of \$100 to be included on this list.

Forecast Basis:

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

Recent Changes:

None

Agency Analysis/Comments:

No change is recommended in the current fee structure; the fees are sufficient to cover the costs.

Purpose: To recover the costs of regulating the following professions: physicians (PY), physician assistants (PA), respiratory therapists (RT), athletic trainers (AT), acupuncturists (AP), genetic counselors (GC), licensed traditional midwives (LTM), naturopathic doctors (ND), telemedicine physicians (TM) and professional firms (PF).

Legal Citation: M.S. 147, 147A,B,C,D,E,F, M.S. 148, M.S. 214, M.S. 319B

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Med Pract NonDedicate Receipts (H7B1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	21,102	21,895	23,140	21,637	21,637	21,489	21,489
Resources:							
Departmental Earnings	7,719	7,685	7,971	7,971	7,971	7,971	7,971
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	11						
Resource Reductions:							
Earnings Transferred Out		13					
Revenue Collected for Another Agency							
Total Resources	7,730	7,672	7,971	7,971	7,971	7,971	7,971
Expenditures:							
Direct Expenditures	5,925	5,436	8,439	7,084	7,084	7,084	7,084
Indirect Expenditures	1,012	991	1,035	1,035	1,035	1,035	1,035
Total Expenditures	6,937	6,427	9,474	8,119	8,119	8,119	8,119
Current Difference	793	1,245	(1,503)	(148)	(148)	(148)	(148)
Accumulated Ending Balance	21,895	23,140	21,637	21,489	21,489	21,341	21,341

Background Information:

The agency's mission is to protect the public's health and safety by assuring that the people who practice medicine or as an allied health professional are competent, ethical practitioners with the necessary knowledge and skills appropriate to their title and role.

The Board of Medical Practice provides the following services:

- Provide information and education about licensing and registration requirements for physicians and the seven allied professionals under the Board's regulation.
- Analyze initial applications for credentials to ensure minimum requirements, including the requisite education and training, are met.
- Review annual credential renewals to determine if information reported requires follow-up for possible action against the credential.
- Investigate and resolve complaints.
- Conduct corrective or disciplinary action when deemed appropriate for public protection.
- Issue Administrative Orders.
- Monitor compliance for licensees subject to Board action.
- Maintain a comprehensive data management system for processing applications, complaints, compliance, and continuing education audits.
- Engage with applicants, licensees, and the public about the Board's processes.
- Partner with local and national organizations on matters related to the licensing and regulation of physicians and the seven other allied healthcare providers under the Board's regulation.
- Conduct ongoing analysis of best practices for a regulatory board to ensure effective and sound decision making.
- Actively participate in the Interstate Medical Licensure Compact, which is well-established, and as an inaugural member of the Physician Assistant Licensure Compact.
- Collaborate and assist other governmental entities, including Minnesota's other health regulatory boards, the Minnesota Departments of Human Services, Health, and Revenue and the Health Professionals Services Program, on matters involving licensed health care professionals in Minnesota.

Forecast Basis:

Fees charged to applicants and licensees/registrants are set to recover the agency's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure/registration, and any fee changes set in current law.

Purpose: Provides operations funding for MNSure.

Legal Citation: M.S. 62V.05, Subd. 2.

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: MN Health Insurance Exchange (4120)

Appropriation: MNSure Enterprise Fund Approp (H601500)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	26,467	24,706	27,208	30,349	30,349	28,514	28,514
Resources:							
Departmental Earnings	21,920	25,418	29,051	32,610	32,610	32,610	32,610
Other Resources:							
Earning Transferred In	13,269	11,095	16,647				
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	35,189	36,513	45,698	32,610	32,610	32,610	32,610
Expenditures:							
Direct Expenditures	36,950	34,011	42,557	34,445	34,445	39,120	39,120
Indirect Expenditures							
Total Expenditures	36,950	34,011	42,557	34,445	34,445	39,120	39,120
Current Difference	(1,761)	2,502	3,141	(1,835)	(1,835)	(6,510)	(6,510)
Accumulated Ending Balance	24,706	27,208	30,349	28,514	28,514	22,004	22,004

Background Information:

MNSure operates from a special revenue fund because agency resources primarily come from a premium withhold fee on health and dental plans sold by insurance carriers on the state's health insurance exchange. MNSure resources also include reimbursements from the Department of Human Services (DHS) for costs incurred which benefit public health programs and their enrollees, as described in the Public Assistance Cost Allocation Plan (PACAP) submitted to, and approved by, the Centers for Medicare & Medicaid Services (CMS). Additional funding sources include federal grants and state coronavirus fiscal recovery funds for modernization of state exchanges to support expanded benefits to Minnesotans through the American Rescue Plan Act of 2021 (ARP). The legislature has also appropriated one-time funding for MNSure to support the Alec Smith Insulin Affordability Act and has replaced lost revenues resulting from the enactment of the Minnesota Premium Security Plan. The Departmental Earnings Report appropriately reflects only the premium withhold revenue collected from health insurance carriers.

Forecast Basis:

Statute authorizes the 3.5% fee that is collected on premiums paid for qualified health and dental plans sold through the state health insurance exchange. Annual premium withhold revenue projections are calculated by considering the number of enrollments for the current plan year, estimating enrollments for the next plan year, building in an enrollment lapse rate, and estimating future average premiums for enrollees based on published rates insurance carriers submit for review to the Department of Commerce.

Recent Changes:

None.

Agency Analysis/Comments:

The process of receiving premium withhold revenue involves several steps, including: reviewing and reconciling effectuated enrollment data, invoicing insurance carriers the premium withhold fee on policies that were effectuated during the prior month, waiting up to 30 days for carriers to submit payments, processing the receipts, and making subsequent adjustments to prior months based on updated member enrollment information.

Purpose: To fund programs related to controlling and education of aquatic exotic species, such as zebra mussel and Eurasian watermilfoil.

Legal Citation: M.S. 86B.415, subd 7; M.S. 84D.108; M.S. 84D.13, subd 5

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Invasive Species (2112)

Appropriation: EWR Non Dedicated Receipts IS (R292A37)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,953	2,760	3,054	2,103	2,103	1,634	1,264
Resources:							
Departmental Earnings	2,764	2,803	2,566	2,566	4,716	2,566	6,866
Other Resources:							
Earning Transferred In	1,549	1,483	1,561	1,561	1,561	1,561	1,561
Revenue Collected by Another Agency							
Other Receipts	54	114					
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,367	4,400	4,127	4,127	6,277	4,127	8,427
Expenditures:							
Direct Expenditures	4,551	4,098	5,067	4,582	7,102	4,582	7,102
Indirect Expenditures	9	8	11	14	14	11	11
Total Expenditures	4,560	4,106	5,078	4,596	7,116	4,593	7,113
Current Difference	(193)	294	(951)	(469)	(839)	(466)	1,314
Accumulated Ending Balance	2,760	3,054	2,103	1,634	1,264	1,168	2,578

Background Information:

Invasive species prevention and management activities are conducted or directed by staff from Department of Natural Resources (DNR) Division of Ecological and Water Resources – Invasive Species Program. The DNR’s Invasive Species Program also trains and then delegates authority to local unit of government watercraft inspectors. The program hires approximately 70 seasonal staff during the summer to inspect boats at public water accesses and help implement management activities. In total, the equivalent of more than 41 full-time positions are focused on invasive species work. The DNR also receives funding for these efforts from the Great Lakes Restoration Initiative (GLRI)—a federal grant—and the General Fund. Three-quarters of the watercraft inspectors are funded from the Invasive Species Account and the remaining one-quarter with GLRI funds. The General Fund supports other AIS program needs including the issuance of aquatic plant management permits.

The Division of Enforcement supports the Invasive Species Program by responding to invasive species violations.

Forecast Basis:

Currently the Invasive Species Program is funded through a General Fund appropriation and from the Invasive Species account which receives funds from an AIS surcharge on watercraft licenses. The 2019 legislature increased the AIS surcharge on watercraft licenses from \$5.00 to \$10.60. The surcharge provided \$2.5 million to the Invasive Species Account in FY24. In addition, the \$5 AIS surcharge on non-resident fishing licenses provided \$1.2 million. About \$200 per year is deposited into the account from tickets issued when citizens do not follow the rules for preventing the spread of invasive species.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

AIS-related revenues are insufficient to cover the annual appropriations, but the account’s current balance is sufficient to cover current appropriations through FY27. The account shows a projected balance of \$1.2 million in FY27.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the “Prevent and Manage Spread of Aquatic Invasive Species” proposal in the Department of Natural Resources' 2026-27 Governor’s Budget Recommendations.

Purpose: Receipts from sale of documents, publications, aerial photos, and payments for cooperative agreements are used to cover the cost of providing these materials or services.

Legal Citation: M.S. 84.026, subd 1; M.S. 84.027, subd 14 (2); M.S. 84.0855, subd 1; M.S. 84.085, subd 1(c); M.S. 88.6435; M.S. 89.22; M.S. 89.421; M.S. 325G.051

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Water Recreation (2100); Snowmobile (2101); Terrain Vehicle (2102); Highway Motorcycle (2103); Road Vehicle (2104); State Park (2106); Cross Country Ski (2116); Natural Resource Misc Statutory (2117); Game and Fish (Operations) (2200); Gift (2403); Remediation (2801)

Appropriation: EWR Environmental Damages ITC (R290300); LAM Misc SR (R291206); LAM Min Potential Agreement SR (R291242); LAM Aggregate Mapping SR (R291243); EWR Coop Agreements (R292200); EWR Publications (R292212); EWR Coop Agreement (R292226); EWR Non Game Gift (R292227); EWR Red River Coord (R292253); EWR Enbridge Energy Income SR (R292340); EWR MN Native Plant CommForCS (R292382); EWR MN Income Contract EIS Pre (R292S06); EWR MN Income Contract ESI2023 (R292S28); EWR-UMN L23 Bee Specialist (R292S31); EWR-UMN Rare Plant (R292S32); EWR Subaward Conservancy (R292S44); FOR Coop Agreement For Mgmt (R293200); FOR Coop Agreement Fire Fghtng (R293201); FOR Non-Federal Granst (R293207); FOR Balsam Bough (R293208); FOR Res Assess Prod & Serv (R293212); FOR Sales & Publications (R293217); FOR Camp Ripley Coop Agr (R293226); FOR State Forest Land Use (R293229); PAT Coop Agrmnts (R294204); PAT Cross Country Ski Trails (R294209); PAT Horse Trails (R294210); PAT Fort Snelling Upper Bluff (R294237); FAW Fisheries Publications (R296201); FAW Fisheries Coop Agreement (R296205); FAW Wildlife Coop Agreement (R296220); FAW Non Dedicated Rcpts WRA (R296A51); FAW Non Dedicated Rcpts SNOW (R296A52); FAW Non Dedicated Rcpts ATV (R296A53); FAW Non Dedicated Rcpts OHM (R296A54); FAW Non Dedicated Rcpts ORV (R296A55); FAW Non Dedicated Rcpts SP (R296A56); FAW Non Ded Rcpts G&F (R296A57); ENF Coop Agreements (R297220); OCO Sales Income SR (R298220); OCO MCV Gift Fund GFT (R298230)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	11,237	11,366	12,016	8,845	8,845	6,615	6,615
Resources:							
Departmental Earnings	2,846	5,278	2,727	4,140	4,140	2,740	2,740
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,846	5,278	2,727	4,140	4,140	2,740	2,740
Expenditures:							
Direct Expenditures	2,717	4,628	5,898	6,370	6,370	5,888	5,888
Indirect Expenditures							
Total Expenditures	2,717	4,628	5,898	6,370	6,370	5,888	5,888
Current Difference	129	650	(3,171)	(2,230)	(2,230)	(3,148)	(3,148)
Accumulated Ending Balance	11,366	12,016	8,845	6,615	6,615	3,467	3,467

Background Information:

Sale of maps, documents, aerial photos and publications - Receipts from the sale of maps, resource-related documents, aerial photos and other publications are authorized to be deposited in the Natural Resources Fund and appropriated to the commissioner for purposes for which the money was received. Rates charged are set to cover production and printing costs. Handling and mailing costs are also recovered when applicable. This approach to pricing generally does not include the agency professional time required to research, create, write, photograph, edit or review such documents or publications.

Cooperative Agreements - The agency is authorized to enter into agreements with public and private entities for the provision of statutorily prescribed natural resource services provided by the department. For example, the Forestry Division engages in cooperative agreements for the purposes of fire prevention, emergency fire suppression, forest management, or wildlife habitat management. Cooperative Agreements compensate the division for agreed upon services.

State Forest Land Use – These fees are paid by individuals or groups for the use of state forest lands including motorcycle, snowmobile, and sports car rallies, races, orienteering trials; group campouts that do not occur at designated group camps; dog sled races; dog trials; large horse trail rides; and commercial uses. The purpose of the fee is to recoup the costs of maintaining areas for the uses or mitigate resource impacts of those uses. Fees are established in rule and total annual revenue is typically about \$500.

Decorative materials – Laws established in 2001 are meant to provide regulation and oversight to the harvesting and sale of wholesale level decorative materials and trees. Decorative material is defined in M.S. 88.641 and primarily covers the harvest and sale of conifer boughs, branches, saplings, and tops to be used as seasonal decoration. The annual fee for a decorative materials license is \$25. M.S. 88.6435, subd 4b states that expenditures under this statute allow for costs associated with special forest product information and education programs for harvesters and buyers.

Environmental Impact Statements - For projects requiring an environmental impact statement (EIS), the agency assesses the project proposer for reasonable costs incurred in preparing, reviewing and distributing the EIS in accordance with Minnesota Rule Chapter 4410 and authorized in M.S. 116D.045. The income received is project-specific and finite.

Forecast Basis:

Cooperative agreement rates are negotiated and determined individually. Agreements are frequently renewed, and projections are based on the anticipated agreements carrying forward and expected new agreements. The contracts typically will specify the services to be provided, the amount to be paid and/or method of reimbursement. The agency enters into numerous cooperative agreements; all DNR divisions use the same statutory citation relating to cooperative agreements, M.S. 84.026.

Other fees in this category are primarily estimated on past revenue and program estimates.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Annual revenues and expenditures in this earnings group are not significantly over- or under-recovering costs.

Purpose: Revenues are used to support licensing activities and maintain the Electronic Licensing System (ELS).

Legal Citation: M.S. 85.41, subd 5; M.S. 85.46, subd 5; M.S. 97A.405, subd 2(d); M.S. 97A.485

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001); Cross Country Ski (2116); Natural Resource Misc Statutory (2117); Game and Fish (Operations) (2200); Computerized Lic Deer/Bear Mgmt (2201)

Appropriation: PAT Cross Country Ski Trails (R294209); PAT Horse Trails (R294210); FAW Licensing Computerized Lic (R296057); FAW Lic Fed Duck Stamp Sales (R296229); FAW Electronic Licens G&F ITC (R296237); FAW Elec Lic Statutory Msc ITC (R296239)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3,031	3,354	2,724	2,852	2,852	2,924	2,924
Resources:							
Departmental Earnings	4,528	4,333	4,222	4,194	4,194	4,163	4,163
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	106	207	161	125	125	98	98
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,634	4,540	4,383	4,319	4,319	4,261	4,261
Expenditures:							
Direct Expenditures	4,311	5,170	4,255	4,247	4,247	4,141	4,141
Indirect Expenditures							
Total Expenditures	4,311	5,170	4,255	4,247	4,247	4,141	4,141
Current Difference	323	(630)	128	72	72	120	120
Accumulated Ending Balance	3,354	2,724	2,852	2,924	2,924	3,044	3,044

Background Information:

These fees exist to support licensing activities and maintain the Electronic Licensing System (ELS). Issuing fees are charged on the sales of licenses, permits, and registrations. Fee amounts vary by transaction. The table shows each license issuing fee, the fee amount, and the activity it supports.

Dedicated		
Departmental Earnings	Fee Amount	Activity Supported
Licensing fee for federal duck stamp	\$4.00 Fulfillment Fee \$1.00 ELS Fee	Mailing services Electronic Licensing System (ELS)
Licensing fee for watercraft registration	\$1.50 Watercraft Title Registration	Electronic Licensing System (ELS)
Licensing fee for snowmobile registration	\$1.50 Snowmobile Registration/Renewal	Electronic Licensing System (ELS)
Licensing fee for ATV registration	\$1.50 ATV Registration/Renewal	Electronic Licensing System (ELS)
Licensing fee for off-highway motorcycle registration	\$1.50 Off Hwy Motorcycle Registration/Renewal	Electronic Licensing System (ELS)
Licensing fee for off-road vehicle registration	\$1.50 Off Road Vehicle Registration/Renewal	Electronic Licensing System (ELS)
Licensing fee for parks registrations	\$1.22 License Issuing Fee	Electronic Licensing System (ELS)
Licensing fee for cross country ski pass	\$1.22 Cross Country Ski pass	Electronic Licensing System (ELS)
Licensing fee for decorative materials or horse trail pass	\$1.22 Decorative materials \$1.22 Horse Trail Pass	Electronic Licensing System (ELS)
Licensing fee related to game and fish licenses and validations	\$0.71 - \$2.50 multiple license types \$3.00 Walk In Access Validation	Electronic Licensing System (ELS)
Licensing fee related to youth deer licenses	\$1 Youth Deer Licenses (muzzleloader, archery, firearm)	Electronic Licensing System (ELS)

Forecast Basis:

Fish and wildlife receipts are forecasted on historical and anticipated future trends, participation rates, recent fee changes, and the impact of prior years' weather conditions. License issuing fees are calculated on a per transaction basis. An overall combined trend shows revenues are stable, however individual accounts may experience slight fluctuation.

Recent Changes:

US Department of the Interior, Fish and Wildlife Service increased the federal duck stamp fulfillment fee from \$2.00 to \$4.00 effective August 1, 2024.

Agency Analysis/Comments:

These fees are directly associated with the electronic licensing system. All receipts in this earnings category are to recover actual costs. The agency does not over- or under-recover costs. Regular reviews occur to monitor balances.

Purpose: Revenue is used to recover the costs of transporting and inspecting federal excess fire equipment for local fire departments; recover costs for wildfire suppression from legally responsible parties; recover costs of firefighting equipment issued by the interagency fire cache and receive federal reimbursement for costs of out-of-state fire mobilizations.

Legal Citation: M.S. 84.026; M.S. 88.065; M.S. 88.17, subd 5; M.S. 88.75, subd 1

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Other Misc Special Revenue (2001); Natural Resource Misc Statutory (2117)

Appropriation: FOR Burn Permit (R293205); FOR Fire Equip Coop (R293233); FOR Emergency Fire Federal (R293236); FOR Non Dedicated Receipts GEN (R293A01)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,589	992	1,229	1,637	1,637	2,045	2,045
Resources:							
Departmental Earnings	3,716	4,127	3,888	3,888	3,888	3,888	3,888
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		345	100	100	100	100	100
Revenue Collected for Another Agency							
Total Resources	3,716	3,782	3,788	3,788	3,788	3,788	3,788
Expenditures:							
Direct Expenditures	5,313	3,545	3,380	3,380	3,380	3,380	3,380
Indirect Expenditures							
Total Expenditures	5,313	3,545	3,380	3,380	3,380	3,380	3,380
Current Difference	(1,597)	237	408	408	408	408	408
Accumulated Ending Balance	992	1,229	1,637	2,045	2,045	2,453	2,453

Background Information:

This revenue category is made up of the following cost reimbursements:

- **Wildfire suppression costs** - Parties who violate the Wildfire Act, and whose actions result in a wildfire incident that requires an agency response, are liable for the costs for wildfire suppression and containment. By statute, such reimbursements are deposited to the General Fund as non-dedicated receipts. Amounts vary significantly depending on the number of fires and suppression costs for each incident.
- **Fire equipment** - Surplus or excess federal fire equipment is transported to or within the state. The equipment is then inspected and made functional before being turned over to local fire departments. Local fire agencies reimburse the DNR for these costs. Amounts vary depending on the transportation and repair costs of the equipment being transferred to the fire departments.
- **Fire cache** - Fire equipment and supplies are stocked at the interagency fire center in Grand Rapids. Costs to use or purchase supplies and equipment are reimbursed by outside agencies. Amounts vary depending on the item used or purchased.
- **Burn Permits** - The state treasury has a burning permit account established in the Natural Resources Fund. The fee, set in statute, is used to operate the burning permit system. Non-commercial fees are \$5 annually. Commercial enterprises that obtain multiple permits are charged \$5 per site up to a maximum of \$50 per individual business enterprise per year.
- **Out-of-state firefighting** - DNR provides resources (staff, equipment and miscellaneous supplies) when mobilized by federal agencies to assist in fighting out-of-state wildfires. The federal agency reimburses the DNR for costs incurred in responding to these out-of-state wildfire incidents.

Forecast Basis:

The forecast of receipts and expenditures is based on historical trends. Wildfire suppression costs and reimbursements are dependent on a number of unknown variables including the weather and the severity of the state's and western-U.S. fire season. As a result, actual receipts and expenditures can vary significantly from the projections.

Out-of-state firefighting makes up about 90% of revenues received in this category.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

With the exception of burning permits, these charges are all for cost reimbursements. All receipts in this earnings category are to recover actual costs. The agency does not over- or under-recover costs. Burning permit revenues are stable and recovering costs.

Purpose: To account for revenues and expenditures of the Forestry Nursery operations.

Legal Citation: M.S. 89.37

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: FOR Nurseries Account (R293204)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	497	989	605	1,438	1,438	1,764	1,764
Resources:							
Departmental Earnings	806	1,065	1,254	1,754	1,754	1,754	1,754
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	317	589	579	572	572	566	566
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,123	1,654	1,833	2,326	2,326	2,320	2,320
Expenditures:							
Direct Expenditures	631	2,038	1,000	2,000	2,000	2,000	2,000
Indirect Expenditures							
Total Expenditures	631	2,038	1,000	2,000	2,000	2,000	2,000
Current Difference	492	(384)	833	326	326	320	320
Accumulated Ending Balance	989	605	1,438	1,764	1,764	2,084	2,084

Background Information:

The DNR State Forest Nursery produces and sells products for reforestation using localized seed sources. The Nursery account has two revenue sources. One is for the sale of seedlings (small trees sprouted from seed) and the other for the sale of tree seed (seeds ready for planting.) Proceeds from the sale of nursery seed and seedlings are deposited into the account for the purposes of recovering nursery operational costs. The costs of running the nursery include seed procurement and extraction, seedling production, shipping, and maintenance of facilities and equipment. Seed and seedling prices are variable and set by the DNR. Under Minnesota Statutes, Chapter 89, the DNR nursery stock may not be planted for ornamental purposes, nor can it be resold, given away, or removed with the roots attached for a period of ten years from the date of purchase. State law requires that seedlings must be sold in lots of at least 250 trees for use on private lands.

Forecast Basis:

The forecast is based on projected sales of nursery stock. Prices are based on a combination of factors:

- Surveys of public and private nurseries to obtain pricing information, which allows the DNR to set comparable and competitive pricing while recovering costs.
- Review of available seed for the nursery to establish seedlings for later sale.
- Production estimates of the various tree species needed in future years on both public and private lands.
- Analysis of nursery operations, which enables the nursery to set its product pricing to meet the objective of recovering costs for seed procurement, seedling production, marketing, and distribution.

The State Forest Nursery seedling sales were about \$1.3 to \$1.7 million for each of the past two years respectfully. The operating budget of the state forest nursery is based on anticipated sales to recover costs. Seedling sales typically account for 89% of annual sales revenue, and seed sales account for 11%.

Recent Changes:

The price of seedlings has increased for FY25 due to rising costs. Increases vary from 8% to 28% for conifers and hardwoods. A significant portion of the increase is due to the inclusion of root pruning and bundle tying of seedlings. These services were previously sold as add-ons. Shrubs predominately purchased from vendors for resale by the nursery, increased by 20%. Prices for these shrubs continue to increase at double-digit rates and are becoming increasingly difficult to acquire. Charges for shipping increased 33% from \$22.50 to \$30.00 per 500 to recover packaging materials and freight costs. The nursery has not been recovering the full cost of shipping. This adjustment is expected to recover costs. The price for seed purchased from the nursery has not increased. Seed price increases are expected for FY26 but the amount has not yet been determined. The DNR is the main purchaser of the nursery's seed.

Agency Analysis/Comments:

The DNR produces and distributes an annual report to the legislature on its nursery operations. The cost of inputs like fertilizer, labor, and fuel are significant drivers of inflationary pressures. In addition, major renovations and improvements are taking place at the nursery. Currently, a large, refrigerated storage unit is under construction to increase efficiency and safety of workflows that will benefit future seedling production. The costs for this construction are a combination of General Fund, federal grant funds and nursery revenue budget. Seed and seedling revenue is expected to grow to balance annual operating costs in the next biennium, while infrastructure improvements at the nursery will continue to require supplementary funding. Seed and seedling prices are evaluated and adjusted as required on an annual basis to maintain operational capacity.

Purpose: To fund game and fish programs including but not limited to: fisheries operations to monitor fish populations, protect, and restore habitat and stock fish in public waters; wildlife operations to manage wildlife populations, protect, and restore habitats; ecological services programs relating to the protection of ecosystems and enforce game and fish laws.

Legal Citation: M.S. 16A.68; M.S. 17.4988, subd 2, 3; M.S. 84.091, subd 3; M.S. 84.152; M.S. 97A.055, subd 2, 2(2), 2(3), 5; M.S. 97A.065, subd 2, 6; M.S. 97A.071, subd 2; M.S. 97A.075, subd 1(e), 2, 3, 4, 6; M.S. 97A.106, subd 3; M.S. 97A.221; M.S. 97A.225; M.S. 97A.341, subd 5; M.S. 97A.431, subd 3; M.S. 97A.433, subd 3; M.S. 97A.434, subd 3; M.S. 97A.435, subd 3; M.S. 97A.473, subd 5; M.S. 97A.474; M.S. 97A.4742; M.S. 97A.475 subd 3a(b), 4, 4(b), 5, 6, 7, 7(b), 8, 8(b), 10, 10a, 11, 12, 13, 15, 29, 41; M.S. 97A.485; M.S. 97B.002; M.S. 97B.015, subd 4; M.S. 97B.025; M.S. 97B.401 (c), M.S. 97C.081, subd 3; M.S. 103G.611, subd 1a; M.R. 6234.2800; Laws 2023, Chapter 60, Article 7, Section 12

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Game and Fish (Operations) (2200); Computerized Lic Deer/Bear Mgmt (2201); Deer Habitat Improvement (2202); Waterfowl Habitat Improvement (2203); Trout And Salmon Management (2204); Pheasant Habitat Improvement (2205); Wild Rice Management (2206); Wildlife Acquisition Surcharge (2207); Wild Turkey Management (2208); Lifetime Fish & Wildlife Trust (2210); Walleye Stamp Account (2211); Wolf Management & Monitoring (2213)

Appropriation: EWR Lic Srchrg Inv Species (R292206); EWR Non Dedicated Receipts G&F (R292A35); FOR Non Dedicated Receipts GEN (R293A01); FAW Trout & Salmon Mgmt (R296003); FAW Walleye Stocking (R296005); FAW Wldlf Land Acq Surchg (R296022); FAW Deer Bear Mgmt (R296023); FAW Wtrfowl Habitat Improv (R296025); FAW Pheasant Habitat Improv (R296026); FAW Wild Turkey Management (R296028); FAW Wild Rice Management (R296211); FAW Deer Feed & Cervidae Hlth (R296213); FAW Wolf Mgmt & Monitoring (R296223); FAW Lic Surcharge Walk-in Prog (R296225); FAW Lic Surcharge Venison Prog (R296226); FAW Walk-in Access Program (R296227); FAW WTD Farm Registrations ITC (R296289); FAW Fur Farms GFF (R296293); FAW Non Dedicated Rcpts G&F (R296A02); FAW Non Dedicated Rcpts LT (R296A06); FAW Non Dedicated Rcpts DEERH (R296A25); ENF Firearm Safety Training (R297201); ENF Adult Hunter Education (R297204); ENF Non Dedicated Rcpts G&F (R297A06)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	21,629	31,707	50,635	57,547	57,547	64,691	64,625
Resources:							
Departmental Earnings	106,201	110,402	114,728	111,952	111,886	110,909	110,589
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	19,540	21,963	19,106	19,732	19,732	20,227	20,227
Other Receipts	2,122	3,686	2,875	2,243	2,243	1,749	1,749
Resource Reductions:							
Earnings Transferred Out	1,417	1,350	1,426	1,424	1,424	1,423	1,423
Revenue Collected for Another Agency							
Total Resources	126,446	134,701	135,283	132,503	132,437	131,462	131,142
Expenditures:							
Direct Expenditures	115,546	115,045	127,477	124,231	124,231	124,031	124,031
Indirect Expenditures	822	728	894	1,128	1,128	894	894
Total Expenditures	116,368	115,773	128,371	125,359	125,359	124,925	124,925
Current Difference	10,078	18,928	6,912	7,144	7,078	6,537	6,217
Accumulated Ending Balance	31,707	50,635	57,547	64,691	64,625	71,228	70,842

Background Information:

The following departmental earnings are deposited to the fund(s) and exist to support game and fish programs including but not limited to:

1. Fish and wildlife operations to monitor populations, protect and restore habitats;
2. Ecological and water resources programs relating to the protection of ecosystems; and
3. Enforce game and fish laws, conduct outreach, and provide safety education to protect Minnesota's people and natural resources.

Dedicated

Departmental Earnings	Fee Amount	Activity Supported
Wildlife Acquisition Surcharge	\$3.25 Small game 72-hour license	Acquisition and development of wildlife lands
	\$6.50 Other license types that include small game	
Waterfowl Stamp	\$3.75 Small game 72-hour license	Activities associated with improvement of waterfowl habitat
	\$6.75 Super Sport and Waterfowl stamp	
Trout Stamp	\$9 Stamps, validation, resident super sports	Development, restoration, maintenance, improvement, protection, and preservation of habitat for trout and salmon in trout streams and lakes
	\$18 Resident married combo super sport	
Pheasant Stamp	\$3.75 Small game 72-hour license	Activities associated with improvement of pheasant habitat
	\$6.75 Stamps, super sport	
Wild Rice	\$23.78 Season Harvester	Management of designated public waters to improve natural wild rice production
	\$13.78 Resident Harvester– 1 day	
	\$28.78 Nonresident Harvester – 1 day	
Hunting Donation	\$1, \$3, or \$5	Administration of Walk-in access program
Hunting Surcharge	\$5 on multiple non-	Administration of Walk-In Access and Venison donation programs

	resident license types	
	\$1 on bonus deer permits	
Fishing Surcharge	\$5 on non-resident licenses	Ecological and Waters License Surcharge Invasive Species
Walleye Stamp	\$5 Stamp and validation	Stocking walleyes purchased from the private sector in waters of the state
Wolf License	\$2.78 application	Conduct the wolf license drawing and wolf management
	\$28.78 resident wolf firearm, trapping	research, damage control, enforcement, and education
	\$248.78 non-resident wolf firearm, trapping	
Wolf Allocation	0.5	Wolf management, research, damage control, enforcement, and education

Non-Dedicated

Departmental Earnings	Fee Amount	Activity Supported
Application Fees	\$2.78 Application Fee	Supports drawings for turkey, prairie chicken, moose, elk, bear, Camp Ripley hunts
	\$12.78 Camp Ripley	
Game and Fish Commercial License	Various	Aquaculture, minnow, fishing, charter, trapping, other
Fishing License	Various	Manage, protect, and regulate fish and wildlife resources
Hunting License	Various	Manage, protect, and regulate fish and wildlife resources
Sportsman's License	\$33.28 Individual	Manage, protect, and regulate fish and wildlife resources
	\$49.28 Combination	
DNR Sale of Fish/Eggs	Various	Surplus production stock, exchange of products, or sole source for suckers primarily to aquaculture facilities and businesses
Sport Fish Restoration	Various	Manage, protect, and regulate fish and wildlife resources

revenues (DJ)		
Wildlife Restoration revenues (PR)	Various	Manage, protect, and regulate fish and wildlife resources
Adult Hunter Ed	\$7.50	Provide class materials, including instructor and student training materials
Firearm Safety Training	\$7.50	Provide supplies for training such as ammunition, ear plugs, targets, and instructor and student training materials
Game and Fish Miscellaneous	Various	Variety of miscellaneous game and fish-related activities
Game and Fish Fines	Various	Manage, protect, and regulate fish and wildlife resources
Game and Fish Forfeits	Various	Manage, protect, and regulate fish and wildlife resources
DNR Restitution	Various	Restore and replace fish and wildlife resources taken or acquired in violation of the state's game and fish laws
Trespass Civil Citations	Various	Manage, protect, and regulate fish and wildlife resources
Aeration System Permit	\$250 annual fee, unless waived	Permits to allow the use of these systems to protect shoreline or fish populations
Game and Fish Lifetime License Activation	Equal to annual license fee	Annual transfer from trust fund to license accounts
Fishing Contests Permit	\$70 - \$560	Manage, protect, and regulate fish and wildlife resources
Super Sports	\$51.29 Individual Resident \$68.29 Married Combo Resident	Waterfowl, trout, and pheasant stamps, emergency deer feeding, deer habitat, deer bear management, wolf allocation
Recreational Turtle License	\$25.00	NEW (FY24): Turtle harvest
CWD Inspection Fee	Varies	NEW (FY24) Farmed Cervid Inspection Fee

The Division of Enforcement safety training section collects program fees to offset the costs of administering youth and adult hunter education and firearms safety training. In 2010, an online option was introduced, which has led to an increase in the number of adults being trained. The online course is administered by a contract vendor, and they collect a fee from the user separate from the state fee. The state fee is \$7.50. State statute also allows the volunteer instructors to collect a fee up to a matching \$7.50. This matching fee is not received by the state in any way. Duplicate certificate fees are \$5.

Forecast Basis:

Fish and wildlife receipts are forecasted on historical and anticipated future trends, participation rates, recent fee changes, and the impact of prior years' weather conditions.

The projection of Sport Fish and Wildlife Restoration revenues is based on the history of federal revenues (federal apportionment) available to the DNR for these programs and future apportionment estimates from the federal aid office.

Receipts generated from enforcement activities are projected based on a five-year history and planned changes in enforcement operations over the next three to five years. The enforcement fees are currently under recovering the expenses of the program. The hunter education and firearms safety training program has seen a more than 76% increase (including online) in the number of users over the past five years. Costs associated with the program have also increased, largely due to the price of ammunition, printing and shipping expenditures. These costs are expected to continue to increase.

Recent Changes:

- Laws of 2023, Chapter 60 reflects a new turtle license for harvest; also requires an angling license.
- Laws of 2023, Chapter 60 transition duties from Board of Animal Health to Department of Natural Resources, as a result farmed cervid inspection fees are collected and retained by DNR to recoup associated costs. Fees are set in MS 35.155.

Agency Analysis/Comments:

The Division of Fish and Wildlife manages fish and wildlife populations, their habitats, and use of these public resources, including fishing, hunting, and trapping. The goal is to sustain healthy populations of fish and wildlife, high quality recreational opportunities, and vibrant local economies. In partnership with citizens, we protect and restore natural lands, lakes, and streams, monitor harvested species, anticipate and respond to new challenges, and promote the state's hunting and fishing heritage. Hunters, anglers, and wildlife viewers and photographers benefit from diverse, abundant species, accessible public lands, and high-quality recreational experiences.

Revenues and expenditures go to designated programs to ensure funding is provided for specific activities. Fees established are set in statute.

The Division of Enforcement provides a statutorily-mandated hunter education and firearms safety training program. The state fee is currently set at \$7.50 to partially recover costs for ammunition, ear plugs, targets, and numerous other expenditures including but not limited to instructor training materials, student training materials, and field day props.

Governor's Recommendation:

For information about recommended revenue change, see the "Honoring Disabled Veterans with Reduced Cost Angling and Hunting Licenses" proposal in the Department of Natural Resources' 2026-27 Governor's Budget Recommendations.

Purpose: To fund snowmobile, ATV, off highway motorcycle, off road vehicle, cross country ski programs, and horse trails.

Legal Citation: M.S. 84.788; M.S. 84.791, subd 2; M.S. 84.7945; M.S. 84.798; M.S. 84.8015; M.S. 84.8035; M.S. 84.82; M.S. 84.8205; M.S. 84.83, subd 5; M.S. 84.86, subd 1(6); M.S. 84.8712; M.S. 84.922, subd 2, 5; M.S. 84.925, subd 1(c); M.S. 84.9275; M.S. 85.41; M.S. 85.42; M.S. 85.46; M.S. 85.47; M.S. 97A.065, subd 2; M.S. 609.101, subd 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Snowmobile (2101); Terrain Vehicle (2102); Highway Motorcycle (2103); Road Vehicle (2104); Cross Country Ski (2116); Natural Resource Misc Statutory (2117)

Appropriation: PAT Cross Country Ski Trails (R294209); PAT Horse Trails (R294210); PAT Spec Use Permit Fees NRMS (R294249); PAT Non Dedicated Rcpts SNOW (R294A22); PAT Non Dedicated Receipts ATV (R294A23); PAT Non Dedicated Receipts OHM (R294A24); PAT Non Dedicated Receipts ORV (R294A25); ENF Snow Safety Training (R297202); ENF Non Dedicated Rcpts SNOW (R297A02); ENF Non Dedicated Rcpts ATV (R297A03); ENF Non Dedicated Rcpts OHM (R297A04); ENF Non Dedicated Rcpts ORV (R297A05)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6,514	6,707	2,399	(5,190)	(5,190)	(5,660)	(5,660)
Resources:							
Departmental Earnings	16,376	12,368	17,082	17,182	17,182	14,000	14,000
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	10,372	10,438	10,907	11,689	11,689	11,787	11,787
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	26,748	22,806	27,989	28,871	28,871	25,787	25,787
Expenditures:							
Direct Expenditures	25,944	26,501	34,822	28,527	28,527	28,527	28,527
Indirect Expenditures	611	613	756	814	814	744	744
Total Expenditures	26,555	27,114	35,578	29,341	29,341	29,271	29,271
Current Difference	193	(4,308)	(7,589)	(470)	(470)	(3,484)	(3,484)
Accumulated Ending Balance	6,707	2,399	(5,190)	(5,660)	(5,660)	(9,144)	(9,144)

Background Information:

Snowmobile: Fees from the registration of snowmobiles and unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Trails and Enforcement Account. The account funds may be spent only as appropriated by law, for:

- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state administered snowmobile trails;
- Snowmobile safety programs;
- Enforcement of snowmobile laws; and,
- Grants to local law enforcement agencies.

The following earnings are deposited as non-dedicated receipts to the Snowmobile account and were last increased in 2017:

- Snowmobile registrations (\$105 for a three-year registration)
- Snowmobile trail permits (\$50 for a one-year permit, required for out-of-state registered snowmobiles)
- Snowmobile fines
- Snowmobile (track) studs - civil citations

The following earnings are deposited as dedicated receipts and available to the DNR for these purposes:

- Adult snowmobile training
- Youth snowmobile training

Off-highway Vehicle (OHV) Program: includes the three vehicle types defined as All-Terrain Vehicle (ATV), Off-Highway Motorcycle (OHM) and Off-Road Vehicle (ORV). Registrations and safety training earnings are deposited as non-dedicated receipts to the accounts for ATV, OHM and ORV. ATV civil citations and unrefunded gas tax are deposited as non-dedicated receipts or transferred in. Non-resident trail passes are required for ATVs, OHMs and ORVs.

ATV: (M.S. 296A.18, subd. 4 and M.S. 84.927, subd. 1). The ATV Account was established in 1984. The ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for (M.S. 84.927, subd.2):

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas;
- Education and training program;
- Grant-in-aid to local safety programs;
- Enforcement and public education grants to local law enforcement agencies; and,
- Maintenance of certain forest roads and county forest roads that are part of a designated trail system within state forest boundaries.

ATV registration fee, which covers a three-year registration period, was raised from \$45 to \$60 for machines in public use on and after July 1, 2017. The non-resident trail pass fee was raised from \$20 to \$30 per year starting July 1, 2017.

OHM: (M.S. 296A.18, subd. 5 and M.S. 84.794, subd. 1). Account was established in 1993. The OHM account may only be spent for (M.S. 84.794, subd. 2):

- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to M.S. 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas;
- Enforcement and public education grants to local law enforcement agencies; and,
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

The OHM registration fee was raised from \$30 to \$45 for a three-year period per machine on July 1, 2024. A non-resident pass fee of \$20 per year was implemented starting in 2014 season.

ORV: (M.S. 296A.18, subd. 6 and M.S. 84.803, subd. 1). Account was established in 1993. The ORV Account may only be spent for (M.S. 84.803, subd. 2):

- Administration, enforcement, and implementation of M.S. 84.773 to M.S. 84.8045;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and,
- Enforcement and public education grants to local law enforcement agencies.

The ORV registration fee is \$30 for a three-year period per machine. A non-resident pass fee of \$20 per year or \$30 for 3 years was implemented starting in 2012 season.

Cross-country ski pass: Ski pass sales are deposited as dedicated receipts in the Natural Resources Fund, Cross Country Ski account. Ski passes are required for all trail users aged 16 years or older when skiing on groomed state and grant-in-aid ski trails across Minnesota. The ski pass fee is \$9 for a daily, \$24 for an annual, and \$69 for a three-year. These fees were last increased in 2019. The funds from this fee are used to support grooming and maintenance of both grant-in-aid and state park ski trails.

Horse pass: Established in 2007, a horse trail pass for individuals riding on state trails, state forests, state parks, and state recreation areas is required. The horse pass fee is \$4 daily and a \$20 annual for users aged 16 and older. These fees were established in 2006 and have not been increased. Receipts are deposited in a horse trail account in the Natural Resources Fund and are dedicated for horse trail and trail facility development, maintenance and enforcement on state trails, in state forests, parks and recreation areas.

Enforcement: The enforcement safety training program collects fees to offset the costs of administering the ATV, snowmobile, off-highway motorcycle (OHM), and off-road vehicle (ORV) safety training programs. The DNR fee for the ATV program is \$10; youth and adult snowmobile is \$5; ORV is \$15; and, OHM is \$5.

Forecast Basis:

Snowmobile: Revenue projections are based on the latest estimated number of registration renewals coming due each year and five-year averages for new registrations and trail permit sales. Snowmobile registrations and gas tax receipts are the largest receipt items in the account.

Registrations are strongly influenced by winter weather while gas tax receipts are largely predictable.

The estimated registration revenues deposited into the Snowmobile account are estimated to range from about \$6 million to \$7.7 million.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Off-highway Vehicle (OHV) Program: Revenue projections are based on a review of actual receipts over a five-year period; this longer view provides a stable context. ATV registration fees, the largest receipt item in the account, have grown exponentially over the past several years, but new registrations have begun to level off in the last two years. OHM and ORV registrations are both expected to grow also, but more modestly.

ATV, OHM, and ORV have seen an increase in recent years of direct appropriations of dedicated dollars for various projects like the expansion of the Iron Range Off-highway Vehicle Recreation Area. The DNR recently updated the master plan for the David Dill/Arrowhead State Trail and will be upgrading portions of the trail for OHV use. Other direct appropriations have been in the form of grants to local units of government through DNR for large ATV projects like the Prospector Loop or the Voyageurs' Trail System. DNR completed three strategic master plans for the OHV system, which will guide future development.

Cross Country Ski: Projected revenues are based on the average number of passes sold over the last five-years in conjunction with the updated ski pass fees.

Horse Pass: Projected revenue is based on a five-year average of actual receipts.

Enforcement: The number of program users is expected to stay nearly the same as the previous five years. However, costs associated with the programs have increased, largely due to the price of printing and shipping expenditures. These costs are expected to continue to increase.

Recent Changes:

The OHM registration fee was changed July 1, 2024 from \$30 to \$45 for a three-year registration. The new fee will add approximately \$100,000 annually to the OHM account. However, \$45,000 the first year and \$25,000 each year after is appropriated to establish and fund a Trail Ambassador program.

Agency Analysis/Comments:

With the recent OHM fee increase, the ORV and OHM accounts are currently appropriately funded. However, demand for the ATV account continues to grow. In FY24, the ATV Grant-in-Aid account was not able to fund all projects at recommended levels for the first time. However, after multiple direct appropriations from the ATV account, the account's appropriations exceed current revenues.

Purpose: To generate revenues from minerals leases on acquired lands, school trust lands (permanent school and permanent university), and tax-forfeited lands.

Legal Citation: M.S. 85.052, subd 4c; M.S. 92.50, M.S. 93.17; M.S. 93.20; M.S. 93.20, subd 25; M.S. 93.222; M.S. 93.25; M.S. 93.285; M.S. 93.33; M.S. 93.41; M.R. 6125.0500

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Mineral Management (2114); Game and Fish (Operations) (2200); Permanent School (3800)

Appropriation: LAM Permanent School (R290240); LAM Permanent University SR (R290252); LAM Consul Conservation Areas (R290280); LAM Volstead Lands (R290290); LAM Weighmasters RevolvingAcct (R291203); LAM Mining Rent and Royalties (R291204); LAM Special Advance Royalties (R291231); LAM Non Dedicated Receipts GEN (R291A00); LAM Non Dedicated Receipts G&F (R291A02); LAM Non Dedicated Receipts MMA (R291A03)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	4,532	17,152	9,191	1,781	1,781	6,038	6,038
Resources:							
Departmental Earnings	46,048	30,302	23,775	30,546	30,546	25,831	25,831
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	24,690	26,183	16,179	14,586	14,586	15,906	15,906
Revenue Collected for Another Agency							
Total Resources	21,358	4,119	7,596	15,960	15,960	9,925	9,925
Expenditures:							
Direct Expenditures	8,724	12,067	14,990	11,682	11,682	11,693	11,693
Indirect Expenditures	14	13	16	21	21	16	16
Total Expenditures	8,738	12,080	15,006	11,703	11,703	11,709	11,709
Current Difference	12,620	(7,961)	(7,410)	4,257	4,257	(1,784)	(1,784)
Accumulated Ending Balance	17,152	9,191	1,781	6,038	6,038	4,254	4,254

Background Information:

The Division of Lands and Minerals manages mineral exploration and mine development on state-owned and tax-forfeited lands to generate equitable rental and royalty income. The State of Minnesota leases state-owned mineral interests and surface interests for minerals exploration and mining through public sales and negotiations. From 1890 through June 2023, mineral exploration and mining on state-owned lands have generated over \$950 million. Revenue received from the state mineral leases is deposited into the appropriate fund or account based on land classification.

LAM Mining Rent and Royalties – Mineral leases generate revenue from a royalty payment for any actual minerals removed from state lands and a rental fee paid by the leaseholder to reserve the minerals under lease. The state receives revenue from 272 current (as of October 1, 2024) mineral leases. The following is a summary of state mineral leases by lease type and acres under lease.

Lease Type	Number of Leases	Number of Acres
Iron Ore/Taconite	107	9,087
Metallic Non-Ferrous	149	55,090
Industrial	9	3,844
Residue	7	3,110
Total	272	71,131

The royalty payment is a payment for actual minerals removed from state lands and is based on the quantity of material removed multiplied by a dollar per ton, or volumetric, royalty rate negotiated in the long-term lease agreements.

The rental fee is a fixed amount paid quarterly, in advance, to reserve access to the minerals. Each and all the state mineral leases require a rental payment.

The long-term leases include provisions to escalate the royalty rate using agreed upon published prices of iron ore and steel products.

In FY24, mineral revenue (royalties and rentals) totaled \$30.5 million. Although mineral receipts fluctuate greatly from year-to-year, the past ten years have averaged over \$33 million each year, a total of \$337 million.

LAM Weighmasters Revolving Account – Most of the state mineral leases have a “Weighmasters” provision that require leaseholders to reimburse the state for the actual cost of inspection to ensure the accuracy of the reporting of tonnage removed under each lease.

LAM Non Dedicated Receipts MMA – The 2005 legislature created the Minerals Management Account. The legislation authorizes directing 20% of mineral revenue from state mineral trust lands to the Mineral Management Account. Total receipts deposited into this account for FY24 were approximately \$6.1 million. Expenditures from this account are to cover the Division’s work to perform mineral management responsibilities including: state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. Seventy percent of the costs are personnel; the remainder is rental, maintenance, and communications, travel, and equipment costs. The state authorized \$3.3 million in FY24 expenditures for mineral management activities. The program also provides technical assistance to local governments on mineral resources and mining issues. The legislation also directed that at the end of each quarter (September 30th, December 31st, March 31st and June 30th), the amount of the fund balance that exceeds \$3 million is distributed to the permanent school, university and local taxing funds in proportion to the revenue received into these three accounts. For the past ten years the actual expenditures on mineral management expenses have averaged 9% of total receipts.

LAM Special Advance Royalties – Some of the state’s 101 taconite/iron ore leases require the lease holder to pay the state a minimum annual royalty. The minimum annual payment is held in a special advance royalty account and is recoverable if there is future production on the lease. In FY24, \$104,927 of minimum annual

payments were collected and none of the balance was applied to FY22 production.

Forecast Basis:

The forecast for mineral revenue is based mostly on an estimate of state-owned crude ore production and royalty rates. Lands and Minerals engineers consult with company engineers to determine production levels and make the forecast. Earnings also depend on escalator clauses in individual leases. Iron ore/taconite leases have escalator clauses that track iron ore prices and steel prices. All forecasts are forward-looking and contain an element of uncertainty. The forecast relies heavily on the production at the U.S. Steel mines, which contain a significant tonnage of state-owned iron ore.

Recent Changes:

Revenues vary as production levels vary. Minerals receipts in FY24 were slightly less than the ten-year average.

Agency Analysis/Comments:

The revenues into this account are not over or under collecting relative to expenses due to the existing legal provision that transfers revenues when the account balance exceeds \$3 million.

Purpose: Revenues generated partially fund the cost of maintaining and operating state parks.

Legal Citation: M.S. 16A.125, subd 5(b); M.S. 84.027, subd 14 (2); M.S. 84.0855, subd 1; M.S. 85.052; M.S. 85.053; M.S. 85.055; M.S. 85.22, subd 2a; M.S. 85.34, subd 7; M.S. 89.21; M.S. 325G.051

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Other Misc Special Revenue (2001); State Park (2106); Natural Resource Misc Statutory (2117); Permanent School (3800)

Appropriation: PAT St Forest Susp School (R290243); PAT Park Reservation System SP (R294201); PAT St Forest Campground NRMS (R294205); PAT Working Capital (R294206); PAT Douglas Lodge (R294207); PAT Fort Snelling Upper Bluff (R294237); PAT Non Dedicated Receipts SP (R294A03)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	20,674	22,386	23,951	16,901	16,901	11,453	14,247
Resources:							
Departmental Earnings	32,127	33,078	31,983	31,983	34,777	31,983	34,777
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	104	197	154	120	120	94	94
Resource Reductions:							
Earnings Transferred Out	150						
Revenue Collected for Another Agency							
Total Resources	32,081	33,275	32,137	32,103	34,897	32,077	34,871
Expenditures:							
Direct Expenditures	30,260	31,598	39,046	37,373	37,373	37,847	37,847
Indirect Expenditures	109	112	141	178	178	141	141
Total Expenditures	30,369	31,710	39,187	37,551	37,551	37,988	37,988
Current Difference	1,712	1,565	(7,050)	(5,448)	(2,654)	(5,911)	(3,117)
Accumulated Ending Balance	22,386	23,951	16,901	11,453	14,247	5,542	11,130

Background Information:

Parks departmental earnings are intended to partially fund the maintenance and operation of the state park system.

Description	Fees	Date of last fee change
Forest Campgrounds	\$17 to \$50	1/1/2021
Tours/Golf/Misc Income	Varies	Varies
Reservations	\$10/\$7	1/1/2018
State Park Vehicle Permits	Annual: \$35	7/1/2017
Annual park permit – motorcycle	\$30	7/1/2010
Daily	\$7	7/1/2017
Group Daily	\$5	7/1/2017
Disability	\$12	1/1/1991
Second vehicle – annual	\$26	7/1/2017
Camping Fees	Backpack/canoe: \$20 to \$23	1/1/2020
Group Centers	\$180 to \$500	1/1/2017
Equestrian	\$22 to \$25	1/1/2021
Tipi	\$35	1/1/2021
Camper Cabin	\$75 to \$90	1/1/2021
Drive in Sites	\$20 to \$25	1/1/2021
Electric Fee	\$10	4/1/2021
Water and Sewer Fee	\$8	1/1/2020
All other parks-related fees and sales	Set by commissioner orders	Various

The State Park Account, housed in the Natural Resources Fund, is established under M.S. 85.052 to support the operation of the state park system. Revenues are received from park permits, campground and lodging reservations, and concessions at the parks.

The State Parks Working Capital account is a special revenue account established under M.S. 85.22 that includes receipts from rental or sale of state park items, tours, interpretive programs, educational programs and operation of Douglas Lodge. Proceeds from retail sales are used to purchase the merchandise and consumable inventories, and receipts from rentals are used to buy and maintain rental equipment. The excess receipts from sales, rentals, tours and programs are used to fund state park management and interpretation efforts in state parks.

The Douglas Lodge account is a special revenue fund established under M.S. 85.22 for the operation of the Douglas Lodge complex at Itasca State Park. Revenue from lodging, restaurant and merchandise sales are deposited as dedicated receipts to this account. Parks division expenditures to operate the Douglas Lodge complex are paid from the account. The account is intended to be self-sustaining.

The Fort Snelling Upper Bluff account was established under M.S. 85.034, subd 7 and the revenue is generated by a lease to the Minneapolis Park and Recreation Board for the athletic fields and golf course operations. Money in the account is to be used for the payment of expenses related to the leasing and operation of the property.

The State Forest Campground Statutory account and Parks and Trails State Forest Suspense School account allows the Parks and Trails Division to maintain and operate the 43 forest campgrounds. Receipts from forest campgrounds located on state lands (not school trust land) are deposited into the Natural Resources Fund and appropriated to the DNR to offset expenditures related to operation of state forest campgrounds. Forest camping fee compliance will be examined in continuous improvement projects in FY25 with the intent to improve revenue collection and visitor experiences.

Forecast Basis:

Forecast revenues are based on recent history and current trends in parks usage and receipts.

Recent Changes:

The most recent fee changes occurred through Commissioner Order and were effective 1/1/2023. These changes impacted backcountry/canoe campsites and group centers. Backcountry/canoe sites increased to align with other camping fees and group center fees were changed to right size fees relative to comparable services both internally and externally. Due to the small number of sites/group centers impacted in this category, the overall impact on revenue is minimal.

Agency Analysis/Comments:

DNR continues to explore operational changes and technology improvements to improve payment compliance for state park vehicle permits and forest camping fees..

FY20 saw a surge in visitation that persisted into FY22. While visitation has waned some, it has not dropped to pre-pandemic levels. In observing three-year visitation and camping occupancy before and after the pandemic surge, state parks and recreation areas have sustained a 13% increase in day-use and an 8% increase in camping use. In looking further, this use is especially noticeable in shoulder seasons which are now as busy as peak seasons of a decade ago. This has resulted in increased annual permit sales, camping fees, and facility rentals. Associated revenues, such as retail, equipment rental, tours, and facility rentals, had lagged early in the pandemic and have now rebounded.

Early indications are that the increased visitation seen in parks and trails is a new pattern that will be sustained in a post-pandemic era. Current revenues do not support the current demand for services.

Governor's Recommendation:

For information about recommended fee changes, see the "Support State Parks and Recreation Areas" proposal in the Department of Natural Resources' 2026-27 Governor's Budget Recommendations.

Purpose: To generate revenues from real estate transactions on acquired lands, school trust lands (permanent school and permanent university), and tax-forfeited lands.

Legal Citation: M.S. 84.027; M.S. 84.153; M.S. 84.415; M.S. 84.415, subd 5; M.S. 84.63; M.S. 84.631; M.S. 84.632; M.S. 84.633; M.S. 84.972; M.S. 85.015; M.S. 89.035; M.S. 89.17; M.S. 92.115; M.S. 92.28; M.S. 92.46; M.S. 92.50; M.S. 92.501; M.S. 94.10; M.S. 94.16; M.S. 94.343, subd 8a; M.S. 97A.135; M.R. 6135.0400; Laws 2016, Chapter 154, Section 19 (f)

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Natural Resource Misc Statutory (2117); Land Acquisition (2118); Game and Fish (Operations) (2200); Permanent School (3800)

Appropriation: LAM Permanent School (R290240); LAM St Forest Susp School (R290244); LAM St Forest Susp Univ SR (R290253); LAM Consul Conservation Areas (R290280); LAM Volstead Lands (R290290); LAM Land Management Account (R291202); LAM Lakeshore Lease (R291210); LAM-Land Acquisition (R291222); LAM Non Dedicated Receipts GEN (R291A00); LAM Non Dedicated Receipts G&F (R291A02); FOR Land Acquisition (R293203); FOR Burntside State For Recei (R293213); FOR Pillsbury St Forest Rcpts (R293223); PAT Land Acq (R294202); PAT Working Capital (R294206); FAW Land Acq Wildlife (R296209); FAW Public Grazing Program (R296222); MR Facility Rent & Maint (R298211)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	780	1,465	2,296	1,437	1,437	214	214
Resources:							
Departmental Earnings	2,944	3,970	3,771	3,659	3,659	3,765	3,765
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	202	210	210	210	210	210	210
Revenue Collected for Another Agency							
Total Resources	2,742	3,760	3,561	3,449	3,449	3,555	3,555
Expenditures:							
Direct Expenditures	2,057	2,929	4,420	4,672	4,672	4,672	4,672
Indirect Expenditures							
Total Expenditures	2,057	2,929	4,420	4,672	4,672	4,672	4,672
Current Difference	685	831	(859)	(1,223)	(1,223)	(1,117)	(1,117)
Accumulated Ending Balance	1,465	2,296	1,437	214	214	(903)	(903)

Background Information:

The Division of Lands and Minerals manages the real estate transactions on 5.6 million acres of state-owned land. Real estate management generates revenue from leases, utility licenses, road easements, and land sales.

Leases

There are multiple types of real estate leases issued by the DNR. The leases authorize the use of the land for purposes including agriculture, hunting cabins, communications towers, aggregate removal, wild rice farming, driveways, auxiliary mining facilities, access to private lands, and other miscellaneous uses. The leases are issued under the authority of M.S. 84.153, 89.17, 92.50, 92.501, and 92.502. DNR also issues grant-in-aid trail permits for crossing state land under the authority of M.S. 89.17 and 92.50.

A rental fee is charged for the use of the land, and if a resource is being removed, such as under an aggregate lease, a fee is also charged for the material removed. The payments are deposited into the funds as directed by state law. For example, the revenue from leases on school trust land is deposited into the Forest Suspense Account – school fund.

The lease rates are reviewed upon issuance and renewal of the leases. The annual lease rate for miscellaneous leases is 7.25% of market value. The payment for aggregate is based on the type of materials and ranges from \$1.00 to \$2.70 per cubic yard. The payment under agriculture leases is based on the use of the land (i.e., crops, hay, pasture, animal grazing) and the locality. The agriculture lease rates range from \$5 per acre to \$151 per acre. The hunting cabin leases have a lease rate that increases \$25 annually. Effective 1/1/2025, the rate will be \$725 per lease. The grant-in-aid trail permits have a fee of \$40 per forty acres crossed for school trust lands.

Utility Licenses

Utility licenses are issued under the authority of M.S. 84.415 and Minnesota Rules, Chapter 6135. A utility license is required for passage over, under, or across any school, university, internal improvement, swamp, or other land or public water under the control of the commissioner of natural resources. A utility license covers telephone, electric power lines, cables, and mains or pipelines for gas, liquids, or solids in suspension (e.g., sewer). Most utility licenses are issued for a term of fifty years, but the applicant may request a term of twenty-five years.

There are three fees possible under a utility license: an application fee that covers the DNR staff cost for issuance of the license, a monitoring fee for large scale utility projects that covers the staff costs for monitoring the construction of the utility line and preparing special terms and conditions of the license to ensure proper construction, and a market value fee for the use of the state lands or waters for the term of the license.

The application fee is \$2,250 for a water crossing license and \$3,500 for a land crossing license; additionally, there is a \$1,000 application fee for fiber optic (broadband), electric distribution and other utilities, plus supplemental application fees of \$500 for each crossing greater than two.

The monitoring fee is based on projected hours for the staff work at the division's professional services rate that recovers costs.

The market value fee for water crossing licenses is set in rules based on type of utility, number of crossings and length of each crossing. The market value fee for land crossing licenses is set in rules, based on type of utility, number of crossings, and length of each crossing, plus an additional fee not to exceed 15% of the value of the land in excess of \$100 per acre of the actual acreage taken by the right-of-way.

Road Easements and Easement Releases

Easements to the United States, the state or subdivision of the state, or tribal governments are issued under M.S. 84.63, and cover the following types of easements: trails, highways, roads, flowage for development of fish and game resources, stream protection, and flood control. Road easements to private parties are issued under M.S. 84.631. Road easements on school trust lands can be issued to individuals, but only up to a term of fifty years. Easements for ingress and egress to cross a state trail, when the private party has a preexisting right, are issued under M.S. 85.015, subd 1b. The easements can be issued for a short term, but the majority of the easements are issued in perpetuity, subject to continued use.

There are three fees possible under an easement: an application fee that covers the DNR staff cost for issuance of the easement, a monitoring fee for large scale projects that covers the staff costs for monitoring the construction of the road, and a market value fee for the use of the state lands in perpetuity or for the term of the easement.

The application fee is \$2,000. The monitoring fee is based on projected hours for the staff work at the rate that recovers costs. The market value fee is based on the market value of the land, with a reduced fee for short term easements.

Under M.S. 84.632, the DNR may release all or part of an unneeded easement that burdens another party's land. A \$2,000 application fee covers the DNR staff cost for reviewing the application and preparing the easement release. The applicant must also pay a market value fee which is credited to the account from which money was spent to acquire the easement, or, if there is no specific account, to the land acquisition account.

Land sales

State-owned land administered by the DNR is sold under M.S. 84.0273, 85.015, 92.06-92.16, and 94.09-94.165. The sale of school and university land raises revenue for the Permanent School Fund and the Permanent University Fund. The sale of administrative sites raises revenue that is deposited into the Facilities Management Account and used to acquire facilities or renovate buildings for administrative use or to acquire land for administrative buildings for the DNR.

The revenue from the sale of acquired land that is not an administrative site but within a management unit of the outdoor recreation system is deposited into the Land Acquisition Account. The revenue from the sale of acquired land that is not an administrative site and not within a management unit of the outdoor recreation system is deposited into the School Trust Lands Account.

Proceeds in the Land Acquisition Account may be used to acquire land within the outdoor recreation system or pay for expenses incurred by the DNR to sell or exchange state land. Proceeds in the School Trust Lands Account are to be used to extinguish by condemnation the school trust interest in lands where the designation or management prohibits the long-term generation of revenue.

The bidder is charged land sale costs and a market value payment for the land.

The land sale costs include the actual costs for valuation, survey review, advertising, deed tax, recording fees, and certain auction costs. The market value payment is based on an appraisal or valuation for each specific parcel offered.

Other fees

The DNR may collect damages to the land, crops, minerals or aggregate. These are infrequent fees and principally arise in situations where the utility license or lease will prevent the development of the mineral or aggregate resource. The fees are based on an estimated valuation of the resource to be damaged or prevented from being developed.

For land exchanges, the proposer of a land exchange must bear a portion of the costs for valuation and survey. The fees are based on actual costs to be incurred.

The Division of Forestry

Forestry collects revenues for three purposes: Burntside State Forest Receipts, Pillsbury State Forest Receipts, and Land Acquisition.

The Burntside State Forest Receipts and Pillsbury State Forest Receipts revenues are from timber sales and land lease revenues on specific lands within the Burntside and Pillsbury State Forests respectively. These revenues are used to pay for forest management activities within those two state forests. Pillsbury State Forest Revenues are distributed every five years (Laws of 1899 Ch. 214, Sec 10) with 1/6 of proceeds to the state and the remainder to the University of Minnesota, county and townships as described in law.

The Land Acquisition revenues are from the sale of forestry administered acquired lands that are within a management unit of the outdoor recreation system. Revenues are used to pay for the transaction costs of land

sales and acquiring access easements and lands from willing sellers for state forest purposes under the authority of M.S. 89.032.

The Forestry Division annually collects approximately \$63,000 in revenue from these leases and easements.

Forecast Basis:

Leases

Projections are based on recent receipts. There are no expected significant changes in the leasing programs.

Utility Licenses

Projections are based on an analysis of recent and historical patterns for issuance and projected impacts from changes in the fees that started in July of 2014. The number of licenses issued continues to increase. In the last four calendar years an average of 442 licenses were issued annually, of which 362 were water crossing licenses and 80 were land crossing licenses. Most of the new licenses issued are for the purpose of installing fiber optic lines (broadband) due to grant money issued by DEED from the Federal Government.

Road Easements

Projections for revenue are based on an analysis of recent and historical patterns for issuance. On average, the DNR issues 30 easements per year.

Land sales

Land sale revenue varies by year based on the number of parcels offered for sale and the number of parcels sold. Projections are based on the average from sales in recent years.

Projections for revenue for the Forestry Division are based on historical analysis and estimates of future activity.

Forestry: Projections for revenue are based on a historical analysis and estimates of future activity.

Recent Changes:

All the hunting cabin leases are renewed at the same time. The current set of leases were renewed in 2022, with a rate of \$650, based on an analysis of the public and private market for hunting cabin leases, along with a \$25 per year rental increase for the ten-year term. At the time of renewal, the lease rate was \$650 per year. On 1/1/2025, the lease rate will increase to \$725.00 per year.

Agency Analysis/Comments:

Lands and Minerals: The lease fees for use of the land and removal of resources reflect market value rates. DNR does not collect a fee from the lessees that recover the cost of issuing the leases.

The application fees received for road easements are sufficient to cover the costs for DNR to review and issue the easements and monitor road construction, neither under-recovering nor over-recovering costs.

The land sales are recovering a significant portion of the costs of offering the parcels for sale. The sale costs do not always recover the costs of staff time for preparing the sale information. Those costs are then borne by the division administering the land, with payment made to the Lands and Minerals Division through internal billing.

In total, the division is slightly under-collecting in this area.

Forestry: Revenues and expenses associated with these fees are not incurring any significant overage or underage.

Purpose: Revenues are used to pay for the state’s cost for issuing permits, evaluating reclamation plans, and monitoring reclamation activities for mine properties.

Legal Citation: M.S. 93.481, subd 7; M.S. 93.482

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Mining Administration Account (2115)

Appropriation: LAM Mining Admin Permit Issue (R291020)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,150	1,033	329	295	295	247	247
Resources:							
Departmental Earnings	799	429	609	609	609	609	609
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	21	18	32	18	18	14	14
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	820	447	641	627	627	623	623
Expenditures:							
Direct Expenditures	937	1,151	675	675	675	675	675
Indirect Expenditures							
Total Expenditures	937	1,151	675	675	675	675	675
Current Difference	(117)	(704)	(34)	(48)	(48)	(52)	(52)
Accumulated Ending Balance	1,033	329	295	247	247	195	195

Background Information:

In 2009, the governor signed legislation that created a fee structure to assess companies holding mining permits, known as *Permits to Mine*. The fee was established to pay for the state's cost for issuing permits, evaluating reclamation plans and monitoring reclamation activities for mine properties. During the 2010 legislative session, the fee structure for mineland reclamation permits was modified to fully recover the cost of issuing and managing permits. Specifically, the permit program functions include: 1) reducing the environmental impacts of mining, 2) ensuring reclamation mining during and following completion of mining, 3) ensuring public review and input to the permitting process, and 4) enforcing reclamation rules. The permitting fees are appropriated to the department for the management of the Mineland Reclamation Permitting Program. The fees are assessed to operators of taconite mines, scam mines, non-ferrous (i.e. copper, nickel) mineral operations, and horticultural peat mines (typically greater than 40 acres).

Annual Permit to Mine Fees

- Taconite Production in previous year \$60,000
- Taconite No production in previous year \$30,000
- Non-Ferrous Production in previous year \$75,000
- Non-Ferrous No production in previous year \$37,500
- Scram Production in previous year \$5,000
- Scram No production in previous year \$2,500
- Peat Production in previous year \$1,000
- Peat No production in previous year \$500

Application Fee for New Permit to mine

- Taconite New taconite mining operation \$25,000
- Non-Ferrous New non-ferrous metallic mining operation \$50,000
- Scram new scam mining operation \$10,000
- Peat New peat operation \$5,000

Application Fee for Amendment to Permit to Mine

- Taconite amending a taconite mining permit \$2,500
- Non-Ferrous amending a non-ferrous metallic mining permit \$5,000
- Scram amending a scam mining permit \$1,000
- Peat amending a peat operation permit \$500

Application Fee for Assigning a Permit to Mine (one operator to another)

Supplemental fees may be assessed if the cost to issue, amend, or assign permits exceeds the application fee.

Forecast Basis:

Mineland Reclamation Permit Fees revenue - The forecast for permit fee revenue is based on companies that currently hold permits, have applied for permits, and projections of companies that are expected to apply for permits, request permit assignments, or amendments. For the purpose of this forecast, facilities which are currently in bankruptcy were not considered to pay fees in FY24-25.

The current trend for ferrous mining in Minnesota is one where the taconite facilities operate at or near full production levels. A number of new scam mining proposals are being worked on, which may become operational in FY24-25. Peat operations are small compared to metallic mineral operations, but they are currently steady seasonal operations within our state. The DNR is starting to experience an increased workload around non-ferrous mining projects, which is expected to increase further with a federal focus on developing domestic sources for strategic minerals.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Although the fee system for the Permit to Mine has historically worked well to cover the traditional permit issuance, amendment, assignment, and annual review/inspection workload, fees are now insufficient to cover compensation growth and are ineffective given increases in work activities not included in the current fee system. Activities not included in the current fee system include litigation, public document requests, research work, work on special permit conditions, wetland work outside of a permit request, assistance with environmental review, website management, and management of rule review.

Based on workplans and annual reports from new and existing mining projects, as well as the complicated nature of environmental review, the demand for applied research, and already pending litigation, the DNR's regulatory work will continue increasing. For example, the active list of permits and amendments under DNR review increased 45% from 2022 to 2023 and work time in environmental review and litigation has grown from 0.46% in FY18 to as high as 14.01% in FY23.

Purpose: Revenues from the sale of timber on several classifications of state land and forest management services provided to private land owners.

Legal Citation: M.S. 16A.125, subd 5; M.S. 88.79, subd 2; M.S. 89.035; M.S. 89.17; M.S. 90.101; M.S. 90.151, subd 15; M.S. 90.181, subd 2; M.S. 90.191; M.S. 90.193; M.S. 90.195

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Forest Management Investment (2113); Game and Fish (Operations) (2200); Permanent School (3800)

Appropriation: FOR St Forest Susp School (R290242); FOR St Forest Susp Univ (R290254); FOR Consul Conservation Areas (R290281); FOR Volstead Lands (R290291); FOR Fed Good Neighbor Agmt (R293202); For Svs To Priv Landowners (R293209); FOR Pillsbury St Forest Rcpts (R293223); FOR Non Dedicated Receipts GEN (R293A01); FOR Non Dedicated Rcpts FMIA (R293A03); PAT Working Capital (R294206); FAW WL Beltrami Island Cons (R296215); FAW Non Dedicated Rcpts G&F (R296A02)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	6,759	2,696	692	(5,569)	(5,569)	(9,965)	(9,965)
Resources:							
Departmental Earnings	20,844	19,794	20,517	20,517	20,517	20,517	20,517
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	14,389	12,591	12,980	12,829	12,829	12,959	12,959
Revenue Collected for Another Agency							
Total Resources	6,455	7,203	7,537	7,688	7,688	7,558	7,558
Expenditures:							
Direct Expenditures	10,447	9,140	13,713	11,977	11,977	11,987	11,987
Indirect Expenditures	71	67	85	107	107	85	85
Total Expenditures	10,518	9,207	13,798	12,084	12,084	12,072	12,072
Current Difference	(4,063)	(2,004)	(6,261)	(4,396)	(4,396)	(4,514)	(4,514)
Accumulated Ending Balance	2,696	692	(5,569)	(9,965)	(9,965)	(14,479)	(14,479)

Background Information:

A large portion of the revenue received in this category is from timber sales on DNR-administered forest lands. Proceeds from the harvest of state timber are deposited in accounts according to the type of land ownership. Account and land type names are the same unless noted otherwise.

- Forest Management Investment Account for forestry acquired lands
- Special Revenue Fund for Consolidated Conservation lands (seven counties)
- Beltrami Island State Forest
- Volstead Lands
- Parks and Trails Working Capital
- Pillsbury State Forest
- Permanent University account
- Permanent School Fund
- Federal Good Neighbor Authority (Chippewa and Superior National Forests) under a Federal agreement

Forest management expenditures to manage forested lands are spent from an annual appropriation from the Forest Management Investment Account. The account receives timber sales revenue and reimbursements from the various land ownerships for forest management work conducted by the Forestry Division on their behalf. Activities can include timber appraisal, permit administration, reforestation, forest road maintenance, tree planting, stand improvement, and other forest management related projects to create and maintain healthy sustainable forests, provide wildlife habitat, mitigate changing climate, sequester and store carbon, maintain water quality, and support the state's economy.

Timber revenue is variable and dependent on tree species, permit volume, distance from a market, harvest location accessibility, and other economic factors. Less than one tenth of one percent of the timber sales revenue collected is from penalties.

Forest management assistance provided by the Forestry Division to private landowners with less than one thousand forested acres is another piece of this earnings category. These services include technical advice, writing and approving forest stewardship plans, timber cruising, scaling and marketing assistance and the rental of tree planter equipment.

The writing of forest stewardship plans is a base fee of \$300 plus \$10 per acre. Tree planter rental is \$40 per day. The fee for private land timber sales is 13% of the timber sale proceeds. The timber scaling fee is \$0.50 per cord or \$2.00 per thousand board feet (MBF).

Forecast Basis:

State Land Timber Sales - The state timber revenue forecast is the culmination of four separate forecasts: (i) sales volume, (ii) per unit sales price, (iii) removals (harvest) volume, and (iv) per unit removals price. Sales and removals volume and per unit removals price forecasts rely entirely on internal timber sales data. External product market data is used in combination with historical stumpage price data to forecast unit sales prices. Each forecast variable is adjusted for known factors impacting the system. Examples can include large scale blowdown areas, changes in mill capacity, or other situations impacting price or market demand. The resulting parameter estimates are used to forecast gross timber revenue which is allocated by fund (land status).

Private Forest Services - Revenue items in this earnings category are primarily based on a three-year history of receipts.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Timber prices are driven by market prices at the time of sale. They are not intended to fully compensate the DNR for timber management costs. The Forest Management Investment Account is the primary account the receives timber revenues and funds the related costs. This account has a balance of \$10.2 million in FY24 and is forecasted to remain solvent through FY27.

Purpose: To regulate use of ground and surface water.

Legal Citation: M.S. 103G.271, subd 6; M.S. 103G.299; M.S. 103G.301, subd 2, 3; M.S. 103G.515, subd 4; M.S. 103I.681, subd 11; M.R. 6115.0130

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Other Misc Special Revenue (2001); Natural Resource Misc Statutory (2117); Water Management Account (2120)

Appropriation: LAM-Mineral Water Permitting (R291218); EWR Fees Account (R292201); EWR Underground Gas Storage (R292202); EWR Fen Mitigation (R292395); EWR Fen Monitoring Leon 33 (R292396); EWR NonDedicated Rec ITC WM (R292A38)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,448	4,427	5,757	6,691	6,691	7,841	7,998
Resources:							
Departmental Earnings	6,036	7,624	7,583	7,583	7,740	7,583	10,518
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	19	79	61	48	48	37	37
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6,055	7,703	7,644	7,631	7,788	7,620	10,555
Expenditures:							
Direct Expenditures	4,050	6,350	6,687	6,452	6,452	6,452	6,452
Indirect Expenditures	26	23	23	29	29	23	23
Total Expenditures	4,076	6,373	6,710	6,481	6,481	6,475	6,475
Current Difference	1,979	1,330	934	1,150	1,307	1,145	4,080
Accumulated Ending Balance	4,427	5,757	6,691	7,841	7,998	8,986	12,078

Background Information:

The largest revenue item, Water Appropriation permits, are required for uses of more than 10,000 gallons per day or one million gallons per year. About 1.1 trillion gallons of water is appropriated each year in Minnesota. Of this amount, about 290 billion gallons is groundwater and more than 760 billion gallons is surface water. Agricultural irrigation is mostly from groundwater, and about 67% of the water used by municipalities is groundwater. In FY24, there were approximately 10,850 active water appropriation permits of which 6,700 were for agricultural irrigation. Energy and mining industries use predominantly surface water.

Water Appropriation permits applicants/permit holders pay an application fee or amendment/transfer fee for each permit request. Permit applications for projects in excess of 100 million gallons are charged the full cost to evaluate the permit application in addition to the basic \$150 application fee. For each active permit during a calendar year, the permit holder is required by statute to submit a water use report and pay a water use fee based on the amount of water used. The maximum water use fees for large water volume users are: \$250,000 for a city of the first class; \$60,000 for holders of 1 to 3 permits; \$90,000 for holders of 4 or 5 permits, and \$300,000 for those large water volume users who hold more than 5 permits. These permit fees currently generate about \$6.7 million per year.

A Public Waters permit is required for work that would change or otherwise alter the course, current or cross-section of public water. These permit fees currently generate about \$720,000 per year.

A Dam Safety permit enables the division to better regulate the safety of dam structures. Inspections are required whenever a dam is over 6 feet in height or creates a reservoir with over 15 acre-feet of stored water capacity. Inspections are required on the construction of new dams, as well as on existing structures. These permit fees currently generate about \$140,000 per year.

These departmental earnings generated by the division are non-dedicated receipts deposited to the Natural Resources Fund.

Direct expenditures are those that relate to the regulation of water use and dam inspections, as tracked by the division, and are only a portion of total division expenditures.

Forecast Basis:

Projected receipts are based on historical activity at the permit and fee rates in current law.

Recent Changes:

The 2023 legislature increased Public Water permit fees as follows: 1) the general permit application fee increased from \$100 to \$400, 2) the minimum individual permit application fee increased from \$300 to \$1,200, and 3) the maximum cap on the individual permit application fee increased from \$3,000 to \$12,000. The legislature also increased the summer surcharge fee on water use from \$30 per million gallons to \$50 per million gallons on water use volume in May, June, July, August and September that exceeds the volume of water used in January for municipal water use, golf course irrigation, and landscape irrigation.

Agency Analysis/Comments:

Public Water permit fees do not collect enough money to support the associated work. Water use fees subsidize work on Public Water permits. The annual appropriation from the Water Management Account to the DNR is about \$6 million. The DNR spends about half on water appropriation permitting and about half on public water work permitting. Public Water permits provide approximately \$720,000 of the revenue to the Water Management Account.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see the “Protecting and Managing Groundwater” proposal in the Department of Natural Resources' 2026-27 Governor’s Budget Recommendations.

Purpose: To fund water recreation programs including but not limited to: boat and water safety programs (administration, enforcement and education), acquisition development and maintenance of public water access, and watercraft registration and titling.

Legal Citation: M.S. 84.091; M.S. 84D.11; M.S. 86A.21; M.S. 86B.415; M.S. 86B.705, subd 2; M.S. 86B.706; M.S. 86B.870; M.S. 103G.615; M.S. 609.101, subd 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Water Recreation (2100)

Appropriation: PAT Water Recreation Marina (R294219); PAT Non Dedicated Receipts WRA (R294A01); FAW Non Dedicated Rcpts WRA (R296A51); ENF Non Dedicated Rcpts WRA (R297A01)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,773	(360)	1,655	(1,859)	(1,859)	(854)	(854)
Resources:							
Departmental Earnings	7,617	15,025	16,636	16,636	16,636	16,636	16,636
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency	10,478	10,555	11,041	11,834	11,834	11,932	11,932
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	375	375	375	375	375	375	375
Revenue Collected for Another Agency	300	58					
Total Resources	17,420	25,147	27,302	28,095	28,095	28,193	28,193
Expenditures:							
Direct Expenditures	19,430	23,023	30,644	26,873	26,873	26,873	26,873
Indirect Expenditures	123	109	172	217	217	172	172
Total Expenditures	19,553	23,132	30,816	27,090	27,090	27,045	27,045
Current Difference	(2,133)	2,015	(3,514)	1,005	1,005	1,148	1,148
Accumulated Ending Balance	(360)	1,655	(1,859)	(854)	(854)	294	294

Background Information:

Boating, canoeing, kayaking, and fishing are just a few of the ways the public enjoys Minnesota's lakes and rivers. The Minnesota Department of Natural Resources has certain responsibilities specified in law to provide for, maintain, regulate, and upgrade water recreation resources. The funding for many of these activities is provided through the Water Recreation Account.

The Division of Parks and Trails provides a system of public water access facilities to lakes and rivers. Minnesota is third in the nation for the number of registered boats and first in the nation for the number of registered boats per capita. Minnesota also has the first and largest state water trails system in the nation. The funding directly supports: 1,700 public water access sites, 4,500 miles of State Water Trails on 34 rivers plus Lake Superior, and 10 small craft harbors/protected accesses on Lake Superior.

Distributed around the state, the funds pay for all costs associated with facility maintenance and program operation including personnel, equipment, supplies, and services. The water recreation funds are matched with federal boat access dollars which help the DNR expand and improve existing boat access facilities. The focus of improvements is to incorporate best management practices for accessibility, storm water, healthy shorelines, and the prevention of the spread of aquatic invasive species. The goal is to meet user expectations for well-designed sites for all boat types to provide safe facilities for all ages and abilities.

The Division of Enforcement provides grants to 73 county sheriff departments and together they patrol waterways to enforce boating laws, educate the public and respond to watercraft accidents and drownings. The goal is to reduce boating accidents and injuries and increase safety and enjoyment for boaters and paddlers. The county sheriffs are mandated to enforce boating safety statutes and rules, place and maintain waterway markers, investigate boating accidents and drownings, issue event and temporary structure permits, inspect rental craft and perform search, rescue and recovery operations.

The Division of Ecological and Water Resources manages water resources. They conduct monitoring, provide technical assistance and oversight, provide leadership in the development of plans and rules, evaluate projects that effect lakes, rivers, and wetlands, all to ensure Minnesota's water resources are healthy.

The Division of Fish and Wildlife reviews permits for winter aeration equipment and manages permits for aquatic plant management to ensure Minnesota's fisheries remain healthy.

In 2023 there were 812,000 registered boats, Boat license fees increased starting January 1, 2024.

These are the current fees which are deposited into the Water Recreation account:

Water titling fees last changed in 1991: watercraft titling \$15, title transfer \$10; title correction \$10; security interest \$10; duplicate \$4; assignment of Interest \$1; also deposited are watercraft fines, restitution, and harbor and marina fees.

The watercraft registration fees last changed in 2024: dealer's license \$142.00; watercraft nonprofit \$8.00; non-motorized greater than 10 feet to less than 19 feet \$23.00; personal watercraft/jet skis \$85.00; pleasure craft less than 17 feet \$36.00; 17-19 feet \$59.00; 19-26 feet \$113.00; 26-40 feet \$164.00; greater than 40 feet \$209.00; rental or lease less than 19 feet \$14.00; watercraft for commercial use \$164.00 and transfer/duplicate/renewal \$4.50.

Fees for watercraft registration, license issuance, and watercraft titling make up approximately 50% of the revenue for this account. Unrefunded gasoline taxes on watercraft (transfers into the account) made up approximately 50% of the revenue.

Forecast Basis:

Revenue projections are typically based on a review of actual receipts over a five-year period; however, with the recent watercraft fee increase the revenues are currently reflect estimates assumed at the time the fee changed.

Watercraft titling is a one-time fee, paid at the time of watercraft purchase. Watercraft registrations and the

invasive species surcharge cover a three-year period.

The Department of Transportation prepares the projection of the unrefunded gas tax, which is shown on the table as Other Resources transferred in.

Recent Changes:

Watercraft registration fees were increased on January 1, 2024.

Agency Analysis/Comments:

Current fees are not over- or under-collecting relative to expenditures.

Purpose: To recover the costs of regulating the nursing profession.

Legal Citation: M.S. 148.171 - M.S. 148.285, M.S. 214, M.S. 319B and M.R. 6301-6321

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Nursing Non Dedicated Receipts (H7C1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	17,374	19,177	19,853	18,555	18,555	18,222	18,222
Resources:							
Departmental Earnings	9,461	8,070	8,006	8,191	8,191	8,191	8,191
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	9,461	8,070	8,006	8,191	8,191	8,191	8,191
Expenditures:							
Direct Expenditures	5,335	5,259	7,055	6,275	6,275	6,275	6,275
Indirect Expenditures	2,323	2,135	2,249	2,249	2,249	2,249	2,249
Total Expenditures	7,658	7,394	9,304	8,524	8,524	8,524	8,524
Current Difference	1,803	676	(1,298)	(333)	(333)	(333)	(333)
Accumulated Ending Balance	19,177	19,853	18,555	18,222	18,222	17,889	17,889

Background Information:

Applicants for licensure, licensees, and nursing corporations pay fees that are set in rule or statute which support the following services:

- Issue initial licensure and renew licenses for practical, professional and advanced practice nurses register public health nurses, nursing corporations and nurses from bordering states who are eligible for recognition of their license from that state as authority to practice in Minnesota.
- Verify license, disciplinary, and workforce data to consumers, employers, and boards of nursing and other agencies.
- Approve and regularly survey licensure-preparing nursing education programs.
- Respond to public and agency inquiries, complaints and reports regarding licensure and conduct of applicants and licensees.
- Conduct investigations, resolve jurisdictional complaints and take disciplinary or corrective action against an applicant or licensee for jurisdictional violation of laws.
- Submit disciplinary data to national and federal data bases as required by law.

Forecast Basis:

Fees are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on actual revenue collected in the previous year, the number of applicants seeking initial licensure and any fee changes set in current law. There are no significant changes anticipated to the amount of revenue generated.

Recent Changes:

There are no recent changes in licensure fees.

Agency Analysis/Comments:

Revenues are projected to slightly exceed expenditures, resulting in a positive accumulated balance. The board will continue to monitor to determine whether a change is needed to bring revenues and expenditures into balance.

Purpose: To recover the costs of regulating occupational therapy professions.

Legal Citation: M.S. 148.6401-148.6450, M.S. 144.9508, M.S. 214

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: OT Non Dedicated Receipts (H7Y1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		62	62	(145)	(145)	(285)	(285)
Resources:							
Departmental Earnings	628	484	544	487	487	544	544
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	628	484	544	487	487	544	544
Expenditures:							
Direct Expenditures	504	419	684	560	560	560	560
Indirect Expenditures	62	65	67	67	67	67	67
Total Expenditures	566	484	751	627	627	627	627
Current Difference	62		(207)	(140)	(140)	(83)	(83)
Accumulated Ending Balance	62	62	(145)	(285)	(285)	(368)	(368)

Background Information:

The Board is funded by fees it collects and receives no general fund dollars. The Board of Occupational Therapy Practice promotes and protects the health and safety of the citizens of Minnesota, accomplishes its public protection mission, and contributes to statewide outcomes by:

- Issuing licenses to practice to only fully qualified individuals.
- Administering the license renewal process, ensuring statutory requirements are met.
- Educating stakeholders, licensees, potential licensees, educational programs, and the public.
- Responding to inquiries, complaints, and reports regarding applicants and licensees.
- Investigating and resolving complaints.
- Maintaining a comprehensive website that provides information for licensees, applicants, the public, and any other interested parties.
- Ensuring inquiries are managed in a courteous, timely, and efficient manner.

Fees are paid by occupational therapist and occupational therapy assistant licensing and regulation. All fees are established and outlined in statute and revenue is set to recover the Boards direct and indirect expenditures. Current Fees (as of July 1, 2019):

Type of fee	Fee
Initial License- OT	\$185.00
Initial License-OTA	\$105.00
Biennial Renewal- OT	\$185.00
Biennial Renewal-OTA	\$105.00
Criminal Background Check	\$33.25
Duplicate License	\$30.00
Temporary License	\$75.00
Late renewal fee, per statute	\$50.00
Verification to institutions	\$10.00
Verification to Another State	\$25.00
Course Approval after lapse of Licensure	\$100.00
Limited License	\$100.00
Penalty Fees for unlicensed practice or Continuing Education (non-disciplinary) Violations*	varies
Civil Penalties (disciplinary action based)	varies

Forecast Basis:

Fees charged to applicants and licensees are set to recover the board’s direct and indirect expenditures. Revenues are forecasted based upon a number of factors, including potential educational changes, actual revenue collected in the previous year, and the number of applicants seeking initial licensure. The next biennium represents to return to stable revenue following the transition to birth month renewal that occurred over the last several years. The Occupational Therapy Interstate Licensure Compact bill passed the 2024 legislature and is expected to be operational in the FY2026-2027 biennium. Expenditures related to database development and integration with the Compact Commission will be incurred. A very small portion of those expenditures will be

recovered through a state compact privilege fee. Impact of the Interstate Licensure Compact on revenue and expenditures is unable to be determined at this time. It is expected that Board revenues will still be enough to meet expected board expenditures.

Recent Changes:

There is no recent fee change. The most recent fee change went into effect July 1, 2019 and is reflected in the fee table.

Agency Analysis/Comments:

The agency is currently recovering costs incurred by agency operations.

Purpose: To recover the costs of regulating the optometry profession.

Legal Citation: M.S. 148.52, 145.711, 214, 319B, and M.R. 6500

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Opt Non Dedicated Receipts (H7J1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	224	199	161	116	116	90	90
Resources:							
Departmental Earnings	248	250	290	290	290	290	290
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	248	250	290	290	290	290	290
Expenditures:							
Direct Expenditures	235	251	299	280	280	280	280
Indirect Expenditures	38	37	36	36	36	36	36
Total Expenditures	273	288	335	316	316	316	316
Current Difference	(25)	(38)	(45)	(26)	(26)	(26)	(26)
Accumulated Ending Balance	199	161	116	90	90	64	64

Background Information:

The board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of optometry to reasonably ensure a standard of competent and ethical practice.

The Board of Optometry regulates the profession by:

- Setting educational standards for initial licensure.
- Reviewing applicant's education and training to determine compliance with the board's licensure requirements.
- Reasonably ensuring that only applicants who meet licensure requirements are granted a license.
- Issuing initial licensure for qualified professionals.
- Setting continuing education requirements for maintenance of licensure.
- Renewing licenses of qualified professionals.
- Setting standards of practice and professional conduct for licensees.
- Taking disciplinary or corrective action against an applicant or licensee for misconduct.
- Responding to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Providing information about licensure requirements and standards of practice to citizens and other interested persons or agencies.

Forecast Basis:

Fees charged to applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on several factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law.

Recent Changes:

Overall, board fees have been increased nominally in the past few decades. Nationally, the Minnesota Board of Optometry fees remain in the lowest quartile when compared with other state boards from information gathered by the Association of Regulatory Boards annual report. However, with costs that are not under the control by the board (rent, IT expenses, AG charges) and inflation in the past few years, it is likely that a request for increased fee caps will be necessary to maintain basic services in the future.

Agency Analysis/Comments:

Historically, the Board has been conservative in their spending and the establishment of fees is reflective of having small fee increases. Operational spending controls and limits have been established. Board staff is comprised of 1.5 FTE with two, part time employees. Board members have demonstrated prudent stewardship of their revenue and expense management.

Purpose: To cover the administrative costs of testing and licensing peace officers, and part-time officers.

Legal Citation: M.S. 626.843-45; M.S. 326.3386; M.R. 6700.0600

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (P7T9900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(126)	(255)	(461)	(461)	(667)	(667)
Resources:							
Departmental Earnings	444	496	475	475	475	475	475
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	444	496	475	475	475	475	475
Expenditures:							
Direct Expenditures	568	620	676	676	676	676	676
Indirect Expenditures	2	5	5	5	5	5	5
Total Expenditures	570	625	681	681	681	681	681
Current Difference	(126)	(129)	(206)	(206)	(206)	(206)	(206)
Accumulated Ending Balance	(126)	(255)	(461)	(667)	(667)	(873)	(873)

Background Information:

The fee is for to cover the administrative costs of testing and licensing peace officers and part-time officers. The fees are \$90 for a Peace Officer License and \$105 for a Peace Officer Examination. There is also a \$90 renewal fee for renewal of existing licenses, of which there are about 3,600 annually.

Forecast Basis:

It is assumed past actual revenues will prevail for fiscal years 26-27.

Recent Changes:

The fee was last changed in 1998 to recover costs.

Agency Analysis/Comments:

These figures have been relatively stable over multiple bienniums. The board will monitor revenues and expenditures to determine if a change is needed in the future to bring revenues in balance with expenditures.

Purpose: Miscellaneous fees collected.

Legal Citation: M.S. 129C.10, Subd. 3

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Space Rental (E25RENO)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		3	3	3	3	3	4
Resources:							
Departmental Earnings	3		1	1	1	1	1
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3		1	1	1	1	1
Expenditures:							
Direct Expenditures			1	1		1	
Indirect Expenditures							
Total Expenditures			1	1		1	
Current Difference	3				1		1
Accumulated Ending Balance	3	3	3	3	4	3	5

Background Information:

Perpich collects fees from the leasing of space on the Perpich Campus. The fee amounts vary depending on space usage, custodial and other staffing needs. The Department of Administration helps administer the leases. A matrix was created in 2014 to assist in determining lease amounts. This matrix is updated annually with the previous year's custodial and security staff payroll, supplies, etc. This matrix helps to determine the correct amount to charge to ensure we are covering our costs.

Forecast Basis:

Perpich Center for Arts Education does not do an extensive amount of facility rental in any given year so is projecting a flat level of facility rental income for the FY26-27 biennium.

Recent Changes:

N/A

Purpose: To recover the costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, and electronically transmitting the copies of the data or the data.

Legal Citation: M.S. 13.03

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Data Requests (H7D5300)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:			3				
Resources:							
Departmental Earnings		3					
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources		3					
Expenditures:							
Direct Expenditures			3				
Indirect Expenditures							
Total Expenditures			3				
Current Difference		3	(3)				
Accumulated Ending Balance		3					

Background Information:

The Board of Pharmacy maintains various types of data as defined in Minnesota's government data practices act. As such, the Board is subject, from time to time, to public data requests. In some cases, the requests are extensive. As permitted under statute, the Board seeks to recover the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, and electronically transmitting the copies of the data or the data.

Forecast Basis:

Public data requests are inconsistent which makes forecasting difficult. Based on revenue collected in FY24, one could surmise the agency will collect anywhere from zero to \$6,000 in a given fiscal year.

Recent Changes:

None

Agency Analysis/Comments:

None

Purpose: The insulin safety net program account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to: (1) the MNsure board in an amount sufficient to carry out assigned duties under section 151.74, subdivision 7; and (2) the Board of Pharmacy in an amount sufficient to cover costs incurred by the board in assessing and collecting the registration fee under this section and in administering the insulin safety net program under section 151.74.

Legal Citation: Minnesota Statute section 151.741

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Insulin Safety Net Prog CTRL (H7DCTRL)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:				66	66	128	366
Resources:							
Departmental Earnings			300	300	300	300	300
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources			300	300	300	300	300
Expenditures:							
Direct Expenditures			234	238		241	
Indirect Expenditures							
Total Expenditures			234	238		241	
Current Difference			66	62	300	59	300
Accumulated Ending Balance			66	128	366	187	666

Background Information:

In the 2024, Regular Session, the Legislature enacted Minnesota Statute section 151.741, “Insulin Manufacturer Registration Fee.” In accordance with section 151.741, subd. 2, the Board of Pharmacy “shall assess each manufacturer an annual registration fee of \$100,000, except as provided in paragraph (b). The board shall notify each manufacturer of this requirement beginning November 1, 2024, and each November 1 thereafter.” Manufacturers are required to pay the registration fee by March 1, 2025, and annually by March 1, thereafter. Of note, pursuant to 151.741, subd. 2(b), a manufacturer may request an exemption from the annual registration fee if their “gross revenue from sales of prescription insulin produced by that manufacturer and sold or delivered within or into Minnesota was less than five percent of the total gross revenue from sales of prescription insulin produced by all manufacturers and sold or delivered within or into Minnesota in the previous calendar year.”

Forecast Basis:

Revenue estimates are based on the major manufacturers that produce insulin.

Expenditures estimates for MNSure and Pharmacy:

	FY25	FY26	FY27
MNSure	150	150	150
Pharmacy	84	88	91
Total	234	238	241

Recent Changes:

<https://www.revisor.mn.gov/laws/2024/0/Session+Law/Chapter/127/>

Agency Analysis/Comments:

In accordance with the statute, the Board sent notice of the Insulin Manufacturer Registration fee on November 1, 2024. Given the new nature of the legislation, the agency is unable to provide further analysis at this time.

Purpose: The purpose of the fund is to provide money that can be used to combat opioid abuse. Minn. Stats. §256.043 specifies the appropriations that are made from the opiate epidemic response fund to: the Departments of Human Services and Public Safety (BCA) – with a small amount appropriate to the Board of Pharmacy to administer the Opiate Product Registration Fee Program. DHS distributes money to county and tribal social service agencies and through grants as specified by the Opiate Epidemic Response Advisory Council.

Legal Citation: MS 151.065, MS 151.066

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Opiate Epidemic Response (2005)

Appropriation: Opiate Revenue Registrati Fees (H7D6100)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	42,601	56,610	70,481	83,322	83,322	96,242	96,242
Resources:							
Departmental Earnings	14,165	14,022	13,046	13,046	13,046	13,046	13,046
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	14,165	14,022	13,046	13,046	13,046	13,046	13,046
Expenditures:							
Direct Expenditures	156	151	205	126	126	126	126
Indirect Expenditures							
Total Expenditures	156	151	205	126	126	126	126
Current Difference	14,009	13,871	12,841	12,920	12,920	12,920	12,920
Accumulated Ending Balance	56,610	70,481	83,322	96,242	96,242	109,162	109,162

Background Information:

The purpose of the fund is to provide money that can be used to combat opioid abuse. Minn. Stats. §256.043 specifies the appropriations that are made from the opiate epidemic response fund (OERF) to: the Departments of Human Services and Public Safety (BCA) – with a small amount appropriated to the Board of Pharmacy to administer the Opiate Product Registration Fee Program. DHS distributes money to county and tribal social service agencies and through grants as specified by the Opiate Epidemic Response Advisory Council. The money from the various fees all goes into the OERF – individual fees are not targeted to specific programs. The fees are as follows:

Application fees:

- drug wholesaler, legend drugs only, \$5,500;
- drug wholesaler, legend and nonlegend drugs, \$5,500;
- drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, nonopiate legend drugs only, \$5,500;
- drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- drug manufacturer, nonlegend or veterinary legend drugs, \$5,500;
- drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;

Annual renewal fees:

- drug wholesaler, legend drugs only, \$5,500;
- drug wholesaler, legend and nonlegend drugs, \$5,500;
- drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, nonopiate legend drugs only, \$5,500;
- drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,500;
- drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;

In addition, if a licensee does not renew its license on time, it is assessed a late fee equal to 50% of the normal fee.

Furthermore, if a manufacturer has more than 2,000,000 opiate units distributed into the State of Minnesota in a calendar year, they are subject to a \$250,000 opiate product registration fee. This fee is also deposited into the opiate epidemic response fund.

Forecast Basis:

The Board has now assessed the increased licensure fees and/or opiate product registration fees for five years.

Revenues are forecast based on a number of factors, including actual revenue collected in previous years, the historical trend in the number of applicants seeking initial licensure, the historical trend in the number of licensees and registrants that renew their license or registration and the fees established in MN Stats. §151.065. Regarding the opiate product registration fee, there has been some variation in the volume of manufacturers that have met the 2,000,000 opiate unit threshold, and thus have needed to pay the \$250,000 registration fee. In reviewing data from 2023, 10 manufacturers were required to pay the \$250,000 invoice based on opiate units in Minnesota. There are three manufacturers just above or slightly below the 2,000,000 unit threshold. Given market fluctuation, when forecasting, this can result in a \$750,000 variation, depending on if the threshold is met or not by each company.

Recent Changes:

During the 2024 Session, the Legislature amended M.S. 151.066 such that a manufacturer or wholesale drug distributor without opiates distributed, delivered, sold, or dispensed into or within the state is required to provide notice to the Board of no reportable distributions. Furthermore, to the extent that a wholesale drug distributor or manufacturer relies on services from a third-party logistics provider (3PL), the 3PL is required to report opiates delivered, unless the wholesaler or manufacturer is already reporting. This revision seeks to close a gap identified with virtual manufacturers or distributors.

Agency Analysis/Comments:

In fiscal year 2024, the Board collected \$14,022,501 for the opiate epidemic response fund. The year prior, the Board collected over \$14,200,000. Knowing that a few manufacturers can result in more significant revenue fluctuations (due to the \$250,000 opiate product registration fee) as well as shifts in the market, the Board errs on modest revenue projections.

The Board receives an appropriation of \$126,000 for its costs associated with administering the Opiate Product Registration Fee Program.

Purpose: To recover the costs of regulating pharmacists, pharmacies, drug wholesalers, drug manufacturers, third party logistics providers, and medical gas dispensers; and the Board’s share of the costs of operating the Prescription Monitoring Program.

Legal Citation: MN Stats §§151.065, 214.055 & 214.06.

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Pharm Non Dedicated Receipts (H7D1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	694	61	1,114	1,191	1,191	1,734	829
Resources:							
Departmental Earnings	3,731	5,346	5,027	5,027	5,027	5,027	5,027
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,731	5,346	5,027	5,027	5,027	5,027	5,027
Expenditures:							
Direct Expenditures	3,683	3,784	4,423	3,957	4,862	3,957	4,862
Indirect Expenditures	681	509	527	527	527	527	527
Total Expenditures	4,364	4,293	4,950	4,484	5,389	4,484	5,389
Current Difference	(633)	1,053	77	543	(362)	543	(362)
Accumulated Ending Balance	61	1,114	1,191	1,734	829	2,277	467

Background Information:

The core functions of the Board of Pharmacy are:

- Setting educational and examination standards for initial and continuing licensure of pharmacists;
- Setting standards for the registration of pharmacy interns and technicians;
- Conducting inspections of all pharmacies, drug wholesalers, drug manufacturers and controlled substance researchers with physical facilities located within the state;
- Responding to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants, registrants, and licensees;
- Setting standards of practice and conduct for licensees and pursuing educational or disciplinary action with licensees, to ensure that standards are met;
- Providing information and education about licensure requirements, standards of practice and Minnesota drug law to the public and to other interested audiences;
- Providing expertise on issues relating to pharmacy practice and pharmaceuticals to the Legislature, the Governor's Office and other federal, state and local agencies; and
- Administering the State's Prescription Monitoring Program (PMP).
- Administering the State's Opiate Product Registration Fee Program.
- Administering the State's Minnesota Insulin Safety Net Program.
- Oversight of the State's Medication Repository Program.

The Board of Pharmacy's operations are entirely fee supported and no General Fund dollars are received to provide services. The Board is granted authority to use these fees by the Minnesota Legislature to pay for all expenses incurred by the Board. The Board's current fee structure, as defined in Minnesota Statutes section 151.065, is shown below:

Application fees:

- pharmacist licensed by examination, \$225;
- pharmacist licensed by reciprocity, \$300;
- pharmacy intern, \$75;
- pharmacy technician, \$60;
- pharmacy, \$450;
- drug wholesaler, legend drugs only, \$5,500;
- drug wholesaler, legend and nonlegend drugs, \$5,500;
- drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- third-party logistics provider, \$300;
- drug manufacturer, nonopiate legend drugs only, \$5,500;
- drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- drug manufacturer, nonlegend or veterinary legend drugs, \$5,500;
- drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;
- medical gas dispenser, \$400;
- controlled substance researcher, \$150; and
- pharmacy professional corporation, \$150.

Original license fee:

- The pharmacist original licensure fee, \$225.

Annual renewal fees:

- pharmacist, \$225;
- pharmacy technician, \$60;
- pharmacy, \$450;
- drug wholesaler, legend drugs only, \$5,500;
- drug wholesaler, legend and nonlegend drugs, \$5,500;
- drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- third-party logistics provider, \$300;
- drug manufacturer, nonopiate legend drugs only, \$5,500;
- drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,500;
- drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;
- medical gas dispenser, \$400;
- controlled substance researcher, \$150; and
- pharmacy professional corporation, \$150.

Miscellaneous fees:

- intern affidavit, \$30;
- duplicate small license, \$30; and
- duplicate large certificate, \$30.

The Board is also able to collect late fees or reinstatement fees, depending on the scenario, as defined in statutes.

Importantly, \$5,000 and \$55,000 of the aforementioned wholesaler and manufacturer fees are not utilized by the Board for its operations. Rather, this funding is deposited into the into opioid epidemic response fund to aid the State with combatting opioid abuse.

Forecast Basis:

Fees charged to applicants, prospective applicants, licensees, and registrants are set to recover most of the board's direct and indirect expenditures. Revenues are forecast based on a number of factors, including actual revenue collected in previous years, the historical trend in the number of applicants seeking initial licensure, the historical trend in the number of licensees and registrants that renew their license or registration and the fees established in MN Stats. §151.065. The Prescription Monitoring Program (PMP) is funded by an appropriation to the Board of Pharmacy, the cost of which is shared by the Pharmacy Board and by the boards that license prescribers. The Board has also received federal grant money to pay for some PMP expenses.

The Board has a small appropriation from the Health Care Access Fund for the administration of the Minnesota

Insulin Safety Program. The Board also has a small appropriation from the Opioid Epidemic Response Fund for administering the State's Opiate Product Registration Fee Program.

Recent Changes:

The last fee increases were authorized by the Legislature in 2023 and went into effect in fiscal year 2024. The Board does not anticipate requesting a fee increase in the upcoming biennium but is respectfully requesting an increase in its spending authority.

Agency Analysis/Comments:

The Board is requesting an increase in its spending authority or appropriation for the purpose of maintaining its operation. To serve the Board's more than 26,000 licensees or registrants through licensing, regulation, variance requests, complaints, and inspections, the Board relies on 20 staff. Historically, the Board has operated with a lean appropriation. In FY25, the fixed expenses of rent, staff, rate-based MNIT, and maintenance of the Board's licensing system comprised 84% of the Board's operational appropriation. Unfortunately, as it stands, the Board's appropriation is set to decrease in FY26. This results in the three main fixed expenses comprising more than 90% of the operational budget in FY26 and FY27. Importantly, these figures do not include other critical operational expenses, which include but are not limited to the cost of in-state travel for pharmacy surveyors to conduct inspections and complaint investigations, the purchase of license cards and large wall certificates, and the annual expense of mailing license and wall certificates. Furthermore, MNIT has quoted the Board at a 54% increase for rate-based services. The Board cannot absorb the increase in MNIT expenses without increasing its appropriation. To ensure the Board can continue operating and best serve the public, the Board is respectfully asking that the increase in appropriation be granted FY26.

Governor's Recommendation:

For information about recommended expenditure changes, see the "Operating Adjustment" proposal in the Board of Pharmacy's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the costs of regulating physical therapist professions.

Legal Citation: M.S. 148.65-148.78, 214, 319B and M.R. 5600.0100 – 5601.3200

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Phy Th Non Dedicated Receipts (H7W1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,516	1,492	1,694	1,371	1,371	1,289	1,289
Resources:							
Departmental Earnings	825	827	832	832	832	832	832
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	2						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	827	827	832	832	832	832	832
Expenditures:							
Direct Expenditures	716	502	1,030	789	789	789	789
Indirect Expenditures	135	123	125	125	125	125	125
Total Expenditures	851	625	1,155	914	914	914	914
Current Difference	(24)	202	(323)	(82)	(82)	(82)	(82)
Accumulated Ending Balance	1,492	1,694	1,371	1,289	1,289	1,207	1,207

Background Information:

Board services are entirely supported by the fees collected. Board services include credentialing, complaint review and investigation, and education services:

- Issuing initial licenses and renewing licenses for qualified professionals.
- Ensuring that only applicants who meet licensure requirements are granted a license.
- Responding to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Taking disciplinary or corrective action against an applicant or licensee for misconduct.
- Setting standards of practice and professional conduct for licensees.
- Setting educational standards for initial licensure and continuing education requirements for maintaining licensure.
- Reviewing applicant's education and training to determine compliance with the board's licensure requirements.
- Providing information about licensure requirements and standards of practice to citizens and other interested persons or agencies.

The fees are paid by physical therapist and physical therapist assistant licensees and applicants for licensure, and by sponsors of continuing education courses. All fees are established in statute.

Forecast Basis:

Fees charged to applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, and the number of applicants seeking initial licensure. There are no significant changes anticipated to the amount of revenue generated in the upcoming biennium.

Recent Changes:

Fees have not been increased since 1994.

Agency Analysis/Comments:

No fee changes are being requested.

Purpose: To recover the costs of regulating the podiatric medicine, orthotics, prosthetics, and pedorthist professions.

Legal Citation: M.S. 153.02, 153.16, 153B.85, 214, 319B and M.R. 6900

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Pod Med Non Dedicated Receipts (H7Q1000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	557	444	540	316	316	325	369
Resources:							
Departmental Earnings	129	298	139	293	337	139	183
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	129	298	139	293	337	139	183
Expenditures:							
Direct Expenditures	209	174	336	257	257	257	257
Indirect Expenditures	33	28	27	27	27	27	27
Total Expenditures	242	202	363	284	284	284	284
Current Difference	(113)	96	(224)	9	53	(145)	(101)
Accumulated Ending Balance	444	540	316	325	369	180	268

Background Information:

The board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of podiatric medicine, orthotics, prosthetics and pedorthists to ensure a standard of competent and ethical practice.

The Board of Podiatric Medicine provides the following services:

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

Forecast Basis:

Fees charged to applicants, licensees, and for license verifications approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law. Changes anticipated to the amount of revenue generated in the second year of this biennium include revenue fees from the newly licensed professions of orthotics, prosthetics and pedorthists which began on January 1, 2018.

Recent Changes:

Licensure is now required for the professions of orthotics, prosthetics and pedorthists beginning January 1, 2018 with the Board of Podiatric Medicine being the administering entity.

Agency Analysis/Comments:

None.

Governor's Recommendation:

For information about recommended fee changes, see "Raise Fees and Move from Rules to Statute" proposal in the Board of Podiatric Medicine's 2026-27 Governor's Budget Recommendations.

Purpose: Fees are used to support the air quality program, which includes monitoring, permitting, permit enforcement and other functions to improve and protect air quality in Minnesota.

Legal Citation: M.S. 116.07, Subd 4(d)

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: AQ Environ Fund Non Dedicated (R32A001)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		16,628	34,451	50,951	50,951	67,451	68,100
Resources:							
Departmental Earnings	16,628	17,823	16,500	16,500	17,149	16,500	17,798
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	16,628	17,823	16,500	16,500	17,149	16,500	17,798
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	16,628	17,823	16,500	16,500	17,149	16,500	17,798
Accumulated Ending Balance	16,628	34,451	50,951	67,451	68,100	83,951	85,898

Background Information:

The fee exists to cover the costs of operating the Air Program, including the reasonable costs of developing, reviewing, and acting on applications for agency permits, implementing and enforcing permits and other air quality functions to improve and protect air quality in Minnesota.

The annual fee pays for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of subchapter V of the federal Clean Air Act. These Air Program costs include those of reviewing and acting on an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analysis, and demonstrations; preparing inventories and tracking emissions, and providing information to the public about these activities.

The fee is determined by dividing the Air Programs related cost by the number of tons of facility air emissions, as calculated by rule.

- The fee for calendar year 2023 was \$149.66 per ton of emissions.
- The fee for calendar year 2024 was \$162.93 per ton of emissions.
- The fee for calendar year 2025 is estimated to be around \$167 per ton of emissions.

Exempt from 16A.1285 per M.S. 116.07, Subd. 4(d).

Forecast Basis:

Revenue forecasts are adjusted annually by the change in Consumer Price Index, as established by the fee calculation in rule. Generally, as billable emissions decrease, and CPI slowly increases, the dollar per ton rate increases to cover the cost of the agency's Air Program. The Air fee dollar per ton rates are expected to continue to increase as facilities decrease their emissions of air pollutants and the cost of the agency's Air Program increases with the CPI.

Recent Changes:

The air fee target changes at the beginning of each calendar year, based on the appropriation level provided by the legislature. The fee rate increased from \$149.66/ton in CY 23 to \$162.93/ton in CY 24 primarily due to the increase in the air fee target, which increased from \$15,812,137 the previous year to \$16,770,694, an increase of 6%. A decrease in billable emissions by 2,692 tons, or 3%, also contributed to the increase in the \$/ton fee rate, but to a lesser degree.

Agency Analysis/Comments:

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Air Appropriation Increase" proposal in the Minnesota Pollution Control Agency's 2026-27 Governor's Budget Recommendations.

Purpose: To provide a means for Minnesota dry cleaners to fund cleanup at sites that have been contaminated by dry cleaning operations.

Legal Citation: M.S. 115B.49, Subd. 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Remediation (2801)

Appropriation: Dry Cleaners Projects (R32G112)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	165	153	143				
Resources:							
Departmental Earnings	643	591	574	574	574	574	574
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	10	8	8	8	8	8	8
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	653	599	582	582	582	582	582
Expenditures:							
Direct Expenditures	665	609	725	582	582	582	582
Indirect Expenditures							
Total Expenditures	665	609	725	582	582	582	582
Current Difference	(12)	(10)	(143)				
Accumulated Ending Balance	153	143					

Background Information:

In 1995, the Minnesota Cleaners Association worked with the MPCA to modify MN Statute 115B Environmental Response and Liability Act to include provisions (115B.47 – 115B.51) to establish the Dry Cleaner Environmental Response and Reimbursement Account. The Account is funded by registration and solvent fees from drycleaner operators, and is used to reimburse owners and operators of dry cleaning facilities for costs associated with environmental cleanups.

The FY25 fee structure is as follows:

Registration Fees. The owner or operator of a dry cleaning facility must register with the Minnesota Department of Revenue by October 3 and pay a fee by October 18th of each year. The registration fee for each dry cleaning facility is determined by its full time equivalence (FTE) rate, as follows:

1. Less than 5 FTEs = \$6,267;
2. 5 -10 FTEs = \$19,431; and
3. >10 FTEs = \$35,781.

Solvents Fees. Suppliers of certain dry cleaning solvents must collect and remit to the Minnesota Department of Revenue, on or before the 20th of the month following the month in which the sales of the solvents are made. Solvent fees per gallon sold are as follows:

1. Tetrachloroethene (Perchloroethylene or Perc) = \$85.80
2. Hydrocarbon-based solvents = \$45.49; and
3. Other non-aqueous solvents = \$21.24.

Minn. Stat. 115B.49, subd. 4b states the fee shall be adjusted each year to maintain an annual income to the account of \$650,000. Monies in the account may be used for:

1. environmental response costs to protect the public health or welfare or the environment;
2. reimbursement of amounts spent by the commissioner from the remediation fund for environmental response costs to protect the public health or welfare or the environment;
3. reimbursement for all but \$10,000 of the environmental response costs incurred by the owner or operator of a dry cleaning facility; and
4. administrative costs of the Commissioner of the Department of Revenue.

Forecast Basis:

The basis of our forecast basis includes:

- Number of active dry cleaning facilities identified by the Department of Revenue for the previous year is the same for the year the Registration fees are calculated.
- Solvent volumes sold during the previous year are the same for the year the solvent fee is calculated. We also note that:
 - The number of active dry cleaning facilities paying registration fees is decreasing each year.
 - The volume of perc and other dry cleaning solvents sold each year is decreasing.

Recent Changes:

The last time the fees changed:

- Registration fee was last changed effective July 1, 2024.
- The solvent fee was last changed effective July 1, 2024.

Due to the decrease in both the number of dry cleaning facilities paying registration fees and the volume of dry

cleaning solvents sold each year, substantial increases in fees were necessary to generate the \$650,000 per year required by statute.

Agency Analysis/Comments:

The MPCA adjusts the fees each year in an attempt to reach \$650,000 per year to the fund as required by statute. Generating sufficient fees has become increasingly difficult, as more and more dry cleaning facilities close or consolidate and the amount of solvents they use decreases. This results in annual fees increases for individual owners or operators.

It is noted that the potential liability for cleanup costs related to this program far exceeds the amount collected in fees.

Purpose: Funds are appropriated to state agencies for environmental issues involving motor vehicles such as tire waste management and cleanup activities.

Legal Citation: M.S. 115.908, Subd. 1

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: Non Dedicated Receipts (P07771E)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		10,774	22,017	32,902	32,902	43,787	43,787
Resources:							
Departmental Earnings	10,774	11,243	10,885	10,885	10,885	10,885	10,885
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	10,774	11,243	10,885	10,885	10,885	10,885	10,885
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	10,774	11,243	10,885	10,885	10,885	10,885	10,885
Accumulated Ending Balance	10,774	22,017	32,902	43,787	43,787	54,672	54,672

Background Information:

The Motor Vehicle Title Transfer Fee (MVTF) was first established in law in 1972, charging \$1 per automobile title transferred to fund an MPCA grant program for collection of abandoned automobiles. The Waste Management Act established the current MVTF in 1984 as a \$4 fee on initial registration of a vehicle weighing more than 1,000 pounds and at each subsequent title transfer. Originally, the statute had a sunset date of 1994, which the Legislature extended in 1992 and 1995. The continuing need to fund pollution-prevention and cleanup activities related to auto pollution, including Superfund sites, prompted the Legislature to eliminate the sunset altogether in 1997. An August 2002 statewide survey performed by St. Cloud State University found that 60% of Minnesotans supported a \$6.00 increase in the MVTF if it were used to “pay for both new and existing environmental protection programs related to vehicle pollution.”

In 2003, a stakeholder group (The Funding Options Working Group) recommended to the Legislature that the MVTF remain a funding source for environmental activities because of the clear nexus between air pollution and the increasing impacts from automotive vehicle emissions. Currently, the MVTF of \$10 per vehicle title transfer that are deposited into the Environmental Fund support about 80 FTEs of activities at MPCA focused on reducing not only air pollution impacts from automobiles, but also the environmental impacts of road and bridge construction and maintenance, and other aspects of automobile and vehicle use and disposal.

Ongoing MPCA program activities include: permitting, compliance, and enforcement, pollution prevention activities, restoration of contaminated water, and remediation of polluted land that directly result from the environmental impacts of automobiles, roads, and bridges.

Forecast Basis:

A conservative estimate of revenues based upon the last four-year average, in consultation with the Minnesota Department of Public Safety, is used for forecasting revenues. It is believed that when the economy is strong, fees from new car sales make up a greater proportion of annual revenues, opposed to during years of weaker economic activity, where re-transfer of vehicles become a larger proportion of fee receipts. Therefore, the trends in fee receipts vary little from year-to-year.

Recent Changes:

In 2005, the fee was raised from six dollars to \$10.00 per title registered or transferred.

Agency Analysis/Comments:

In 2007 the legislature directed the Motor Vehicle Transfer Fee be deposited into the Environmental Fund as a non-dedicated receipt.

Purpose: To establish the avenues for Minnesota residents to recycle rather than dispose of electronics. State statute bans disposing of cathode ray tubes (CRTS) from mixed municipal solid waste. This program provides a mechanism to collect and recycle electronic devices covered under the Minnesota Electronics Recycling Act. Electronic manufacturers are required to register annually and if they sell 100 or more VDDs during the previous calendar year, pay a fee to cover the Agency's costs of administering this program.

Legal Citation: M.S. 115A.1314

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Restrict Misc Special Revenue (2000); Environmental (2800)

Appropriation: Non Dedicated Receipts (G900909); CM Environ Fund Non Dedicated (R32C002); E Waste Product Stewardship (R32XD16)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		132	296	430	430	564	1,308
Resources:							
Departmental Earnings	132	164	134	134	878	134	878
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	132	164	134	134	878	134	878
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	132	164	134	134	878	134	878
Accumulated Ending Balance	132	296	430	564	1,308	698	2,186

Background Information:

The fee exists to implement the E-Waste Program as required by statute. Our responsibilities include coordinating registration and reporting and reviewing the collector, recycler and manufacturer data, conducting compliance and enforcement activities if necessary, and to potentially offer grants to counties outside the 11-county metro area. The program is accomplished through efforts of the MPCA and Departments of Revenue and Administration.

The registration fee for manufacturers that sell 100 or more video display devices to households in the state during the previous calendar year is \$2,500, plus a variable recycling fee. The variable recycling fee is calculated according to formula. Manufacturers that sell 99 or fewer units are also subject to the variable recycling fee.

Fee revenue is used by the agency to administer the program and make grants to counties outside the 11-county metropolitan area and to private entities that collect for recycling covered electronic devices in counties outside the 11-county metropolitan area, where the collection and recycling is consistent with the respective county's solid waste plan. In awarding competitive grants, preference is given to counties and private entities that are working cooperatively with manufacturers to help them meet their recycling obligations.

Forecast Basis:

The basis of forecasts is the trend from the past couple fiscal years.

Recent Changes:

The last change made occurred in the 2021 Legislative session to clarify definitions, correct minor errors, remove antiquated language that is no longer applicable to the program, update language on retailer restrictions to clarify that a retailer may not sell VDD to Minnesota households unless the brand is registered with the state, and clarified language to directly state that registered manufacturers with 99 or fewer units sold in Minnesota in a given calendar year are also subject to the variable recycling fee.

Agency Analysis/Comments:

Departmental earnings and expenditures over the past 2 fiscal years are nearly equal.

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

Governor's Recommendation:

For information about recommended fee changes, see "E-waste and Battery Product Stewardship" proposal in the Minnesota Pollution Control Agency's 2026-27 Governor's Budget Recommendations.

Purpose: Recover the costs of regulating hazardous waste recyclers, generators, transporters and waste treatment, storage and disposal facilities.

Legal Citation: M.S. 116.07, Subd. 4(d) and M.S. 116.12

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: Lnd Environ Fund Non Dedicated (R32L003)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		4,979	11,977	17,497	17,497	23,017	23,017
Resources:							
Departmental Earnings	4,979	6,998	5,520	5,520	5,520	5,520	5,520
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,979	6,998	5,520	5,520	5,520	5,520	5,520
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	4,979	6,998	5,520	5,520	5,520	5,520	5,520
Accumulated Ending Balance	4,979	11,977	17,497	23,017	23,017	28,537	28,537

Background Information:

Hazardous waste generator fees. These fees recover 81% of costs from hazardous waste generators, and 19% from permitted treatment storage and disposal facilities. The MPCA provides regulatory oversight for the entire State. This oversight includes compliance assistance and appropriated enforcement actions, facility inspections, training, rule applicability and determination, program policy, and rule updates. The MPCA implements statewide initiatives for specific wastes like pharmaceuticals and mercury containing products. MPCA also maintains the electronic systems for reporting to EPA, online services to obtain/renew licenses, reporting of generator figures, as well as fee payment and collection.

Fee amounts and categories include:

- HW Non Metro Base Fee – \$912.69 (\$700.33 last year)
- HW Non Metro Per Pound Fee – \$0.1226 (\$0.1005 last year)
- HW Metro Base Fee – \$375.28 (\$301.26 last year)
- HW Metro Per Pound Fee - \$0.0277 (\$0.0237 last year)

Facility Fees. Fees are charged for permitted hazardous waste treatment, storage and disposal facilities. These fees are assessed based on the types of units each facility operates, and takes into consideration that many facilities operate more than one type of hazardous waste management (i.e. storage units and a treatment unit). The MPCA collects fees from these facilities on an annual basis as well as every time their permit reapplication is due.

Over the past five years, these annual facility fees ranged from \$11,580 to \$193,650, the lower amounts for indoor warehouse storage sites, and the higher amounts for facilities that require more intensive agency oversight such as incinerators or land treatment facilities. The application fees are submitted along with the permit application every five years when the permit is up for reissuance, and range similar to the annual fees. The variability in annual facility fees from one year to the next is due to statute, because the same dollar amount has to be collected through the combination of annual and application fees regardless of the number of permit applications that are submitted each year. The annual facility, and application fees for permitted treatment, storage and disposal facilities are mandated to collect 19% of the MPCA's hazardous waste program costs.

Exempt from 16A.1285 per M.S. 116.07, Subd

Forecast Basis:

Fees are calculated based on Minnesota Rule 7046. Minnesota Rule 7046 does allow a correction factor of up to 5% of the total appropriated dollars to be collected from generators in order to address expected future shortfalls in payments of assessed fees. The Agency has added correction factor of 3% to our fees this year and a 5% last year.

Recent Changes:

The exact dollars assessed to each generator does change each year based on fluctuations in the number of generators in the state as well as the overall number of pounds reported by those generators and the legislative target amount. The last changes to Minnesota Rules Ch. 7046, which contains the fee calculation rules, was in 2007. Fee changes for hazardous waste generator base fees increased \$307.85 in the past 5 years. These changes did not impact the revenue generated. The legislative target increase by \$1,299,007 from 2023 to 2024.

Agency Analysis/Comments:

The Minnesota Legislature mandates that the MPCA collect revenue annually through assessing hazardous waste generator fees as well as permit fees in order to fund the cost of the program. In recent years, the amount of this

Legislative appropriation has been \$4,464,000. In accordance to Minnesota Rule 7046.0060 Subpart 1 (Step 2), an additional \$2,000,000 is added to the target collection amount. Thus, the total amount that the hazardous waste program targets to collect is \$6,657,920.

The program has been successfully recovering in excess of 96% of hazardous waste related fees on an annual basis.

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the environmental fund (16A.531), rather than as a dedicated receipt for program activities.

Purpose: To pay for costs incurred by the Agency in performing its responsibilities under the Midwest Low-Level Radioactive Waste Compact.

Legal Citation: M.S. 116C.834

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: CM Environ Fund Non Dedicated (R32C002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		13	24	34	34	44	44
Resources:							
Departmental Earnings	13	11	10	10	10	10	10
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	13	11	10	10	10	10	10
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	13	11	10	10	10	10	10
Accumulated Ending Balance	13	24	34	44	44	54	54

Background Information:

The fee was part of legislative authorization in 1993 for Minnesota to join the Midwest Interstate Low Level Radioactive Waste Compact Commission. The purpose of state participation was to cooperate in setting up a joint disposal site for low level radioactive waste (LLRW), which, even though less radioactive than spent reactor fuel, has been quite controversial among the public. It is different from other wastes in that Congress authorized states to control, or even prohibit, the flow of LLRW into their borders, if they wished.

As defined in Minnesota law, LLRW cannot legally be disposed in standard MMSW or industrial landfills, consequently, LLRW disposal capacity became a significant concern when the few nationally-available sites closed. The latest site to close was in Barnwell, SC. However, this scarcity has been manageable because many generators who produced LLRW in the past have stopped producing and disposing of it, given the increased costs and advances in technology. The availability of space will take on a new importance when today's operating reactors need to be dismantled and disposed, which will produce large quantities of LLRW.

The fee is based on volume of waste generated and disposed out of state. The rates are as follows:

- No Fee = 1-100 cubic feet shipped for disposal
- \$100 flat fee = 100-1,000 cubic feet shipped for disposal
- \$2.75/cubic foot = over 1,000 cubic feet shipped for disposal

Forecast Basis:

Currently, there are three (3) fee payers, resulting in approximately \$10,000 per year. Fees stay relatively level unless there is a cleanup project.

Recent Changes:

Fees have never been changed.

Agency Analysis/Comments:

Since the legislation passed and the state rules were adopted, it has not been necessary to set up a Midwest landfill for LLRW within the compact member states. However, disposal options are very limited and expensive. Disposal access for Minnesota generators is limited to one facility in Texas (depending on whether the Texas/Vermont Compact has given permission), and one in Utah, which is open only for low-strength wastes. The compact commission continues to meet yearly, to participate in national conferences, and monitor the disposal situation.

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

Purpose: To establish a statewide product stewardship program that manages architectural paint by reducing the paints waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Legal Citation: M.S. 115A.1415, Subd. 16

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Product Stewardship (R32D117)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	8	17	14				
Resources:							
Departmental Earnings	62	8	10	10	10	10	10
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	62	8	10	10	10	10	10
Expenditures:							
Direct Expenditures	39	7	22	8	8	8	8
Indirect Expenditures	14	4	2	2	2	2	2
Total Expenditures	53	11	24	10	10	10	10
Current Difference	9	(3)	(14)				
Accumulated Ending Balance	17	14					

Background Information:

The fee exists to support agency responsibilities to operate the paint stewardship program, including: reviewing and evaluating the functioning of the program, conducting compliance and enforcement activities (if necessary) and ensuring proper reimbursement payments to local government programs. The program addresses the statutory requirement for architectural paint sold in the state, that producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse. The fee on every gallon of paint is what the stewardship organization (PaintCare) charges. PCA doesn't get the full fee revenues, only receives the amount charged to the stewardship organization for the hours of work on it, which is in the contract at for \$85/hour

The current fee amount is \$.99 on every gallon of architectural paint sold, which is collected during the retail transaction.

Forecast Basis:

The basis of establishing forecasted revenues is the level of prior biennial receipts against the cost to operate the program.

Recent Changes:

Changes to the statute in 2023 clarified that the product stewardship organization may not maintain a financial reserve in excess of 75 percent of its annual operating expenses and must adjust its fee accordingly. Similarly, it may adjust its fee if its financial reserve falls below 60 percent, subject to approval or rejection by the MPCA. The changes also clarified that the fee may not be used to pay for litigation against the state or to pay penalties. None of these changes affect the way MPCA charges its hourly rate to the stewardship organization

Agency Analysis/Comments:

Present receipts are sufficient to cover the cost of program operations.

Purpose: The MPCA enters into written income agreements with outside parties that agree to pay the MPCA for specific tasks and services.

Legal Citation: M.S. 115.06, Subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Product Stewardship County Rei (R32D118); St Paul Park Refining Company (R32E119); Flint Hills Resource Agreement (R32E120); ECOS Income Agreement (R32E142); Remediation Income Agreements (R32G134)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	134	171	121				
Resources:							
Departmental Earnings	2,766	21	124	124	124	124	124
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,766	21	124	124	124	124	124
Expenditures:							
Direct Expenditures	2,710	64	245	124	124	124	124
Indirect Expenditures	19	7					
Total Expenditures	2,729	71	245	124	124	124	124
Current Difference	37	(50)	(121)				
Accumulated Ending Balance	171	121					

Background Information:

This earnings group represents income agreements with outside parties that request specific agency-delivered tasks and services. Monies received by the agency are used to offset the cost of service delivery under the specific agreements.

Forecast Basis:

There is little basis for forecasting as outside parties request agency services on an as-needed basis.

Recent Changes:

N/A

Agency Analysis/Comments:

Income agreements are created to cover the costs of agency provided services.

Purpose: To cover costs of requested services from the Petroleum Brownfields Program.

Legal Citation: M.S. 115C.03, Subd. 9

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Petroleum Brownfields Program (R32G109)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	64	107	234				
Resources:							
Departmental Earnings	425	350	380	380	380	380	380
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	425	350	380	380	380	380	380
Expenditures:							
Direct Expenditures	307	179	514	321	321	321	321
Indirect Expenditures	75	44	100	59	59	59	59
Total Expenditures	382	223	614	380	380	380	380
Current Difference	43	127	(234)				
Accumulated Ending Balance	107	234					

Background Information:

Minn. Stat. 115C.03, Subd. 9 authorizes the agency to charge a fee to cover the costs of providing certain voluntarily requested services. These services include: assist in determining whether a release has occurred; assist in or supervise the development and implementation of reasonable and necessary corrective actions; and assist in or supervise the investigation, development, and implementation of actions to minimize, eliminate, or clean up petroleum contamination at sites where it is not certain that the contamination is attributable to a release.

The fee, which had been \$125 per hour since 2011 was changed in early 2022 to \$150 per hour. The money collected from the fee covers roughly 2/3 of the cost for administering the program.

Forecast Basis:

Program applications have been steady or increasing over the past six years. There is a continued high demand for redevelopment of contaminated urban properties into mainly commercial/residential/mixed-use projects, and a continual "supply" of contaminated properties as contaminant releases continue to occur and get discovered and reported. The types of developments may change with the economy and demand, but overall the demand remains. While past economic downturns, such as the 2008 recession, had some impact on program receipts, demand is forecast to continue. Housing in particular is a critical need that will take many years to address.

Recent Changes:

In early 2022 the fee was changed from \$125 per hour to \$150 per hour. This was the first fee change since 2011. The agency decided to raise the fee for this and other agency review services back to their previous, pre-2011 rate of \$150 per hour to help cover more of the costs for administering these services and make the fees more equitable to today's service rates.

Purpose: Maintains a program that encourages toxic pollution prevention by providing technical assistance and grants to parties that are handling these substances and compounds.

Legal Citation: M.S. 115D.12

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: CM Environ Fund Non Dedicated (R32C002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1,553	4,364	5,822	5,822	7,280	7,280
Resources:							
Departmental Earnings	1,553	2,811	1,458	1,458	1,458	1,458	1,458
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,553	2,811	1,458	1,458	1,458	1,458	1,458
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	1,553	2,811	1,458	1,458	1,458	1,458	1,458
Accumulated Ending Balance	1,553	4,364	5,822	7,280	7,280	8,738	8,738

Background Information:

This fee exists to provide the pollution prevention technical assistance established under the Toxic Pollution Prevention Act: to assemble, catalog, and disseminate information on pollution prevention; to provide technical research and assistance, including on-site consultations to identify alternative methods that may be applied to prevent pollution and to provide assistance for planning, excluding design engineering services; and hold outreach programs including seminars, workshops, training programs, and other similar activities designed to provide pollution prevention information and assistance to eligible recipients and other interested persons.

The fee is \$150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility will be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported. Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility.

Activities supported by this fee include: to protect the public health, welfare, and the environment, the legislature declares that it is the policy of the state to encourage toxic pollution prevention. The preferred means of preventing toxic pollution are techniques and processes that are implemented at the source and that minimize the transfer of toxic pollutants from one environmental medium to another. The legislature intends that the programs developed shall encourage and lead to a greater awareness of the need for and benefits of toxic pollution prevention, and to a greater degree of cooperation and coordination among all elements of government, industry, and the public in encouraging and carrying out pollution prevention activities.

Exempt from 16A.1285 per M.S. 115D.12.

Forecast Basis:

The forecast is based on what was collected under previous years in the projected in change in numbers of generators. Historically, fee revenues do not vary significantly from year to year.

Recent Changes:

Fees have not changed since their establishment in 1990.

Agency Analysis/Comments:

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

Purpose: The fee is established to defray the cost of licensing businesses that design, install, maintain, pump or inspect subsurface sewage treatment systems (SSTS).

Legal Citation: M.S. 115.56, Subd. 4

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: WQ Env Fund Non Dedicated (R32W003)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		410	799	1,204	1,204	1,609	1,609
Resources:							
Departmental Earnings	410	389	405	405	405	405	405
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	410	389	405	405	405	405	405
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	410	389	405	405	405	405	405
Accumulated Ending Balance	410	799	1,204	1,609	1,609	2,014	2,014

Background Information:

The fee exists to support the costs of a licensing program that ensures businesses employ technically qualified people and maintain adequate financial assurances to design, install, maintain, pump, inspect, or provide service to a subsurface sewage treatment system. Licenses allow work on subsurface sewage treatment systems that do not require a state permit using prescriptive designs and design guidance provided by the agency. Licensed persons who design systems using these prescriptive designs and design guidance are not subject to the additional licensing requirements.

The fee is \$200 per year per individual or no more than \$400 per year for a business with multiple licenses.

Exempt from 16A.1285 per M.S. 115.56, Subd. 4(b).

Forecast Basis:

The number of licensed persons has remained consistent over the last four years. Forecasted revenues are based on the trend over time in both the numbers of licensees and actual receipts. This fee is not anticipated to increase substantially over the next biennium.

Recent Changes:

This fee was last changed in February 2008, when annual licenses for individuals increased from \$100-\$200 per year, and the limit for multiple licensees at a single business increased from \$200 per year to \$400 per year.

Agency Analysis/Comments:

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the environmental fund (16A.531), rather than as a dedicated receipt for program activities.

Purpose: To defray the costs to review new systems and technology, provide technical assistance to local governments and enforcement for subsurface sewage treatment systems (SSTS).

Legal Citation: M.S. 115.551

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: WQ Env Fund Non Dedicated (R32W003)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		369	716	1,096	1,096	1,476	1,476
Resources:							
Departmental Earnings	369	347	380	380	380	380	380
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	369	347	380	380	380	380	380
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	369	347	380	380	380	380	380
Accumulated Ending Balance	369	716	1,096	1,476	1,476	1,856	1,856

Background Information:

This fee supports program costs required to accomplish agency review of registered subsurface sewage treatment systems, provision of technical assistance and, as needed, enforcement. The fee is \$25 for each septic system tank installed in the previous calendar year, and for performance-based systems, the tank fee is limited to \$25 per household system installation

Exempt from 16A.1285 per M.S. 115.551 (a).

Forecast Basis:

Projections assumes no significant change in revenues over the next few years due to both the lack of changes in SSTS rules and the relatively consistent number of tank installations per year.

Recent Changes:

This fee has not changed since it was established in 2003.

Agency Analysis/Comments:

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the environmental fund (16A.531) rather than as a dedicated receipt for program activities.

Purpose: To certify persons who install, repair, or remove underground storage tanks.

Legal Citation: M.S. 116.491, Subd. 2

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Petroleum Tank Release Cleanup (2350)

Appropriation: Lnd Petro Fund Non Dedicated (R32L002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		4	9	13	13	17	17
Resources:							
Departmental Earnings	4	5	4	4	4	4	4
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4	5	4	4	4	4	4
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	4	5	4	4	4	4	4
Accumulated Ending Balance	4	9	13	17	17	21	21

Background Information:

The fee exists to pay for administering the Underground Storage Tank Certification Program. Program activities include processing applications, conducting examinations, issuing and renewing certificates and providing training for contractors and supervisors who perform certain underground petroleum storage tank activities.

The fee for each new, modified, or renewal application for contractor or supervisor certification is \$50. These fees are credited to the Petroleum Tank Release Cleanup Fund.

Forecast Basis:

Historical certification numbers of applications receiving for tank certification each year were reviewed, and it was noted that approximately 75 tank service providers receive their certification or renewal certification each year. It is seen that there is a consistent number of tank contractors and supervisors that receive this annual certification. When the economy is doing well and new gas stations are being built, there is a corresponding increase in the number of new supervisors and contractors that apply for certification. When the economy slows down, the opposite effect is seen.

Recent Changes:

This fee has never been changed, and the fee amount is established in statute.

Agency Analysis/Comments:

The current fee adequately covers the cost of MPCA staff processing tank certification applications.

Agency:
Earnings Group:

Pollution Control
Waste Disposal Facility Operators and Inspector Certification Program

2026-27 Departmental Earnings

Purpose: To defray the cost of a certification program that provides training for inspectors and operators of waste disposal facilities.

Legal Citation: M.S. 116.41, Subd 2

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Lnd General Fund Non Dedicated (R32L001); WQ General Fund Non Dedicated (R32W001)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		7	14	21	21	28	28
Resources:							
Departmental Earnings	7	7	7	7	7	7	7
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7	7	7	7	7	7	7
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	7	7	7	7	7	7	7
Accumulated Ending Balance	7	14	21	28	28	35	35

Background Information:

The fee supports the assurance that standards of competence for persons operating and inspecting various classes of disposal facilities exist, and makes training available to persons operating facilities for the disposal of waste and for inspectors of facilities so they are able to be certified at the standardized level of competence.

Currently the fees, established in Chapter 7048.1100 are:

- application examination, \$15
- issuance of certificate, \$15
- re-examination for failure to pass examination, \$15
- renewal of certificate, \$15
- replacement certificate, \$5 and
- reinstatement of reciprocity certificate, \$30

Training workshop fees are not defined in rule, but represent agency costs, include:

- certification training workshop, \$375
- continuing education workshop, \$240

Forecast Basis:

Revenue forecasts are based upon the trends and current collections, which have remained fairly consistent over the last five years.

Recent Changes:

None

Agency Analysis/Comments:

The fees are deposited in the General Fund and the MPCA receives an Environmental Fund appropriation for program costs.

Because fees are deposited into one fund and appropriation is made from the other, this has created a 100% under-recovery to the Environmental Fund in the amount of the annual appropriation.

Purpose: To provide technical certification for operators of wastewater treatment facilities.

Legal Citation: M.S. 115.77; 115.03 Subd. 1(j)

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Government Special Rev (1200)

Appropriation: WQ Spec Rev Fund Non-Dedicated (R32W002)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		77	141	201	201	261	261
Resources:							
Departmental Earnings	77	64	60	60	60	60	60
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	77	64	60	60	60	60	60
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	77	64	60	60	60	60	60
Accumulated Ending Balance	77	141	201	261	261	321	321

Background Information:

This fee exists to cover the reasonable costs of maintaining and implementing a wastewater certification program for operators of wastewater treatment facilities. Fee amounts vary depending on the type of requested certification service. The Minnesota Department of Health (MDH) administers the program for certification of water treatment plant operators and the MPCA is responsible for the certification of wastewater treatment operators.

In 1996, when the responsibility for rulemaking was transferred from the Certification Council to MDH and MPCA, the legislature elected not to separate the fees for the MDH and MPCA certification programs. The agencies are individually appropriated the funds to cover the cost of their certification programs from the State Government Special Revenue Fund. Both agencies deposit certification fees into this fund.

Local units of government represent the majority of customers in this certification program. Fees types and amounts include:

- Wastewater certification exam application fee, \$55
 - Wastewater certification fee (after passing the exam), \$45
 - Wastewater certification renewal fee (every 3 years), \$23.
 - Wastewater certification reinstatement fee, \$40.
 - 3-day wastewater certification workshop fee, \$495-\$585
 - 2-day wastewater certification workshop fee, \$330-390
 - 1-day wastewater certification workshop fee, \$165 - \$195
- Exempt from 16A.1285 per M.S. 116.07, Subd. 4d.

Forecast Basis:

The revenue forecast for these fees has remained consistent over the last couple of years. Projections are based upon recent history of operators requesting and attending training. It is anticipated that there will not be a significant change in numbers of persons attending training, seeking certification or renewal in near future years.

Recent Changes:

The 2009 Legislature struck the fee schedule from statute and replaced it with this language: "The agency shall collect fees in amounts necessary, but no greater than the amounts necessary, to cover the reasonable costs of reviewing applications and issuing certifications." Wastewater operator certification fees were last increased on January 1, 2011. The fee for an application exam increased from \$23 to \$45, and the certification fee (for those who passed the exam) increased from \$32 to \$55.

Agency Analysis/Comments:

Since 2012, the agency has been under-recovering program costs from the State Government Special Revenue Fund by between 16% and 33%, with an average of 25% under-recovery.

Purpose: To cover the reasonable costs of reviewing and acting upon applications for permits, implementing and enforcing the conditions of water permits pursuant to pollution control rules.

Legal Citation: M.S. 116.07, Subd 4(d)

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Environmental (2800)

Appropriation: WQ Env Fund Non Dedicated (R32W003)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		5,330	9,676	14,491	14,491	19,306	19,306
Resources:							
Departmental Earnings	5,330	4,346	4,815	4,815	4,815	4,815	4,815
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,330	4,346	4,815	4,815	4,815	4,815	4,815
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	5,330	4,346	4,815	4,815	4,815	4,815	4,815
Accumulated Ending Balance	5,330	9,676	14,491	19,306	19,306	24,121	24,121

Background Information:

Fees were first collected in 1986 to supplement the Federal and General Fund funding for the required activities under the National Pollutant Discharge Elimination System (NPDES) program for wastewater, stormwater and feedlots. The programs are delegated from EPA and include both State and Federal requirements. Fees were intended to be based upon a polluter pay (vs citizen pay) model for water quality permits and enforcement. In practice, program activities have been funded by a variety of funds and permit fees. Additionally, it was realized and taken into consideration that having the permittees pay full program costs would, in some cases, be cost prohibitive. Also, prior to the early 1990's, some program activities were funded through the Wastewater Construction Grant program.

Application fees should correlate to the level of effort required by the MPCA to process the different types of permit applications and develop a permit that complies with applicable regulations and for monitoring the permit conditions to ensure compliance, including necessary enforcement.

Application type, Points and Application fee (\$310/point)

Individual Permit Reissuance, No Modifications. Application for reissuance of an existing permit with no modifications to the permit requested. Points 4, Application Fee \$1,240.

Individual Permit Reissuance, Modifications. Application for reissuance of an existing permit with modifications to the permit requested. Modifications include the addition of chemical treatment, addition of a storage facility, replacement or rehab of existing treatment components. Points 8, Application Fee \$2,480.

Individual Permit Reissuance, Construction, No Increased Design Flow. Application for reissuance of an existing permit with construction and no increase in design flow. Construction includes constructing new treatment components, or upgrading or expanding the facility. Points 8, Application Fee \$2,480.

Individual Permit Reissuance, Construction, Increased Design Flow. Application for reissuance of an existing permit with construction and an increased average wet weather design flow for municipal or private domestic facilities or increased maximum daily flow for industrial facilities. Points 30, Application Fee \$9,300.

Individual Wastewater Permit Issuance. Application for an individual permit for a private or municipal treatment system that does not have an existing state-issued permit. This would apply to new industrial treatment and municipal wastewater treatment facilities and existing unpermitted facilities where a permit is required by Minnesota Rules and Statutes. Points 30, Application Fee \$9,300.

Individual Permit Minor Modification Requested by Permittee. Application for a minor modification to an existing permit mid permit cycle per Minn. R. 7001.0190, subp. 3. Minor modifications include correcting errors, more frequent monitoring, change in a voluntary construction schedule or removal of a monitoring station that has been terminated. Points 4, Application Fee \$1,240.

Individual Permit Major Modification. Application for a major modification to an existing permit mid permit cycle for reasons not covered under Minn. R. 7001.0190, subp. 3. Major modifications include change in a compliance schedule or alterations to existing treatment components. Points 8, Application Fee \$2,480.

Individual Permit Major Modification, Construction, No Increased Design Flow. Application for a major modification to an existing permit mid permit cycle for reasons not covered under Minn. R. 7001.0190, subp. 3 and include construction but no increase in design flow. Major modifications include a change to a compliance schedule, construction of new treatment components, or upgrading or expanding the facility. Points 8, Application Fee \$2,480.

Individual Permit Major Modification, Construction, Increased Design Flow. Application for a major modification to an existing permit mid permit cycle that includes construction and an increased average wet weather design flow for municipal or private domestic facilities or increased maximum daily flow for industrial facilities. Points 30, Application Fee \$9,300.

General Permit Issuance and Reissuance. Application requesting coverage under one of the MPCA's general permits. Points 4, Application Fee \$1,240.

General Permit Modification. Application requesting changes in a Notice of Coverage issued under one of the general permits. A general permit modification includes a change in the type of chemical addition in a Notice of Coverage. Points 4, Application Fee \$1,240.

Individual Pretreatment Permit Issuance. Application for a new individual pretreatment permit. A pretreatment permit is required if a facility generates industrial process wastewater that comes from industrial processes covered by the U.S. Environmental Protection Agency categories listed in 40 CFR pt. 413 - 471 and if this wastewater is routed to the sanitary sewer system. Points 8, Application Fee \$2,480.[BS(1)]

Individual Dredge Material Disposal Permit Issuance. Application for a new individual permit to apply material dredged from surface waters to land. Points 8, Application Fee \$2,480.

Individual Biosolids Treatment or Storage Permit Issuance. Application for a new individual permit for a biosolids treatment or storage facility. Points 30, Application Fee \$9,300.

Transfer/Name Change. Application requesting a transfer of ownership, name change of permittee, or name change of permitted facility. Points 0, Application Fee \$0.

Request for Permit Termination. Application requesting a permit termination because the discharge ended, was routed to a sanitary sewer, the facility closed, or a permit is no longer required per Minnesota Rules and Statutes. Points 0, Application Fee \$0.

Sanitary Sewer Extension Permits

1. Flow increase of 0 to 0.10 million gallons per day. Points 1, Application Fee \$310.
2. Flow increase of 0.10 to 1.0 million gallons per day. Points 2, Application Fee \$620.
3. Flow increase greater than 1.0 million gallons per day. Points 3, Application Fee \$930

Additional point activity, Points and Application fee (\$310/point)

Individual Permit New or Increased Maximum Daily or Average Wet Weather Design Flow (not applicable to noncontact cooling water discharges and not due to mine pit or quarry de-watering or sewer extensions):

1. increase from 0.0 to 0.20 mgd. Points 0, Application Fee \$0.
2. increase from 0.20 to less than 1.0 mgd. Points 5, Application Fee \$1,550.
3. increase from 1.0 to less than 5.0 mgd. Points 10, Application Fee \$3,100.
4. increase from 5.0 to less than 20.0 mgd. Points 20, Application Fee \$6,200.
5. increase from 20.0 to less than 50.0 mgd. Points 30, Application Fee \$9,300.
6. increase from 50.0 mgd or more. Points 40, Application Fee \$12,400. Individual Permit with Noncontact Cooling Water Discharge New or Increased Flow
7. noncontact Cooling Water Flow increase less than 50 mgd. Points 5, Application Fee \$1,550.
8. non noncontact Cooling Water Flow increase equal to or greater than 50 mgd. Points 20, Application Fee \$6,200.

Antidegradation Review required under Minn. R. 7050.0180, 7050.0185, 7050.0186 or 7052.0300 to 7052.0330. Points 20, Application Fee \$6,200.

Variance Request under Minn. R. 7000.7000 or 7020.1900. Points 35, Application \$10,850.

Confidentiality Request under Minn. R. 7000.1300 (applicable any time request is made). Points 2, Application Fee \$620.

Mandatory Environmental Assessment Worksheet (EAW) under Minn. R. 4410.4300 where MPCA is the responsible government unit. (If applicable to both AQ and WQ, check with AQ to verify cost. Permittee to pay lower of the two fees.)

1. complete EAW under Minn. R. 4410.4300, subp. 18 item A or 29. Points 15, Application Fee \$4,650.
2. complete EAW under Minn. R. 4410.4300, subp. 8 item A or B, 1. .0 items A to C, 16 item A or D; 17 items A to C or E to G; or 18 item B or C. Points 35, Application Fee \$10,850.
3. complete EAW under Minn. R. 4410.4300 subp 4; 5 item A or B; 13; 15; 16 item B or C; or 17 item D. Points 70, Application Fee \$21,700.

Minnesota Rule 7002.0254 WATER QUALITY STORM [BS(2)]WATER PERMIT APPLICATION FEES.

Current fee

1. for coverage under an MS4 permit or modification of an MS4 permit, other than modification of a storm water pollution prevention program, \$400
2. for those required to obtain an individual storm water permit, \$400 for the initial application, for modifications, and for reissuance.

Minnesota Rule 7002.0270 ANNUAL FEE.[BS(3)]

All persons required to obtain a permit listed in part 7002.0310, subparts 1, 2, and 3, shall pay an annual fee for processing of the permit and enforcement of applicable statutes and rules as described in items A to D.

A.A permittee holding a new or reissued permit is subject to the fees established in part 7002.0310.

B.An applicant for reissuance of an expired permit under part 7001.0160 must pay fees set in part 7002.0310.

C.A permittee holding an individual storm water permit must pay the fee set in part 7002.0310, subpart 2, item B, under "other nonmunicipal."

D.A permittee holding a permit issued under chapter 7020 must pay fees as follows:

- (1)individual NPDES permits, fees set in part 7002.0310, subpart 2, item B, under "other nonmunicipal";
- (2)individual SDS permits that regulate animal feedlots capable of holding 1,000 or more animal units or manure storage areas capable of holding the manure produced by 1,000 or more animal units, the same fees required under subitem (1);
- (3)general feedlot permits, fees set in part 7002.0310, subpart 3, under "general";
- (4)interim permits, no fees; and
- (5)construction short-form permits, no fees.

Minnesota Rule 7002.0310 WATER QUALITY ANNUAL PERMIT FEES.[BS(4)]

Current fee

Subpart 1. Major NPDES permit fees. The following annual fee shall be paid.

A.Municipal permits:

Design Flow in Million Gallons per Day (MGD)	Annual Fee
50 and over	\$175,500
20 to 49.99	\$40,350
5 to 19.99	\$14,350
Up to 4.99	\$5,900

B.Nonmunicipal permits:

Design Flow in Million Gallons per Day (MGD) Annual Fee [BS(5)]

Major - 20 to 49.99 \$44,200

Major - 5 to 19.99 \$18,250

Major - Up to 4.99 \$8,450

Cooling or mine pit dewatering (any flow) \$16,900

Subp. 2. Nonmajor NPDES and state disposal permit fees. The following annual fee shall be paid by a permittee not designated as a major NPDES facility and by a permittee that has received a state disposal system permit.

A.Municipal permits:

Design Flow in Million Gallons per Day (MGD)	Annual Fee
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Greater than .100	\$1,450
-------------------	---------

0 to .100	\$505
-----------	-------

Facilities for the treatment or storage of biosolids only \$500

B.Nonmunicipal permits:

Design Flow in Million Gallons per Day (MGD)	Annual Fee
--	------------

Sewage 0 to .100	\$495
------------------	-------

Individual storm water permits \$1,230

Other nonmunicipal (any flow) \$1,230

Subp. 3. Other water quality permit fees. The following annual fee shall be paid by a permittee that received a general permit

Annual Fee General

Municipal wastewater \$1,240

Industrial wastewater \$1,240

General industrial storm water permit \$400

General construction storm water permit \$0 General MS4 storm water permit \$0

The Statement of Need and Reasonableness (SONAR) indicates that fees will cover the cost of MPCA regulatory activities associated with the NPDES permit, not limited to the cost of permit preparation. The MPCA's regulatory activities include: technical assistance, management and review of permit data, ongoing compliance determination and enforcement of all permit requirements, program development efforts to address new and/or emerging environmental issues and associated federal and state congressional or legislative directives, and administrative and business support activities.

Exempt from 16A.1285 per M.S. 116.07, Subd. 4(d).

Forecast Basis:

Wastewater: Forecasting has been done on the five-year average of fees received. To forecast growth, the wastewater program reviews the number of sewer extensions and facilities on the Program Project List. These numbers have been decreasing or relatively flat for the recent past, but last year these numbers started to increase.

Feedlots: Forecasting was done by looking at the number of permitted facilities and taking an average amount of

fees received in a 5 year permitting cycle. Economic growth in the agricultural sector is one of the program's key indicators in determining additional revenue. The growth in the agricultural sector is primarily indicated by the amount and types of livestock facilities being proposed, permitted, and constructed

Wastewater: These fee amounts are generally stable. They are based on applications and 5 year cycles, with increases only occurring during high economic growth. A good indicator and the one used for forecasting is the numbers of sewer extension applications. We are seeing slow upward trends in sewer extensions and have seen a doubling to total construction projects since 2008 with the last couple of years showing slow increases. Due to this, we are assuming a slight increase in workload in the future.

Stormwater: These fees are generally level. However, the number of construction stormwater permits can fluctuate with changing periods of economic growth.

Feedlots: The fees collected are trending downward slightly. They are based on both annual and application fees. The program has experienced a loss of approximately 200 permitted facilities during the last permitting cycle due to changes in requirements regarding what persons/businesses are required to obtain a permit. The number of new facilities being proposed is not projected as to equal the present losses in numbers of properties.

Recent Changes:

The last time annual fees were changed was 2003 and application fees were changed in 2009.

Agency Analysis/Comments:

In FY 2017 across all agency water programs requiring fees, the agency only collected 16% of related program operating costs; the amount collected was \$5.719 million, while program costs were \$36.379 million.

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

In 2003, the legislature directed this fee to be deposited as a non-dedicated receipt to the Environmental Fund (16A.531), rather than as a dedicated receipt for program activities.

Purpose: To license all private detectives, investigators and protective agents doing business in the State of Minnesota.

Legal Citation: M.S. 326.3331, M.S. 326.3386, M.R.7506.0140

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (B7S9900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(68)	(150)	(1,062)	(1,062)	(1,547)	(1,547)
Resources:							
Departmental Earnings	195	248	204	204	204	204	204
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	195	248	204	204	204	204	204
Expenditures:							
Direct Expenditures	263	330	1,116	689	689	689	689
Indirect Expenditures							
Total Expenditures	263	330	1,116	689	689	689	689
Current Difference	(68)	(82)	(912)	(485)	(485)	(485)	(485)
Accumulated Ending Balance	(68)	(150)	(1,062)	(1,547)	(1,547)	(2,032)	(2,032)

Background Information:

This fee exists to pay for the cost of licensing all private detectives, investigators and protective agents doing business in Minnesota.

Forecast Basis:

It is presumed projected revenues for FY25 will prevail for fiscal years 26-27.

Recent Changes:

No recent changes

Agency Analysis/Comments:

The board will monitor revenues and expenditures to determine if a change is needed in the future to bring revenues in balance with expenditures.

Purpose: To assure those licensed to teach in Minnesota schools have achieved the minimum requirements to be a teacher of students in the classroom.

Legal Citation: M.S. 122A.21, M.R. 8710.0200

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Lic by Portfolio Control Acct (E390000); Licensing Fees (E39ND01)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(1,124)	(2,381)	(3,879)	(3,879)	(5,373)	(5,373)
Resources:							
Departmental Earnings	2,215	1,971	2,225	2,225	2,225	2,225	2,225
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,215	1,971	2,225	2,225	2,225	2,225	2,225
Expenditures:							
Direct Expenditures	3,005	3,176	3,662	3,658	3,658	3,658	3,658
Indirect Expenditures	334	52	61	61	61	61	61
Total Expenditures	3,339	3,228	3,723	3,719	3,719	3,719	3,719
Current Difference	(1,124)	(1,257)	(1,498)	(1,494)	(1,494)	(1,494)	(1,494)
Accumulated Ending Balance	(1,124)	(2,381)	(3,879)	(5,373)	(5,373)	(6,867)	(6,867)

Background Information:

This fee is charged to candidates submitting applications for licensure as a teacher. A teacher's license is a requirement for anyone who wants to teach in a public school classroom in Minnesota school districts and charter schools. The fee is intended to cover the cost of licensing activities of and the functions and activities of the Professional Educator Licensing and Standards Board (the Board). The Board, made of up 13 members appointed by the Governor (nine classroom teachers, one superintendent, one administrator of a cooperative unit, one principal and one public member) is responsible for establishing licensure standards and renewal requirements, accrediting teacher preparation providers and licensure programs, enforcing the Code of Ethics for Minnesota teachers, administering grant funds, administering alternative pathways to licensure programs, and advancing legislation and rulemaking efforts to better support Minnesota's teachers and students.

Forecast Basis:

The current fee is \$57 for each license. The fee for licensure via portfolio is \$300 for the original portfolio submission and \$200 for each subsequent submission. A third fee is collected on behalf of the Department of Public Safety's Bureau of Criminal Apprehension (BCA) and is the fingerprint background check fee. This fee is established by the Bureau and collected with the submission of an application for license. The background check fee is then passed through to the Bureau by the Board.

The estimate assumes the same level of activity for the biennium.

Recent Changes:

In 2018, the legislature reverted to previous practice where all licensure application fees received by the Professional Educator Licensing and Standards Board are deposited in the general fund with the board receiving a direct general fund appropriation.

It also created an educator licensure background check account in the special review fund. All payments collected by the Professional Educator Licensing and Standards Board for criminal background checks conducted by the Bureau of Criminal Apprehension must be deposited to this account.

Purpose: To recover the costs of regulating the practice of psychology.

Legal Citation: M.S. 148.88 – 148.98, 214, 319B, 16A.721, M.R. 7200, and M.S. 148.9981 to 148.9995.

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Psy Non Dedicated Receipts (H7V1000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	603	473	378	(432)	(432)	(895)	(905)
Resources:							
Departmental Earnings	1,105	1,096	1,283	1,198	1,198	1,311	1,311
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts			10	10		10	
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,105	1,096	1,293	1,208	1,198	1,321	1,311
Expenditures:							
Direct Expenditures	1,014	986	1,889	1,457	1,457	1,457	1,457
Indirect Expenditures	221	205	214	214	214	214	214
Total Expenditures	1,235	1,191	2,103	1,671	1,671	1,671	1,671
Current Difference	(130)	(95)	(810)	(463)	(473)	(350)	(360)
Accumulated Ending Balance	473	378	(432)	(895)	(905)	(1,245)	(1,265)

Background Information:

The mission of the Board of Psychology is to protect the public through licensure, regulation, and education to promote access to safe, ethical, and competent psychological services.

The Board of Psychology fees support the licensure of applicants as licensed psychologists, the regulation of applicants and licensees, and the education of the Board stakeholders to fulfill the agency mission.

- \$500 fee per applicant and current licensee that supports applicants for licensed psychologist licensure, including mobility and reciprocity.
- \$150 fee per examination applicant goes to support the development, issuance, grading, and maintenance of the Board's Professional Examination (PRE) and national Examination for Professional Practice in Psychology (EPPP).
- \$80 fee per activity supports the review and approval of continuing education activities.
- \$250 fee per applicant supports the volunteer licensure process.
- \$150 fee per applicant supports the guest licensure process, including guest licensure by temporary permit.

In general Board fees support the issuance of initial licensure and renewals for qualified professionals. Issues initial licensure and renews licenses for qualified professionals. Specifically, these fees allow the Board to screen to ensure that only applicants who meet licensure requirements are granted a license. Fees also support the Board's duty to respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees. Based on these complaints, the Board may disciplinary or corrective action against an applicant or licensee for violations of the Minnesota Psychology Practice Act.

Forecast Basis:

Fees charged to applicants, licensees, the public and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous year, the number of applicants seeking initial licensure, and any fee changes set in current law. There are no significant changes anticipated to the amount of revenue generated in the upcoming biennium.

Recent Changes:

The board increased its licensing and renewal fees in 2001.

Agency Analysis/Comments:

The board will continue to monitor revenues and expenditures to determine whether a fee change is needed in the future.

Purpose: Pay for administration of the Authority's programs.

Legal Citation: M.S. 446A.04 Subd. 5 and M.S. 446A.086 Subd. 2 (b)

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Clean Water Revolving (8200); Drinking Water Revolving (8201); Transportation Revolving (8202)

Appropriation: Admin Credit Enhancement Fees (B240020); Admin Application Fees (B240040); Admin CWSRF Fees (B240110); Admin DWSRF Fees (B240230); Admin TRLF Fees (B240360)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,579	5,039	3,922	2,725	2,725	2,692	2,692
Resources:							
Departmental Earnings	4,136	4,286	4,139	4,398	4,398	4,548	4,548
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	4	11	12	10	10	10	10
Resource Reductions:							
Earnings Transferred Out	2,827	3,230	2,644	2,102	2,102	2,102	2,102
Revenue Collected for Another Agency							
Total Resources	1,313	1,067	1,507	2,306	2,306	2,456	2,456
Expenditures:							
Direct Expenditures	1,841	2,170	2,673	2,308	2,308	2,264	2,264
Indirect Expenditures	12	14	31	31	31	31	31
Total Expenditures	1,853	2,184	2,704	2,339	2,339	2,295	2,295
Current Difference	(540)	(1,117)	(1,197)	(33)	(33)	161	161
Accumulated Ending Balance	5,039	3,922	2,725	2,692	2,692	2,853	2,853

Background Information:

The Minnesota Public Facilities Authority (MPFA) collects fees (under M.S. 446A.04 Subd. 5) to pay expenses for administrative support of MPFA programs. This support includes MPFA staff, costs of the Department of Employment and Economic Development, the Pollution Control Agency (MPCA), and the Department of Health (MDH). Prior to fiscal year 2017, MDH costs were paid out of federal capitalization grants, which otherwise would have been used for drinking water loans.

MPFA anticipates that starting in fiscal year 2025, we will again need to rely partially on federal grants to cover administrative costs for the Clean Water Revolving Fund (8200) and Drinking Water Revolving Fund (8201). We do have some additional federal \$ available temporarily for funds 8200 and 8201 due to IJA awards. However, to the extent that federal capitalization grants are used for administrative costs, this reduces dollars otherwise available for loans.

The majority of the fees are derived from up to 2 percent of loan repayments. The fee is not added to the payment due by MPFA borrowers; it is simply a portion thereof. For the vast majority of MPFA loans, net loan repayments are pledged to holders of MPFA's revenue bonds. Fees taken from the repayments must be minimized to enhance the credit quality and lending capacity of the revolving funds.

A much smaller portion of the fees come from application fees on MPFA's grant programs, up to ½ of one percent of grant application amounts.

In addition, (under MS 446A.086 Subd. 2), MPFA collects fees specifically for credit enhancement applications.

Transfers-out are for MPCA costs for Clean Water Revolving Fund admin and MDH costs for Drinking Water Revolving Fund admin, to the extent these costs are not covered by federal \$.

Forecast Basis:

For the majority of the fees, from the servicing fee portion of loan repayments, MPFA uses its cash flow projection models that show scheduled loan repayments from existing and anticipated loans.

The application fees are much smaller in amount, and we use recent history to forecast receipts.

Recent Changes:

Beginning in fiscal year 2017, MDH costs are being paid with PFA Fees. Previously, a portion of federal capitalization grants had been used. As stated in the Background section, MPFA anticipates that for fiscal years 2025-2029, we will again rely on federal grants to cover MDH's administrative costs and \$600k per year for MPFA's. Also, beginning in FY 2026, the tr-out is reduced to MPCA from fund 8200, back to FY 2021 levels. All to get these fee accounts back in long-term balance.

Agency Analysis/Comments:

MPFA's goal for the fees is to reach equilibrium where approximately one year's worth of total uses will be kept on hand while annual receipts approximate uses.

Costs have risen sharply for MPFA and MPCA and to a lesser extent for MDH. Fee receipts will not be sufficient to cover the higher level of costs. All three agencies will be meeting to plan long-term sustainable cost levels. We do have some additional federal \$ available temporarily due to IJA awards.

Purpose: To cover the costs of background investigations of employees involved with lawful gambling. To cover the background investigation costs of Gambling Device Manufacture and Distribution.

Legal Citation: M.S. 299L.02 subd. 7; M.S. 299L.03; M.S. 299L.07 subd. 5

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Gambling Bkgrnd Investigations (P079122); Indian Gaming Sp Rev (P079132); Gambling-Sales Proceeds (P079151)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(1,324)	(2,965)	(5,208)	(5,208)	(7,338)	(7,338)
Resources:							
Departmental Earnings	477	516	468	468	468	468	468
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	477	516	468	468	468	468	468
Expenditures:							
Direct Expenditures	1,801	2,157	2,711	2,598	2,598	2,598	2,598
Indirect Expenditures							
Total Expenditures	1,801	2,157	2,711	2,598	2,598	2,598	2,598
Current Difference	(1,324)	(1,641)	(2,243)	(2,130)	(2,130)	(2,130)	(2,130)
Accumulated Ending Balance	(1,324)	(2,965)	(5,208)	(7,338)	(7,338)	(9,468)	(9,468)

Background Information:

To cover the costs of background investigations for the Gambling Control Board, Minnesota Lottery, Minnesota Racing Commission and Alcohol and Gambling Enforcement relating to the gambling industry.

Forecast Basis:

It is assumed actual FY 25 revenues will prevail for fiscal years 26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures for balance between the revenues and expenditures.

Purpose: To cover the cost of license and provide identification cards to manufacturers, wholesalers, importers of liquor, wine and malt beverages and to common carriers of liquor and malt beverages.

Legal Citation: M.S. 340A

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: AGE License and Fees (P079161); Microdistillery fees (P0791M2)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		2,846	5,523	7,806	7,806	10,152	10,152
Resources:							
Departmental Earnings	3,892	3,847	3,675	3,675	3,675	3,675	3,675
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,892	3,847	3,675	3,675	3,675	3,675	3,675
Expenditures:							
Direct Expenditures	1,046	1,170	1,392	1,329	1,329	1,329	1,329
Indirect Expenditures							
Total Expenditures	1,046	1,170	1,392	1,329	1,329	1,329	1,329
Current Difference	2,846	2,677	2,283	2,346	2,346	2,346	2,346
Accumulated Ending Balance	2,846	5,523	7,806	10,152	10,152	12,498	12,498

Background Information:

The various fees ranges from \$20 to \$30,000. The fees cover the licensing and regulating of manufacturers, wholesalers, importers of liquor, wine and malt beverages and to common carriers of liquor and malt beverages.

Forecast Basis:

It is assumed actual FY24 revenues will prevail for fiscal years 26-27.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures to determine if a change is needed in the future to bring revenues in balance with expenditures.

Purpose: To recover a portion of the costs of maintaining the criminal justice network

Legal Citation: M.S. 299C.46, Subd. 3; M.S. 299C.48

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Criminal Justice Data Network (P073002); Non Dedicated Receipts (P073421)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	547	2,297	2,518	628	628	828	828
Resources:							
Departmental Earnings	1,769	1,785	1,800	1,800	1,800	1,800	1,800
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,769	1,785	1,800	1,800	1,800	1,800	1,800
Expenditures:							
Direct Expenditures	9	1,549	3,670	1,580	1,580	1,580	1,580
Indirect Expenditures	10	15	20	20	20	20	20
Total Expenditures	19	1,564	3,690	1,600	1,600	1,600	1,600
Current Difference	1,750	221	(1,890)	200	200	200	200
Accumulated Ending Balance	2,297	2,518	628	828	828	1,028	1,028

Background Information:

This fee is to recover a portion of the costs of maintaining the criminal justice network. The fee structure is based on BCA access charges originated and frozen since 2000. New items have been added for prosecutors access fees.

- All agencies receiving data from the BCA or through the BCA will be charged at least \$50 per-month.
- Current paying agencies will continue to pay their current monthly fee regardless of the method of connection. (Exception: See VPN agency charges below)
- New agencies will pay \$50 per-month.
- Agencies that are currently not paying any fees will be charged \$50 per-month.
- VPN agencies will pay \$50 per-month plus \$15.00 per VPN-per month (for CJA & Private Law Firm) or \$35 per-VPN p/m (for NCJA).

Recent Changes:

None.

Agency Analysis/Comments:

The fees are covering the cost of the activity.

Purpose: To recover the costs of processing requests for criminal history record information for non-criminal justice use.

Legal Citation: M.S. 299C.10

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Non-Criminal Background (P073232)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,107	3,640	2,046	2,684	2,684	3,013	2,871
Resources:							
Departmental Earnings	6,659	4,569	6,600	6,600	6,618	6,600	6,618
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6,659	4,569	6,600	6,600	6,618	6,600	6,618
Expenditures:							
Direct Expenditures	4,108	6,115	5,900	6,209	6,369	6,274	6,443
Indirect Expenditures	18	48	62	62	62	62	62
Total Expenditures	4,126	6,163	5,962	6,271	6,431	6,336	6,505
Current Difference	2,533	(1,594)	638	329	187	264	113
Accumulated Ending Balance	3,640	2,046	2,684	3,013	2,871	3,277	2,984

Background Information:

This fee is to recover the costs of processing requests for criminal history record information for non-criminal justice use.

BCA collects the FBI fees for fingerprint-based criminal history checks of either \$18.25 (for all checks besides those for individuals getting checks to volunteer for organization) and \$16.25 (for volunteer checks). BCA retains \$7.00 of these fees. This is codified in Minn. Stat. §299C.10, Subdivision 4.

Forecast Basis:

Revenue estimates should remain consistent in FY26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The fees should cover the cost of the activity. Public Safety will monitor revenues and expenditures to determine if a future change is needed.

Governor's Recommendation:

For information about recommended revenue and expenditure changes, see the "Impact on BCA Fee Revenue of DVS Funding Recommendation" proposal in the Department of Public Safety - Public Safety's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the costs of BCA providing permit status via a connection to the Criminal Justice Data Communications Network.

Legal Citation: M.S. 624.717

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (P073431)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		254	651	1,048	1,048	1,404	1,404
Resources:							
Departmental Earnings	567	614	600	600	600	600	600
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	567	614	600	600	600	600	600
Expenditures:							
Direct Expenditures	313	217	203	244	244	244	244
Indirect Expenditures							
Total Expenditures	313	217	203	244	244	244	244
Current Difference	254	397	397	356	356	356	356
Accumulated Ending Balance	254	651	1,048	1,404	1,404	1,760	1,760

Background Information:

This fee is to recover the costs of BCA providing permit status via a connection to the Criminal Justice Data Communications Network. The fee is \$10.

Forecast Basis:

Revenue estimates should remain consistent in FY26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To implement a system of providing bulk data requests and to insure safeguards are adequate.

Legal Citation: M.S. 3.9741, Subd. 5.; M.S. 168.327

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: OLA Data Security Audits (L497600); DVS Operating Account (P077002); Vehicle Serv. Control Acct (P077102); Driver Serv. Control Acct. (P077112); DVS Data Security Account (P077DS2)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,416	1,954	1,504	2,621	2,621	3,731	3,731
Resources:							
Departmental Earnings	565	724	690	690	690	690	690
Other Resources:							
Earning Transferred In		528	449	449	449	449	449
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		1,680					
Revenue Collected for Another Agency							
Total Resources	565	(428)	1,139	1,139	1,139	1,139	1,139
Expenditures:							
Direct Expenditures	26	22	22	29	29	30	30
Indirect Expenditures	1						
Total Expenditures	27	22	22	29	29	30	30
Current Difference	538	(450)	1,117	1,110	1,110	1,109	1,109
Accumulated Ending Balance	1,954	1,504	2,621	3,731	3,731	4,840	4,840

Background Information:

The laws of 2014 chapter 293 established a data security account to implement a system to provide driver records on a subscription system and to provide bulk motor vehicle records.

Forecast Basis:

Revenue estimates should remain consistent in FY26-27.

Recent Changes:

N/A

Agency Analysis/Comments:

The fee appears to cover the cost.

Purpose: To license all drivers of motorized vehicles and related fees to recover of providing data on licenses. Applicants paying license fees under the International Fuel Tax Agreement, shall pay a fuel tax license fee and an annual application filing fee to cover the costs of the program.

Legal Citation: M.S. 168D.06; 168D.12 M.S. 168.327; 168.33; 169.09 subd 13(e); 169.345 subd 3; 171.06; 171.07; 171.13 subd 5; 171.20 subd 4; 171.29; 171.324; and 171.36

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: DVS Operating Account (P077002); Driver Serv. Control Acct. (P077112); Non Dedicated Receipts (P077711); Non Dedicated Receipts (P077811)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	8,704	3,770	14,950	8,712	8,712	8,001	10,063
Resources:							
Departmental Earnings	34,280	49,820	47,661	46,797	48,849	46,797	48,849
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	34,280	49,820	47,661	46,797	48,849	46,797	48,849
Expenditures:							
Direct Expenditures	38,815	38,383	53,513	47,122	47,112	47,122	47,122
Indirect Expenditures	399	257	386	386	386	386	386
Total Expenditures	39,214	38,640	53,899	47,508	47,498	47,508	47,508
Current Difference	(4,934)	11,180	(6,238)	(711)	1,351	(711)	1,341
Accumulated Ending Balance	3,770	14,950	8,712	8,001	10,063	7,290	11,404

Background Information:

Fees are listed in M.S. 171.06.

The fees are to cover the costs of licensing drivers and related activities. The fuel tax fee varies based on the Minnesota miles driven.

Forecast Basis:

Revenue estimates will remain consistent in FY26-27.

Recent Changes:

Driver credential fees increased starting July 1, 2023 to account for the increased cost of credential production.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures for future changes.

Governor's Recommendation:

For information about recommended revenue changes, see "Online Driver's License Renewal" and "Commercial Learner's Permit Length Extension" proposals in the Department of Public Safety - Transportation's 2026-27 Governor's Budget Recommendations.

Purpose: To recover cost of revoking and suspending drivers licenses and related costs of reinstatement.

Legal Citation: M.S. 171.29, Subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: DVS Operating Account (P077002); Dwi Reinstatement-Sp Rev (P077062); Dwi Reinstatement 1St Half+25 (P077082); Dwi Reinstatement 2nd Pymt (P077092); Driver Serv. Control Acct. (P077112); Non Dedicated Receipts (P077811)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1	3,441	7,175	10,933	10,933	14,691	14,691
Resources:							
Departmental Earnings	14,046	14,860	14,734	14,734	14,734	14,734	14,734
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	10,574	11,126	10,945	10,945	10,945	10,945	10,945
Revenue Collected for Another Agency							
Total Resources	3,472	3,734	3,789	3,789	3,789	3,789	3,789
Expenditures:							
Direct Expenditures							
Indirect Expenditures	32		31	31	31	31	31
Total Expenditures	32		31	31	31	31	31
Current Difference	3,440	3,734	3,758	3,758	3,758	3,758	3,758
Accumulated Ending Balance	3,441	7,175	10,933	14,691	14,691	18,449	18,449

Background Information:

The DWI Reinstatement Fee is \$680. The fee is to of revoking and suspending drivers licenses and related costs of reinstatement.

Forecast Basis:

Revenue estimates should remain consistent through FY26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The fees are covering the cost of the activity. Surplus is a result of having non-dedicated fee revenues without offsetting General Fund expenditures.

Purpose: To cover the costs of the motorcycle safety education programs and to license motorcycle drivers.

Legal Citation: M.S. 171.06, Subd 2a & M.S. 171.335

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Non Dedicated Receipts (P077811); Motorcycle Safety (P079222)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3,498	4,394	5,456	3,402	3,402	4,042	4,042
Resources:							
Departmental Earnings	1,870	2,086	1,890	1,890	1,890	1,890	1,890
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out			200				
Revenue Collected for Another Agency							
Total Resources	1,870	2,086	1,690	1,890	1,890	1,890	1,890
Expenditures:							
Direct Expenditures	967	1,017	3,735	1,241	1,241	1,241	1,241
Indirect Expenditures	7	7	9	9	9	9	9
Total Expenditures	974	1,024	3,744	1,250	1,250	1,250	1,250
Current Difference	896	1,062	(2,054)	640	640	640	640
Accumulated Ending Balance	4,394	5,456	3,402	4,042	4,042	4,682	4,682

Background Information:

The Motorcycle endorsement fee is \$26.50 for the first issue and \$17 for renewal. The fees cover the cost of licensing of motorcycle drivers. A portion of the fees, \$19 of the first issue and \$11 of the renewal, cover the costs of the motorcycle safety education program account under Minnesota Statutes, section 171.335.

Forecast Basis:

Revenue estimates should remain consistent through FY26-27.

Recent Changes:

There was a one-time transfer of \$200,000 from the motorcycle safety education account for a public education campaign per the Laws of 2024, chapter 127, article 1, section 4, subdivision 3. The current fee structure appears to be covering the costs.

Agency Analysis/Comments:

The accumulated ending balance is largely caused by non-dedicated revenues to the general fund. Fees credited to the motorcycle safety education program account recover the cost of the activity.

Purpose: Impose a technology surcharge on driver’s license, identification cards, and vehicle registration and ownership transactions to support the cost and development, support, and operations of the MNDRIVE system.

Legal Citation: MS 299A.705, Subd. 3; 168.33 Subd 7

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Dvs Technology Acct (P077172)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	26,635	23,503	21,733	16,035	16,035	9,970	10,277
Resources:							
Departmental Earnings	22,294	23,328	22,300	22,300	22,607	22,300	22,913
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	22,294	23,328	22,300	22,300	22,607	22,300	22,913
Expenditures:							
Direct Expenditures	25,287	24,945	27,799	28,166	28,166	28,195	28,195
Indirect Expenditures	139	153	199	199	199	199	199
Total Expenditures	25,426	25,098	27,998	28,365	28,365	28,394	28,394
Current Difference	(3,132)	(1,770)	(5,698)	(6,065)	(5,758)	(6,094)	(5,481)
Accumulated Ending Balance	23,503	21,733	16,035	9,970	10,277	3,876	4,796

Background Information:

The driver and vehicle services technology account is created in the special revenue fund, consisting of the technology surcharge collected as specified in chapters 168, 168A, and 171; the filing fee revenue collected under section M.S. 168.33, subdivision 7; and any other money otherwise donated, allotted, appropriated, or legislated to this account. Money in the account is to support the research, development and deployment of the driver and vehicle information system.

Forecast Basis:

Revenue estimates should remain consistent through FY26-27.

Agency Analysis/Comments:

Public Safety will monitor revenue and expenditures to ensure the cost of the activities are covered.

Governor's Recommendation:

For information about recommended revenue changes, see "Replace License Plates at Time of Vehicle Transfer" proposal in the Department of Public Safety - Transportation's 2026-27 Governor's Budget Recommendations.

Purpose: To title vehicles for the purpose of providing consumer protection. To recover the costs of administrating the registration for vehicles in a fleet. Administrative and miscellaneous motor vehicle fees for tax exempt vehicles. To cover the costs of issuing Motor Vehicle Dealer License and to provide consumer protection.

Legal Citation: M.S. 168A.29; M.S. 168.54; M.S. 169.127 subd 6; 168.012; 168.013, Subd 12; 168.017; 168.018; 168.10; 168.12; 168.29;168.31;168A.152; 299A.01; and 299A.802 M.S. 168.27 subd 11 & 22

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000); Trunk Highway (2700)

Appropriation: Non Dedicated Receipts (P075647); DVS Operating Account (P077002); Vehicle Serv. Control Acct (P077102); Non Dedicated Receipts (P077711)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,164	21,633	41,977	49,282	49,282	63,367	63,786
Resources:							
Departmental Earnings	51,376	57,982	62,202	60,897	63,011	60,897	65,125
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out		33					
Revenue Collected for Another Agency							
Total Resources	51,376	57,949	62,202	60,897	63,011	60,897	65,125
Expenditures:							
Direct Expenditures	34,556	37,287	54,547	46,400	48,095	46,400	49,789
Indirect Expenditures	351	318	350	412	412	412	412
Total Expenditures	34,907	37,605	54,897	46,812	48,507	46,812	50,201
Current Difference	16,469	20,344	7,305	14,085	14,504	14,085	14,924
Accumulated Ending Balance	21,633	41,977	49,282	63,367	63,786	77,452	78,710

Background Information:

The fees are to cover the costs of registration, and related services related to motor vehicles

Forecast Basis:

Revenue estimates should remain consistent through FY26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The agency will monitor fees appear to insure cover the cost of the activity. Surplus is result of having non-dedicated fee revenues without offsetting General Fund expenditures.

Governor's Recommendation:

For information about recommended revenue and expenditure changes, see "Replace License Plates at Time of Vehicle Transfer" proposal in the Department of Public Safety - Transportation's 2026-27 Governor's Budget Recommendations.

Purpose: To cover the costs of Public Safety Law Enforcement Motor Vehicles.

Legal Citation: M.S. 168A.29, Subd. 1(b); M.S. 299A.70

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: DPS Motor Vehicle Account BCA (P073302); DPS Motor Vehicle Account MSP (P075052);
DPS Motor Vehicle Account AGED (P079182)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	7,597	2,820	4,013	2,434	2,434	2,235	2,235
Resources:							
Departmental Earnings	4,483	4,688	4,489	4,489	4,489	4,489	4,489
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4,483	4,688	4,489	4,489	4,489	4,489	4,489
Expenditures:							
Direct Expenditures	9,232	3,484	6,053	4,673	4,673	4,253	4,253
Indirect Expenditures	28	11	15	15	15	15	15
Total Expenditures	9,260	3,495	6,068	4,688	4,688	4,268	4,268
Current Difference	(4,777)	1,193	(1,579)	(199)	(199)	221	221
Accumulated Ending Balance	2,820	4,013	2,434	2,235	2,235	2,456	2,456

Background Information:

To cover the costs of Public Safety Law Enforcement Motor Vehicles.

Forecast Basis:

Revenue estimates will remain consistent through FY26-27.

Agency Analysis/Comments:

The fees appear to be covering the cost of the activity.

Purpose: The 911 emergency telephone number is designed to provide immediate access to emergency services. The surcharge is used to cover the costs of providing this service to every Minnesotan.

Legal Citation: M.S. 403.11 and M.S. 403.113

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: 911 Emergency (4900)

Appropriation: 911 Emergency Phone Service (P075309); 911 Enhanced Service (P075319); 911 Non Dedicated Receipt (P079699); Combined Local Access (P0796C9)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		7,228	19,228	4,447	4,447	3,051	3,051
Resources:							
Departmental Earnings	69,954	68,572	68,572	68,572	68,572	68,572	68,572
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out	9,675	10,116	10,384	10,384	10,384	10,384	10,384
Revenue Collected for Another Agency							
Total Resources	60,279	58,456	58,188	58,188	58,188	58,188	58,188
Expenditures:							
Direct Expenditures	52,994	46,391	72,885	59,500	59,500	59,500	59,500
Indirect Expenditures	57	65	84	84	84	84	84
Total Expenditures	53,051	46,456	72,969	59,584	59,584	59,584	59,584
Current Difference	7,228	12,000	(14,781)	(1,396)	(1,396)	(1,396)	(1,396)
Accumulated Ending Balance	7,228	19,228	4,447	3,051	3,051	1,655	1,655

Background Information:

The 911 emergency telephone number is designed to provide immediate access to emergency services. The surcharge is used to cover the costs of providing this service to every Minnesotan. The charge is \$.95 per line per month.

Forecast Basis:

The agency projects consistent revenue collections in FY26 and FY27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The fee appears to be covering the cost of the activity. Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: This fee exists to pay for the cost of licensing all Fire Fighters in the State of Minnesota

Legal Citation: M.S. 299N.02, subdivision 3 - 299N.06

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Firefighter Licensing (P079722)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	105	288	279	260	260	475	475
Resources:							
Departmental Earnings	234	58	62	300	300	62	62
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	234	58	62	300	300	62	62
Expenditures:							
Direct Expenditures	50	67	80	84	84	86	86
Indirect Expenditures	1		1	1	1	1	1
Total Expenditures	51	67	81	85	85	87	87
Current Difference	183	(9)	(19)	215	215	(25)	(25)
Accumulated Ending Balance	288	279	260	475	475	450	450

Background Information:

The laws of 2009 chapter 153 established the licensing of Fire Fighters.

Forecast Basis:

It is assumed actual revenues will prevail for fiscal years 26 and 27.

Agency Analysis/Comments:

The fees appear to be covering the cost of the activity.

Purpose: Surcharges to cover the cost of the State Fire Marshal Division; MN Board of Firefighters; and other fire service programs

Legal Citation: M.S. 2971.06

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Fire Safety Account (P074012)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1,894	12,155	26,831	26,831	46,169	46,169
Resources:							
Departmental Earnings	20,012	27,448	35,000	36,800	36,800	38,600	38,600
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	20,012	27,448	35,000	36,800	36,800	38,600	38,600
Expenditures:							
Direct Expenditures	18,005	17,075	20,179	17,317	17,317	17,317	17,317
Indirect Expenditures	113	112	145	145	145	145	145
Total Expenditures	18,118	17,187	20,324	17,462	17,462	17,462	17,462
Current Difference	1,894	10,261	14,676	19,338	19,338	21,138	21,138
Accumulated Ending Balance	1,894	12,155	26,831	46,169	46,169	67,307	67,307

Background Information:

A surcharge of one-half of one percent on the gross fire premiums and assessments, less return premiums, on all direct business received by the insurer or agents of the insurer in Minnesota, in cash or otherwise, during the year.

Forecast Basis:

It is assumed actual revenues will prevail for fiscal years 26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The fees are covering the cost of the activity. The accumulated ending balance has been increasing. Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To inspect daycare facilities and hotels for Fire Safety; license fire protection system contractors; issue permits to fireworks display operators.

Legal Citation: M.S. 299M.04; M.S. 624.22, Subd 3 & 7; M.S. 245A.151

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: General (1000); Restrict Misc Special Revenue (2000)

Appropriation: Fire Standard Compl Cigarettes (P074022); School Inspection & Plan Revie (P074032); Day Care Inspection Fees (P074112); Hotel Fire Safety Inspection (P074122); Non Dedicated Receipts (P074511); Fire Protection Certification (P074522)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		615	1,254	1,669	1,669	2,062	2,062
Resources:							
Departmental Earnings	1,618	1,751	1,669	1,669	1,706	1,669	1,706
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,618	1,751	1,669	1,669	1,706	1,669	1,706
Expenditures:							
Direct Expenditures	1,003	1,112	1,254	1,276	1,313	1,290	1,327
Indirect Expenditures							
Total Expenditures	1,003	1,112	1,254	1,276	1,313	1,290	1,327
Current Difference	615	639	415	393	393	379	379
Accumulated Ending Balance	615	1,254	1,669	2,062	2,062	2,441	2,441

Background Information:

To inspect daycare facilities and hotels for Fire Safety; license fire protection system contractors; issue permits to fireworks display operators.

Forecast Basis:

It is assumed actual revenues will prevail for fiscal years 26-27.

Agency Analysis/Comments:

Surplus is a result of having non-dedicated fee revenues without corresponding General Fund expenditures.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Increase Charter School Fire Inspection Fee" proposal in the Department of Public Safety - Public Safety's 2026-27 Governor's Budget Recommendations.

Purpose: To recover the costs of data management, the operation of the Emergency Mgmt. Center and maintaining regional Hazardous Incident Response Teams.

Legal Citation: M.S. 299K.09; M.S. 299K.095; M.R. 7514.0500

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (P072351)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		192	450	660	660	870	870
Resources:							
Departmental Earnings	382	421	400	400	400	400	400
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	382	421	400	400	400	400	400
Expenditures:							
Direct Expenditures	190	163	190	190	190	190	190
Indirect Expenditures							
Total Expenditures	190	163	190	190	190	190	190
Current Difference	192	258	210	210	210	210	210
Accumulated Ending Balance	192	450	660	870	870	1,080	1,080

Background Information:

This fee is to recover a portion of the costs of maintaining for hazardous materials data management and incident teams. The fees are \$75 per facility; \$200 annual fee for zero releases and transfers annually; \$400 more than zero releases and transfers not exceeding 25,000 pounds; \$800 for releases and transfers exceeding 25,000 annually.

Forecast Basis:

The agency projects consistent revenue collection in FY26 and FY27.

Recent Changes:

none.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To recover the costs of certifying Commercial Vehicle Inspectors and issue Inspection Certification Decals.

Legal Citation: M.S. 169.781, Subd. 3 & 5

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Trunk Highway (2700)

Appropriation: Non Dedicated Receipts (P075647)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	46	42	42	42	42	42	42
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	46	42	42	42	42	42	42
Expenditures:							
Direct Expenditures	46	42	42	42	42	42	42
Indirect Expenditures							
Total Expenditures	46	42	42	42	42	42	42
Current Difference							
Accumulated Ending Balance							

Background Information:

This fee is to recover the costs of certifying Commercial Vehicle Inspectors and issue Inspection Certification Decals. The fee for two year Commercial Vehicle Inspector is \$10 and the fee for the 12 inspection decal is \$2.

Forecast Basis:

The agency projects consistent revenue collections in FY26 and FY27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To recover costs related to State Patrol Escort activities and State Patrol Flight Activities

Legal Citation: M.S 299D.03, subd.1 (12); M.S. 299D.09

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001)

Appropriation: Capitol Area Events - Non-stat (P075022); Captiol Area After Hours Event (P07502I); Air Patrol Service non-state (P075082); St Patrol Escort Svc Non-state (P075122)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,286	2,532	2,545	3,053	3,053	3,568	3,568
Resources:							
Departmental Earnings	1,516	1,071	1,617	1,639	1,639	1,639	1,639
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	20	21	20	20	20	20	20
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,536	1,092	1,637	1,659	1,659	1,659	1,659
Expenditures:							
Direct Expenditures	1,278	1,074	1,121	1,136	1,136	1,136	1,136
Indirect Expenditures	12	5	8	8	8	8	8
Total Expenditures	1,290	1,079	1,129	1,144	1,144	1,144	1,144
Current Difference	246	13	508	515	515	515	515
Accumulated Ending Balance	2,532	2,545	3,053	3,568	3,568	4,083	4,083

Background Information:

State Patrol calculates the escort services rate annually each fiscal year. The flight services rate is set in statute.

Forecast Basis:

It is presumed fiscal year 26-27 revenues will increase from FY25 estimated revenues.

Recent Changes:

The Patrol Escort Services Rates are updated annually.

Agency Analysis/Comments:

Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To recover the state’s share of all costs related to the Office of Pipeline Safety.

Legal Citation: M.S. 299F.631; M.S. 299J.12; M.S. 16D.08

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Railroad & Pipeline Preparedne (P074RP2); Pipeline Safety Control Approp (P0794C2)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(553)	(1,316)	86	86	1,609	1,609
Resources:							
Departmental Earnings	669	1,789	5,000	5,000	5,000	5,000	5,000
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	106	79	26	26	26	26	26
Resource Reductions:							
Earnings Transferred Out	103	1,309	2,060	2,060	2,060	2,060	2,060
Revenue Collected for Another Agency							
Total Resources	672	559	2,966	2,966	2,966	2,966	2,966
Expenditures:							
Direct Expenditures	1,225	1,322	1,564	1,443	1,443	1,443	1,443
Indirect Expenditures							
Total Expenditures	1,225	1,322	1,564	1,443	1,443	1,443	1,443
Current Difference	(553)	(763)	1,402	1,523	1,523	1,523	1,523
Accumulated Ending Balance	(553)	(1,316)	86	1,609	1,609	3,132	3,132

Background Information:

On a quarterly basis Pipeline Operators are charged the state share of the costs of the Office of Pipeline Safety. The quarterly costs apportioned according to a formula set by rules.

Forecast Basis:

It is assumed actual revenues will prevail for fiscal years 26-27.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The fees cover the state share costs. Public Safety will monitor revenues and expenditures to determine if a change is needed in the future.

Purpose: To recover the costs of regulating the rates and services provided by energy utility companies.

Legal Citation: M.S. 216B.62, subd. 2 and M.S. 216B.62

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Administrative Hearings (B82ALJ0)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	12	9					
Resources:							
Departmental Earnings	285	453	800	800	800	800	800
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	285	453	800	800	800	800	800
Expenditures:							
Direct Expenditures	288	462	800	800	800	800	800
Indirect Expenditures							
Total Expenditures	288	462	800	800	800	800	800
Current Difference	(3)	(9)					
Accumulated Ending Balance	9						

Background Information:

The assessment of administrative hearings costs recovers the costs to the Public Utilities Commission for contested case hearings held by the Office of Administrative Hearings. M.S. 216B.62, Subd. 6 and M.S. 237.295 require that administrative hearing costs for contested cases be paid from a special revolving fund and subsequently assessed to the utilities involved. Receipts are deposited into the revolving fund. Expenditures and receipts vary with contested case activity.

Forecast Basis:

The Forecast assumes expanded services will be provided by the Office of Administrative Hearings to the Public Utilities Commission due to the increasing controversy surrounding utility construction projects (e.g., oil and gas pipelines, transmission lines, wind farms, solar farms, and power plant siting and routing decisions).

Recent Changes:

No recent changes

Agency Analysis/Comments:

The Commission recovers 100% of the costs of Administrative Hearings and deposits the funds into a revolving account. Utility billings occur after expenditures have been made. As a result, the annual “balance” in the account may appear to be over or under recovered. The account is made whole annually once all invoiced costs have been received.

Cash flow for this account has been a concern for the past several years due to an increase in the number of Certificate of Need Cases requiring direct billing during the regular assessment process. Direct billings only occur twice each year, and the account can run a negative balance until the next full assessment is processed. The agency has received cash flow assistance from MMB to mitigate this effect.

Purpose: To recover the costs of regulating the rates and services provided by energy utility companies

Legal Citation: M.S. 216B.62, subd. 2 and M.S. 216B.62

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non-Dedicated Receipts (B82NDR0)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(445)	(2,388)	(2,263)	(2,263)	(2,183)	(2,183)
Resources:							
Departmental Earnings	7,501	7,754	11,200	11,200	12,743	11,200	12,743
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	7,501	7,754	11,200	11,200	12,743	11,200	12,743
Expenditures:							
Direct Expenditures	7,570	9,239	10,575	10,620	12,163	10,575	12,163
Indirect Expenditures	376	458	500	500	500	500	500
Total Expenditures	7,946	9,697	11,075	11,120	12,663	11,075	12,663
Current Difference	(445)	(1,943)	125	80	80	125	80
Accumulated Ending Balance	(445)	(2,388)	(2,263)	(2,183)	(2,183)	(2,058)	(2,103)

Background Information:

To recover the costs of regulating the rates and services provided by gas and electric utility companies. M.S. 216B.62 subd. 2 and M.S. 216B.62 permit the PUC to recover its direct and indirect regulatory expenses from regulated energy utilities. The PUC typically recovers nearly all of its direct and indirect energy regulation costs. M.S. 216B.62 limits the assessment of costs to no more than two-fifths of one percent of the gross jurisdictional revenues regulated energy utilities reported for the previous year.

Forecast Basis:

The Forecast assumes FY2024 staffing levels and minimal salary adjustments for the FY2026-27 biennium.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The Commission recovers nearly all of the costs of utility regulation annually and deposits receipts as non-dedicated receipts to the general fund. Utility billings occur after expenditures have been made. As a result, the annual "balance" in the account may appear to be over or under recovered depending on the billing cycle. The account is made whole for the previous fiscal year in the third quarter of each year.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Natural Gas Utility Resource Planning and Coordination", "Technology Maintenance and Innovation" and "Tribal Liaison" proposals in the Public Utilities Commission's 2026-27 Governor's Budget Recommendations.

Purpose: Recover the cost of the analysis, advocacy, and operations with respect to siting and routing of electric generating plants, electric high voltage lines, wind generators, and pipelines.

Legal Citation: M.S. 216I.28, Subd. 1; M.S. 216E.18 subd 2-3; M.S. 216G.02

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Power Plant Assessment (B132300); Power Plant Siting Appl Fees (B132301); Power Plant Siting Appl Fees (B82EFP1); Power Plant Assessment (B82EFP2)

Fee Change?

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,527	1,242	1,050				
Resources:							
Departmental Earnings	2,207	4,635	5,384	5,384	5,384	5,384	5,384
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,207	4,635	5,384	5,384	5,384	5,384	5,384
Expenditures:							
Direct Expenditures	2,252	4,531	5,794	4,744	4,744	4,744	4,744
Indirect Expenditures	240	296	640	640	640	640	640
Total Expenditures	2,492	4,827	6,434	5,384	5,384	5,384	5,384
Current Difference	(285)	(192)	(1,050)				
Accumulated Ending Balance	1,242	1,050					

Background Information:

Fees are paid by utility companies and other proposers of energy facilities to manage the permitting process. Examples of the type of facilities include power plants, transmission lines, wind farms, solar farms, energy storage, and pipelines. The fees support the actual cost of personnel, operating costs, and indirect costs. The 2024 Legislature shifted the Energy Environmental Review and Analysis (EERA) function from the Department of Commerce to the Public Utilities Commission (PUC). Beginning in FY2026, fees will be assessed and collected by the PUC.

Forecast Basis:

Current and prior year receipt and expenditure information was reviewed and estimated budgets were created based on that information. These projects are limited in duration. Typically, the number and size of new projects has been stable over time.

Recent Changes:

None.

Agency Analysis/Comments:

Current law requires the PUC to assess applicants a fee in the amount that will cover the necessary and reasonable costs incurred. No change is recommended to the existing fee structure.

Purpose: The interconnection ombudsperson exists to assist applicants seeking to interconnect distributed generation projects to utility distribution systems.

Legal Citation: Minnesota Session Law 2024 Regular Session, Chapter 127, art. 42, sec. 54

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Interconnection Ombudsperson (B82OMB0)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings			155	155	155	155	155
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources			155	155	155	155	155
Expenditures:							
Direct Expenditures			155	155	155	155	155
Indirect Expenditures							
Total Expenditures			155	155	155	155	155
Current Difference							
Accumulated Ending Balance							

Background Information:

The interconnection ombudsperson position was established 7/1/2024 to assist applicants seeking to interconnect distributed generation projects to utility distribution systems.

Forecast Basis:

Utilities must assess and collect a surcharge of \$50 on each application interconnection filed by an owner of a distributed generation facility located in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission (PUC) monthly for each interconnection application filed with the utility during the previous month.

Recent Changes:

N/A

Agency Analysis/Comments:

The PUC must deposit in the account all revenues received from utilities from the surcharge on interconnection applications established under this section. Money is appropriated from the account to the PUC for the sole purpose of funding the ombudsperson position. The PUC will review the amount of revenues collected from the surcharge each year and may adjust the level of the surcharge as necessary to ensure, 1) sufficient money is available to support the position and, 2) the reserve in the account does not reach more than ten percent of the amount necessary to fully fund the position.

Purpose: The Telephone Assistance Program (TAP) fund assists low income or program eligible Minnesotans to maintain telephone service by funding a monthly wireline telephone bill credit.

Legal Citation: M.S. 237.70, subd. 6

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Telephone Assistance Plan - It (B82TAP0)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	3,151	3,336	2,887	3,049	3,049	3,211	3,211
Resources:							
Departmental Earnings	1,004	445	970	950	950	930	930
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	106	165	25	25	25	25	25
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,110	610	995	975	975	955	955
Expenditures:							
Direct Expenditures	925	1,059	833	813	813	793	793
Indirect Expenditures							
Total Expenditures	925	1,059	833	813	813	793	793
Current Difference	185	(449)	162	162	162	162	162
Accumulated Ending Balance	3,336	2,887	3,049	3,211	3,211	3,373	3,373

Background Information:

The Telephone Assistance Program (TAP) fund assists low income or program eligible Minnesotans, to maintain telephone service by funding a monthly wireline telephone bill credit. M.S. 237.70, subd. 6, authorizes the Commission to assess a uniform monthly surcharge not to exceed three cents per wireline access line. Currently, the program is funded by a three cent monthly surcharge. TAP provides monthly credits to low income program eligible subscribers. The TAP monthly credit is presently set at \$10.00 by the Commission. Qualification is based on an income at or below 135 percent of the federal poverty guidelines, or participation in eligible programs (e.g., Medicaid). The continued migration to wireless telecommunications service has resulted in a decline in TAP revenues, which is expected to continue.

Recent Changes:

No recent changes

Agency Analysis/Comments:

Telephone Assistance Program (TAP) revenues and expenditures are evaluated annually to ensure that benefits provided to low income Minnesotans are more closely match with available revenues. The account has over-recovered costs in previous fiscal years. In CY2021, the Commission reduced the surcharge paid by utilities to seven cents per wireline and increased the credit to \$10.00 to better balance revenues and expenditures.

Purpose: To recover the costs of regulating the rates and services provided by telephone utility companies.

Legal Citation: M.S. 237.295

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non-Dedicated Receipts (B82NDR0)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(140)	(365)	(370)	(370)	(375)	(375)
Resources:							
Departmental Earnings	633	628	805	805	805	805	805
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	633	628	805	805	805	805	805
Expenditures:							
Direct Expenditures	754	845	800	800	800	800	800
Indirect Expenditures	19	8	10	10	10	10	10
Total Expenditures	773	853	810	810	810	810	810
Current Difference	(140)	(225)	(5)	(5)	(5)	(5)	(5)
Accumulated Ending Balance	(140)	(365)	(370)	(375)	(375)	(380)	(380)

Background Information:

To recover the costs of regulating the rates and services provided by telephone companies pursuant to M.S. 237.295. In the past, the Public Utilities Commission (PUC) has recovered nearly all (approximately 98%) of its expenditures associated with the regulation of telecommunications utilities. It recovered its statewide indirect costs and the telecommunications regulatory costs of the staff of the Attorney General’s office assigned to the PUC as well. M.S. 237.295 sets the maximum limitations for assessment of telephone costs at three-eighths of one percent of the gross jurisdictional revenues it reported for the previous year. As of July 1, 2005, M.S. 237.295 was revised to allow the PUC to recover all of its telecommunications regulation expenses for each fiscal year from telecommunications companies in proportion to their respective gross jurisdictional operating revenues during the last calendar year on a quarterly basis. Also, a filing fee for new authority applications was established effective July 1, 2005 and has been set at \$570 per applicant since that date.

Forecast Basis:

The Forecast assumes FY2024 staffing levels and minimal salary adjustments for the FY2026-27 biennium.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

The Commission recovers nearly all of the costs of telephone utility regulation annually and deposits receipts as non-dedicated receipts to the general fund. Utility billings occur after expenditures have been made. As a result, the annual “balance” in the account may appear to be over or under recovered depending on the billing cycle. The account is made whole for the previous fiscal year in the third quarter of each year.

Agency:
Earnings Group:

Racing Commission
Pari-Mutual Horse Racing Licenses, Racetrack Owner/Operator License Class A

2026-27 Departmental Earnings

Purpose: To recover a portion of the cost of regulating the industry.

Legal Citation: M.S. 240.10, M.S. 240.15 subd. 6

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Racing Association Control (G05CTRL)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,149	1,310	919	762	762	638	638
Resources:							
Departmental Earnings	1,148	509	830	830	830	830	830
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,148	509	830	830	830	830	830
Expenditures:							
Direct Expenditures	981	825	965	932	932	932	932
Indirect Expenditures	6	75	22	22	22	22	22
Total Expenditures	987	900	987	954	954	954	954
Current Difference	161	(391)	(157)	(124)	(124)	(124)	(124)
Accumulated Ending Balance	1,310	919	762	638	638	514	514

Background Information:

As outlined in M.S. 240.03 (10), the Minnesota Racing Commission (MRC) has the power and duty to impose fees on the racing and card playing industries sufficient to recover the operating costs of the commission with the approval of the legislature according to M.S. 16A.1283.

All fees collected by the MRC are used to fund the agency's statutory duties as outlined in M.S. 240.03 and also to support its mission to ensure the integrity of horse racing and card playing, oversee the proper distribution of funds back into the industry, and provide for the safety and welfare of the human and equine participants. Additionally, the MRC works to promote the horse racing and breeding industry in Minnesota in order to provide economic stimulus, offer residents and visitors an exciting entertainment option, and support agriculture and rural agribusiness.

The MRC has the authority to issue four classes of licenses, A, B, C, and D per M.S. 240.05 subd.1:

- Class A license fees are \$253,000 each and are submitted annually on July 1. Only two Class A licenses are currently approved, one for Canterbury Park Entertainment L.L.C. (Canterbury Park) and one for North Metro Harness Initiative L.L.C. (Running Aces).
- Class B license fees are \$500 per live racing day and \$100 per simulcast racing day.
- Class C occupational licenses are issued to individuals who are engaged in horse racing/card room-related activities and all other persons and vendors who by rule require licensing to ensure the integrity of racing (M.S. 240.08). These license fees range from \$5 to \$100 as outlined in Minnesota Rule 7877.120.
- Class C Advance Deposit Wagering (ADW) Provider license fees are \$10,000 for an initial license and \$2,500 each year thereafter per M.S. 240.10 (c).
- Class D pari-mutuel county fair license fees are \$50 for each assigned racing day on which pari-mutuel county fair racing is conducted per M.S. 240.10. No class D licenses have been applied for or awarded since 2001.

Forecast Basis:

In forecasting fee revenue for the upcoming biennium, the agency reviewed historical data and considered recent changes to legislation affecting these revenues.

There are currently only two licensed racing facilities in the State of Minnesota that require Class B licenses and no additional applications have been filed since 2008. Both facilities' license fees have varied little in the past decade and based on recent filings for race dates. No change is anticipated.

The annual number of Class C licenses issued has remained mostly unchanged only varying 5% over the last four fiscal years.

Recent Changes:

None

Agency Analysis/Comments:

The MRC anticipates a decline in operational budget funds, leadership is exploring ways to reduce agency costs and utilize other regulatory funds.

Purpose: Assessor's Licensing

Legal Citation: M.S. 270.44

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Prop Tax Board of Assessors Li (G676353)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	134	138	139	140	140	141	141
Resources:							
Departmental Earnings	104	98	100	100	100	100	100
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	104	98	100	100	100	100	100
Expenditures:							
Direct Expenditures	100	97	99	99	99	99	99
Indirect Expenditures							
Total Expenditures	100	97	99	99	99	99	99
Current Difference	4	1	1	1	1	1	1
Accumulated Ending Balance	138	139	140	141	141	142	142

Background Information:

Fees are set to recover the costs of the State Board of Assessors.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

1Sp2017 Chapter 4, Article 2 Subd. 34 increased the license fees. Subd. 35 changed the disposition of this fee to a Special Revenue Fund, appropriated directly to the department.

Agency Analysis/Comments:

Effective with FY 2018, revenues are dedicated and appropriated to the department to fund the annual operating board costs.

Purpose: Administrative fee to customers when refunds are recaptured for debt owed.

Legal Citation: M.S. 270A.07

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Revenue Recapture (G677750)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	630	207	148	316	316	484	484
Resources:							
Departmental Earnings	411	685	800	800	800	800	800
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	411	685	800	800	800	800	800
Expenditures:							
Direct Expenditures	834	744	632	632	632	632	632
Indirect Expenditures							
Total Expenditures	834	744	632	632	632	632	632
Current Difference	(423)	(59)	168	168	168	168	168
Accumulated Ending Balance	207	148	316	484	484	652	652

Background Information:

DOR charges an administrative fee to customers when refunds are recaptured for debt owed to state agencies, county governments, and certain federal agencies. The current fee is \$15.00, \$11.00 going to the State's General Funds and \$4.00 going to the DOR for administration.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None.

Agency Analysis/Comments:

DOR maximizes the use of these funds to recover debt owed to governmental agencies.

Purpose: Central depository for the general public to register and obtain information related to businesses

Legal Citation: Chapters 333, 302A, 303, 308A, 308B, 322B, 323A, 321, 317A

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: OSS General Fund Revenue (G539900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		15,414	31,679	47,282	47,282	59,277	59,277
Resources:							
Departmental Earnings	16,547	17,444	17,289	13,388	13,388	13,454	13,454
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	16,547	17,444	17,289	13,388	13,388	13,454	13,454
Expenditures:							
Direct Expenditures	1,133	1,179	1,686	1,393	1,393	1,379	1,393
Indirect Expenditures							
Total Expenditures	1,133	1,179	1,686	1,393	1,393	1,379	1,393
Current Difference	15,414	16,265	15,603	11,995	11,995	12,075	12,061
Accumulated Ending Balance	15,414	31,679	47,282	59,277	59,277	71,352	71,338

Background Information:

The Office of the Secretary of State is the central depository for the general public, law firms, and service companies to register and obtain information related to businesses operating in Minnesota. Business Services fees include statutorily set filing fees to file documents for domestic, foreign (out of state) & non-profit corporations, limited liability companies, limited partnerships, assumed names, trademarks and all related documents including Annual Business Renewals. Annual Business Renewals do not require a fee unless a Reinstatement is needed or it's a foreign (out of state) entity. Fees are also collected for obtaining copies and certificates. There are a number of various filing & order fees set forth in statutes.

Forecast Basis:

A review of the previous fiscal years, current fiscal year as well as any statute changes that may impact the revenue.

Recent Changes:

None.

Agency Analysis/Comments:

The Office of the Secretary of State collects general fund revenue far in excess of general fund expenditures. When broken down by separate earnings groups and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self-supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

Purpose: Fees are to cover the costs of providing services online including database requests or other supplemental services for our customers. Fees are also deposited into this account to pay all credit card fees for the agency.

Legal Citation: M.S. 338.9-418, M.S. 336.9

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Direct Access (G531000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	5,049	5,849	7,296	5,389	5,389	3,503	3,503
Resources:							
Departmental Earnings	5,118	5,886	4,585	4,685	4,685	4,785	4,785
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,118	5,886	4,585	4,685	4,685	4,785	4,785
Expenditures:							
Direct Expenditures	4,318	4,439	6,492	6,571	6,571	6,573	6,573
Indirect Expenditures							
Total Expenditures	4,318	4,439	6,492	6,571	6,571	6,573	6,573
Current Difference	800	1,447	(1,907)	(1,886)	(1,886)	(1,788)	(1,788)
Accumulated Ending Balance	5,849	7,296	5,389	3,503	3,503	1,715	1,715

Background Information:

Fees are charged to offset the costs of providing services including online. The costs involved are IT and operational unit staff salaries, software/hardware equipment & maintenance costs, lease and other additional expenses.

Forecast Basis:

A review of the previous fiscal years, current fiscal year as well as any statute changes that may impact the revenue.

Recent Changes:

None.

Agency Analysis/Comments:

The Office of the Secretary of State collects Direct Access/Uniform Commercial Code Acct. revenue to offset the costs of providing services and products to our customers, the majority in the form of technology. We are continually adding new functionality and updating our applications to best serve our customers. These funds are also utilized towards providing the best security possible for our applications.

Purpose: To have official notification of candidates running for office to be placed on the ballot. Provide orders including copies, certification of copies, voter registration orders, fees for related items and possible recount fees.

Legal Citation: M.S. 204B.11, 207A.02, 204C.35, 16A.48

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: OSS General Fund Revenue (G539900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		(4,411)	(9,809)	(14,742)	(14,742)	(20,447)	(20,447)
Resources:							
Departmental Earnings	38	56	28	73	73	28	28
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	38	56	28	73	73	28	28
Expenditures:							
Direct Expenditures	4,449	5,454	4,961	5,778	5,778	5,039	5,039
Indirect Expenditures							
Total Expenditures	4,449	5,454	4,961	5,778	5,778	5,039	5,039
Current Difference	(4,411)	(5,398)	(4,933)	(5,705)	(5,705)	(5,011)	(5,011)
Accumulated Ending Balance	(4,411)	(9,809)	(14,742)	(20,447)	(20,447)	(25,458)	(25,458)

Background Information:

Filing fees from individuals who run for public office. Includes fees for providing copies, district maps, Voter Registration orders, or for other election related items and a fee for doing recount of an election. The majority of candidate filing fees come in during the heavy general election years, FY26 and FY28.

Forecast Basis:

A review of the previous fiscal years, current fiscal year as well as any statute changes that may impact the revenue.

Recent Changes:

None.

Agency Analysis/Comments:

The Office of the Secretary of State collects general fund revenue far in excess of general fund expenditures. When broken down by separate earnings groups and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self-supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

Purpose: When making application for a commission the applicant must submit, along with the information required a nonrefundable fee.

Legal Citation: M.S. 359.01, Subd. 3

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: OSS General Fund Revenue (G539900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1,423	2,659	4,999	4,999	6,176	6,176
Resources:							
Departmental Earnings	1,833	1,663	2,950	1,681	1,681	1,695	1,695
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,833	1,663	2,950	1,681	1,681	1,695	1,695
Expenditures:							
Direct Expenditures	410	427	610	504	504	499	499
Indirect Expenditures							
Total Expenditures	410	427	610	504	504	499	499
Current Difference	1,423	1,236	2,340	1,177	1,177	1,196	1,196
Accumulated Ending Balance	1,423	2,659	4,999	6,176	6,176	7,372	7,372

Background Information:

The Office of the Secretary of State handles the notary function for the State of Minnesota. Fees are collected for new notary commissions, renewals and other notary related filings. The fee is \$120 for a new commission or renewal and is set forth in statute.

Forecast Basis:

A review of the previous fiscal years, current fiscal year as well as any statute changes that may impact the revenue.

Recent Changes:

None.

Agency Analysis/Comments:

The Office of the Secretary of State collects general fund revenue far in excess of general fund expenditures. When broken down by separate earnings groups and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self-supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

Purpose: Central depository for business and financial institutions to obtain information on liens recorded against businesses across the state.

Legal Citation: M.S. 336.9(-403- 409), -413, M.S. 5.12, M.S. 336A.04, M.S. 336A.09

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: OSS General Fund Revenue (G539900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		2,862	5,712	8,393	8,393	11,300	11,300
Resources:							
Departmental Earnings	3,272	3,277	3,291	3,411	3,411	3,413	3,413
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,272	3,277	3,291	3,411	3,411	3,413	3,413
Expenditures:							
Direct Expenditures	410	427	610	504	504	499	499
Indirect Expenditures							
Total Expenditures	410	427	610	504	504	499	499
Current Difference	2,862	2,850	2,681	2,907	2,907	2,914	2,914
Accumulated Ending Balance	2,862	5,712	8,393	11,300	11,300	14,214	14,214

Background Information:

The Office of the Secretary of State is the central depository for business and financial institutions to register and obtain information on liens recorded against businesses across the state. Fees are collected for filing UCC documents, farm liens, state and federal liens. Fees are also collected for obtaining searches, copies and CNS buyers lists. There are a number of various filing and order fees set forth in statutes.

Forecast Basis:

A review of the previous fiscal years, current fiscal year as well as any statute changes that may impact the revenue.

Recent Changes:

None.

Agency Analysis/Comments:

The Office of the Secretary of State collects general fund revenue far in excess of general fund expenditures. When broken down by separate earnings groups and attributed to a particular activity some activities will show an excess or deficit in the accumulated balances as they are not all self-supporting. Therefore, the review forms do not reflect an accurate picture of the ratio of expenditures to receipts.

Purpose: To recover the costs of regulating the social work profession.

Legal Citation: M.S. 148E, 148D.061-148D.063*, 214, 319B
 *Set to be moved into M.S. 148E, effective 10/1/2024

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Soc Wk Non Dedicated Receipts (H7L1000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	874	1,110	1,584	1,509	1,509	1,535	1,540
Resources:							
Departmental Earnings	2,305	2,472	2,523	2,523	2,528	2,523	2,533
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	11						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,316	2,472	2,523	2,523	2,528	2,523	2,533
Expenditures:							
Direct Expenditures	1,703	1,585	2,169	2,068	2,068	2,002	2,002
Indirect Expenditures	377	413	429	429	429	429	429
Total Expenditures	2,080	1,998	2,598	2,497	2,497	2,431	2,431
Current Difference	236	474	(75)	26	31	92	102
Accumulated Ending Balance	1,110	1,584	1,509	1,535	1,540	1,627	1,642

Background Information:

The mission of the Minnesota Board of Social Work (BOSW) is protecting the public and ensuring residents of Minnesota quality social work services by establishing and enforcing professional standards to ensure licensed social workers are qualified, professional, ethical, and accountable. We promote a diverse and qualified workforce guided by our agency core values and are committed to actively examine and address systemic inequities in policy and practice with a diversity, equity, inclusion, and belonging lens to reduce unnecessary licensing barriers, while maintaining standards to ensure our mission of protecting the public. The public safety mission creates the foundation for the Board's work. Fifteen volunteer Board Members, including five public members, provide oversight to make certain we meet the needs of citizens and promote a diverse and qualified workforce.

Currently, the Board has a staff of 13.6 FTE serving over 18,000 licensees. Annually, staff process over 2,000 applications for licensure, over 6,000 applications for license renewal, over 400 complaints, and over 7500 supervised practice forms. The Board keeps Minnesotans safe by licensing qualified social workers and investigating and resolving complaints when services do not meet standards. The Board conducts regular strategic planning, identifies outcome-based priorities, measures results, and engages in continuous process and service delivery improvements with the goal to be a mission-driven, efficient, and effective state agency.

Board of Social Work Services and Statutory Mandate:

The Board accomplishes its core public safety and regulatory mission by 1) licensing and regulating qualified social work professionals; 2) investigating and resolving complaints against licensed social workers' practice in a fair and timely manner; 3) providing education, outreach, strategic communications, and building collaborative partnerships through the following services.

- Establish and enforce requirements for initial and continued licensure, including ethical practice standards, education, national examination, criminal background checks, supervised practice experience, and continuing education.
- Issue and renew bachelor and graduate degree licenses: Licensed Social Worker (LSW); Licensed Graduate Social Worker (LGSW); Licensed Independent Social Worker (LISW); and Licensed Independent Clinical Social Worker (LICSW).
- Set and enforce standards of ethical practice to ensure that licensed social workers meet professional standards, practice safely and competently, and are accountable to the people they serve.
- Investigate and resolve complaints of alleged violations of statutes, hold educational and disciplinary conferences with licensees; take legal action, when appropriate, against licensees who fail to meet minimum standards of social work practice. Results show that when the Board takes action against a licensee, a future complaint is rare.
- Educate the public, social work students and faculty, licensed professionals, applicants, employers, diverse communities, and organizations about professional licensing responsibilities, ethical practice standards, and the complaint resolution process through in-person and web-based methods.
- Partner with local, state, and national organizations to improve public safety policies, regulatory practices, and mental health workforce issues, including social work licensing mobility and portability.

Board of Social Work Fees:

- The Board is entirely fee supported, by licensure fees, and receives no General Fund dollars to provide services. Minnesota Statutes section 214.06, subdivision 1(a) requires the Board to collect fees in the amount sufficient to cover direct and indirect expenditures.
- Funds are deposited as non-dedicated revenue into the state government special revenue fund. From this fund, the Board receives a direct appropriation to pay for operations and program services provided by the agency, including licensing, complaint investigation and resolution, education and outreach, salaries, rent, and technology costs.

- In addition to Board operational and program service expenses, fees collected must be sufficient to pay statewide indirect costs to other state agencies and programs providing services, including the Office of the Attorney General for legal services, and inter-board programs including the Administrative Services Unit, Department of Administration Small Agency Resource Team, Health Professionals Services Program, and the Criminal Background Check Program.
- Fees are approved and enacted by the Legislature, as identified in Minnesota Statutes, Sections 148E.175 and 148E.180.

Forecast Basis:

- Revenues are forecasted based on demonstrated trends, including analysis of actual revenue collected in previous years, number of applicants seeking initial licensure and renewing licenses, and any statutory fee changes.
- Expenditures are forecasted based on demonstrated trends, including analysis of actual direct and indirect expenditures in previous years and anticipated increases, identified increased costs of doing business, costs for new Board-identified critical strategic initiatives to ensure our public safety mission, and to meet the dramatic increase in the demand for Board services.

Recent Changes:

- The Board of Social Work last fee change was approved by the Legislature and Governor during the 2019 Legislative Special Session, effective May 30, 2019. There have not been new fee changes to the current approved amount since 2019.
- The fee structure includes a “not to exceed amount” model, allowing the Board to adjust fees lower than the amount listed in law.

Agency Analysis/Comments:

The board will continue to monitor revenues and expenditures to determine whether a fee changes are needed.

Governor's Recommendation:

For information about recommended fee change, see “Add New Social Work Interstate Compact Multistate License Fees” proposal in the Board of Social Work's 2026-27 Governor’s Budget Recommendations.

Purpose: To recover the cost for utilizing utilities and miscellaneous services received while renting office space at Minnesota State Academies. These dollars are used for Staff Development purposes for employees at the Academies.

Legal Citation: M.S. 125A.71

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Faribault Acad Rental Income (E447203)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	197	202	144				
Resources:							
Departmental Earnings	4	8	8	8	8	8	8
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	1						
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5	8	8	8	8	8	8
Expenditures:							
Direct Expenditures		66	152	8	8	8	8
Indirect Expenditures							
Total Expenditures		66	152	8	8	8	8
Current Difference	5	(58)	(144)				
Accumulated Ending Balance	202	144					

Background Information:

The Minnesota State Academies Fees account has two revenue sources. One is for the rental of farmland which reverts to the General Fund and the other is for the rental of office space which goes to the Academies to support staff development efforts for employees.

Forecast Basis:

The forecast is based on the established lease that was set up for the farmland as well as the anticipated dollars that are to come in for the rental of vacant office space.

Recent Changes:

None.

Agency Analysis/Comments:

The Department of Administration is responsible for doing the bidding out of the farmland as needed.

Purpose: To recover costs of the audit examination of local governments.

Legal Citation: M.S. 6.581

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non-Dedicated Audit Receipts (G611999)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	3,860	3,248	7,500	7,500	7,725	7,500	7,956
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	3,860	3,248	7,500	7,500	7,725	7,500	7,956
Expenditures:							
Direct Expenditures	3,860	3,248	7,500	7,500	7,725	7,500	7,956
Indirect Expenditures							
Total Expenditures	3,860	3,248	7,500	7,500	7,725	7,500	7,956
Current Difference							
Accumulated Ending Balance							

Background Information:

The Audit Practice Division plays a primary role in the Office of the State Auditor's performance of its oversight functions by auditing local governments. Under Minn. Stat. § 6.581, all costs of the audit examination must be recovered through fees, generating a significant reimbursement for the state. These fees are non-dedicated revenue deposited in the General Fund. Audit work is billed on an hourly basis, plus reimbursable travel expenses. The Office of the State Auditor is committed to providing quality audit services to local governments in Minnesota at fees that recover the costs of the audits. Audit staff work closely with local governments to reduce audit costs wherever possible.

Forecast Basis:

The current departmental earnings forecast is based on the assumption that the amount of audit work will be similar to 2024.

Agency Analysis/Comments:

Fees are sufficient to recover the cost of audit examinations.

Governor's Recommendation:

For information about recommended revenue and expenditure change, see "Operating Adjustment" proposal in the State Auditor's 2026-27 Governor's Budget Recommendations.

Purpose: To reimburse the cost of providing copies to patrons

Legal Citation: M.S. 480.09 Subd. 5

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non dedicated receipt (J659900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	1						
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1						
Expenditures:							
Direct Expenditures	1						
Indirect Expenditures							
Total Expenditures	1						
Current Difference							
Accumulated Ending Balance							

Background Information:

Reimbursement for copies.

Forecast Basis:

None

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Filing fees are established by statute for appeals presented to the Supreme Court and Court of Appeals. These filing fees are not intended to directly finance the costs of the Supreme Court or the Court of Appeals, but rather to discourage the filing of frivolous appeals after cases have been decided in the District Courts. These fees are deposited as non-dedicated receipts to the General Fund and do not accumulate to a specific account.

Legal Citation: M.S. 357.08

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non dedicated receipt (J659900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:							
Resources:							
Departmental Earnings	466	496	496	496	496	496	496
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency	466	496	496	496	496	496	496
Total Resources							
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference							
Accumulated Ending Balance							

Background Information:

Filing fees for appeals.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: To cover costs for the MNCIS database access for non-court users.

Legal Citation: M.S. 480.236

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Mncis Access (J650SC3)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	305	254	186				
Resources:							
Departmental Earnings	36	52	52	52	52	52	52
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	36	52	52	52	52	52	52
Expenditures:							
Direct Expenditures	87	120	238	52	52	52	52
Indirect Expenditures							
Total Expenditures	87	120	238	52	52	52	52
Current Difference	(51)	(68)	(186)				
Accumulated Ending Balance	254	186					

Background Information:

Fees from users of state computer system.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: To cover the cost of certifying mediators and arbitrators, disseminating a roster statewide, and supporting the activities of the Board.

Legal Citation: M.S. 481.01

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Alter Dispute Resolution (J650ADR)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	35	37	41	32	32	24	24
Resources:							
Departmental Earnings	54	54	57	57	57	57	57
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	54	54	57	57	57	57	57
Expenditures:							
Direct Expenditures	52	50	66	65	65	65	65
Indirect Expenditures							
Total Expenditures	52	50	66	65	65	65	65
Current Difference	2	4	(9)	(8)	(8)	(8)	(8)
Accumulated Ending Balance	37	41	32	24	24	16	16

Background Information:

Alternative dispute resolution registration fee.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: To supplement funding available to train and test court interpreters through a user fee

Legal Citation: M.S. 481.175

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Interpreter (J650INT)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	7	4	2				
Resources:							
Departmental Earnings	4	4	4	4	4	4	4
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4	4	4	4	4	4	4
Expenditures:							
Direct Expenditures	7	6	6	4	4	4	4
Indirect Expenditures							
Total Expenditures	7	6	6	4	4	4	4
Current Difference	(3)	(2)	(2)				
Accumulated Ending Balance	4	2					

Background Information:

Fee for testing and training court interpreters.

Forecast Basis:

Forecasted revenue was based on history.

Recent Changes:

No recent changes.

Agency Analysis/Comments:

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

Purpose: Cigarette Sale Regulation

Legal Citation: M.S. 297F.03, Subd. 5-6 & 297F.24 Subd 1

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (G900900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		5,203	10,541	15,171	15,171	19,801	19,801
Resources:							
Departmental Earnings	5,208	5,343	4,635	4,635	4,635	4,635	4,635
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,208	5,343	4,635	4,635	4,635	4,635	4,635
Expenditures:							
Direct Expenditures							
Indirect Expenditures	5	5	5	5	5	5	5
Total Expenditures	5	5	5	5	5	5	5
Current Difference	5,203	5,338	4,630	4,630	4,630	4,630	4,630
Accumulated Ending Balance	5,203	10,541	15,171	19,801	19,801	24,431	24,431

Background Information:

Cigarette and tobacco licensure is to regulate the sale of cigarette and tobacco products. Cigarette and tobacco fees are a 2 year license that is issued on January 1 of the even number year and runs through Dec 31 of the odd number year. There is a significant increase in applications in November/December of odd number years.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None.

Agency Analysis/Comments:

Revenues are non-dedicated and deposited in the State's General Fund.

Purpose: Administration of Conditional Use Fees

Legal Citation: M.S. 282.01, Subd. 1g

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Conditional Use Fees (G905004)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	73	67	55	44	44	33	33
Resources:							
Departmental Earnings	(2)	(3)	4	4	4	4	4
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	6	4	5	5	5	5	5
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	4	1	9	9	9	9	9
Expenditures:							
Direct Expenditures	10	13	20	20	20	20	20
Indirect Expenditures							
Total Expenditures	10	13	20	20	20	20	20
Current Difference	(6)	(12)	(11)	(11)	(11)	(11)	(11)
Accumulated Ending Balance	67	55	44	33	33	22	22

Background Information:

A governmental subdivision of the state applying for a conditional use deed must submit a \$250 fee with the application. If denied, \$150 is refunded. Proceeds from the fees deposited in conditional use deed revolving fund for making refunds and for administering the conditional use deed laws.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None

Agency Analysis/Comments:

No expenditure's have been made from this fund from FY12-FY19. Funds collected have been maintained in a separate appropriation in G90.

Purpose: Fuel Regulation

Legal Citation: M.S. 296A.03; M.S. 296A.04

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (G900900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		12	23	35	35	47	47
Resources:							
Departmental Earnings	14	13	14	14	14	14	14
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	14	13	14	14	14	14	14
Expenditures:							
Direct Expenditures	2	2	2	2	2	2	2
Indirect Expenditures							
Total Expenditures	2	2	2	2	2	2	2
Current Difference	12	11	12	12	12	12	12
Accumulated Ending Balance	12	23	35	47	47	59	59

Background Information:

No person shall produce, manufacture, or refine petroleum products in this state, or receive, distribute, sell, or use in this state petroleum products which have not been received in this state by a licensed distributor.

No person, except a licensed distributor, shall engage in the business of selling or delivering special fuel, upon which no tax has been imposed, as a special fuel dealer without having applied for and secured from the commissioner a special fuel dealer's license.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None.

Agency Analysis/Comments:

Revenues are non-dedicated and deposited in the State's general fund.

Purpose: Tax preparers that file a paper tax return must pay a fee to compensate the state for the added cost of processing paper filings versus electronic submission.

Legal Citation: M.S. 289A.08, Subd 16

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: General (1000)

Appropriation: Non Dedicated Receipts (G900900)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		36	265	523	523	781	781
Resources:							
Departmental Earnings	36	229	258	258	258	258	258
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	36	229	258	258	258	258	258
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	36	229	258	258	258	258	258
Accumulated Ending Balance	36	265	523	781	781	1,039	1,039

Background Information:

Tax preparers that file a paper tax return must pay a fee of \$5.00 to compensate the state for the added cost of processing paper filings versus electronic submission.

Forecast Basis:

Forecasted figures were trend based.

Recent Changes:

None.

Agency Analysis/Comments:

Revenues are non-dedicated and deposited in the State's general fund.

Purpose: Permits fees collected for the placement of advertising devices (signs, etc.) along interstate and primary systems of highways.

Legal Citation: MS 173.13 4

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Trunk Highway (2700)

Appropriation: Non-Ded Comm Vehicle - 2700 (T799011)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		95	238	381	381	524	524
Resources:							
Departmental Earnings	338	386	386	386	386	386	386
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	338	386	386	386	386	386	386
Expenditures:							
Direct Expenditures	203	203	203	203	203	203	203
Indirect Expenditures	40	40	40	40	40	40	40
Total Expenditures	243	243	243	243	243	243	243
Current Difference	95	143	143	143	143	143	143
Accumulated Ending Balance	95	238	381	524	524	667	667

Background Information:

To promote the safety of the traveling public and conserve the natural beauty of areas adjacent to highways, permits are issued to regulate and control placement and characteristics of advertising devices along highways. This revenue results in a positive adjustment to the Trunk Highway fund balance. Rates are stated in law and were last changed in 1997.

Forecast Basis:

Revenues and costs are dependent on customer orders.

Recent Changes:

None

Agency Analysis/Comments:

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

Purpose: Fees collected from air transportation users to cover: (1) direct operating costs excluding pilot salary and aircraft acquisition and (2) a portion of aircraft acquisition, replacement, or leasing costs

Legal Citation: MS 360.024

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Air Transportation Revolving (2722)

Appropriation: Air Transport Servic (T790041); Air Trans Svc Capital Acct (T791471)

Fee Change?

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,351	2,233	1,790	2,690	2,690	2,690	2,690
Resources:							
Departmental Earnings	985	1,096	1,900	1,000	1,000	1,000	1,000
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts		325					
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	985	1,421	1,900	1,000	1,000	1,000	1,000
Expenditures:							
Direct Expenditures	103	1,864	1,000	1,000	1,000	1,000	1,000
Indirect Expenditures							
Total Expenditures	103	1,864	1,000	1,000	1,000	1,000	1,000
Current Difference	882	(443)	900				
Accumulated Ending Balance	2,233	1,790	2,690	2,690	2,690	2,690	2,690

Background Information:

MnDOT aircraft are available for government officials traveling for state business. A per mile fee is charged for the service to recover the direct cost of operating the aircraft. This account operates as a revolving account. The last rate change was in 2020.

Forecast Basis:

Forecast is based on historic and current trends along with fuel cost projections and plane usage. As stated in law, fees are collected for direct operating costs and a portion of aircraft acquisition, replacement, or leasing costs

Recent Changes:

The statute was changed in 2019 to allow the rate charged to include a portion of aircraft acquisition, replacement, or leasing costs

Purpose: Fees for licensing of aviation dealers in the business of buying and selling aircraft (MS 360.63). Also for aircraft registration and licensing of pilots engaged in commercial operations (MS 360.018).

Legal Citation: MS 360.63 and MS 360.018

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: State Airports (2720)

Appropriation: Non-Ded Aeronautics - 2720 (T799008)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		1	1	1	1	1	1
Resources:							
Departmental Earnings	22	21	21	21	21	21	21
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	22	21	21	21	21	21	21
Expenditures:							
Direct Expenditures	21	21	21	21	21	21	21
Indirect Expenditures							
Total Expenditures	21	21	21	21	21	21	21
Current Difference	1						
Accumulated Ending Balance	1	1	1	1	1	1	1

Background Information:

MnDOT issues licenses to any person engaged in commercial aviation or who deals in the buying and selling of aircraft, as well as airports, restricted landing sites, and other air navigation facilities. In addition provides registration for aircraft. This promotes safety and compliance to standards. The fees for licenses are set in statute and have not changed since 1993.

Forecast Basis:

Forecast is based on historic and current data.

Recent Changes:

Beginning in 2016 FAA regulations includes the regulations and licensing of drones as aircraft.

Agency Analysis/Comments:

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

Purpose: Miscellaneous revenue includes rent collection on use of highway right of way, revenues for agreements with other governments for construction and maintenance, sale of sand, gravel, and salt at cost to other governmental units, and sign fabrication cost recovery to external customers.

Legal Citation: MS 222.63 8; MS 160.298; MS 161.391; MS 161.231; MS 174.02 6

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Restrict Misc Special Revenue (2000); Other Misc Special Revenue (2001); Trunk Highway (2700)

Appropriation: Met Council - Shared Mobility (T790008); WYDOT Clear Roads Pooled Fund (T790013); Rail Serv Improvement (T790018); Rail Bank Maintenance (T790019); Anoka Cty ADA Upgrades Blaine (T790022); Metro Gold Bus Rapid Transit (T790026); Intl Bridge Pigeon River TH61 (T790027); Utah DOT-Clear Roads Pool Fund (T790028); Dept VA - Road Salt (T790029); St.Paul Srvy&Desgn SP6221-107 (T790032); MetCouncil Gold Line TMS Repla (T790035); Clay Cnty Moorhead Salt Shed (T790046); TH60 Design - Lake Crystal (T790048); Metro Gold Line Bus Transit (T790059); Land Conveyance (T790094); MDH TZD Annual Support (T790149); WSDOT Clear Roads Phase III (T790153); Metro Emerg - Motorola SSA (T790172); Carver Cty Sheriffs Office (T790176); VA DOT Pool Fund (T790252); Central Corridor LRT (T790300); Metro B Line Transit Project (T790431); City Of Mpls Ramp B Lease (T790525); NW Passage Corr Pooled Fund (T790555); Rosedale Cter Traf/Signs Hwy36 (T790557); MN Ste Fairgd Traf/Signs Hwy36 (T790559); St Catherine UV Traffic Signs (T790560); City of W St Paul Maint Hwy3 (T790561); Scott Cty R of Way Acquisition (T790563); MOA Sponsorship Traffic Safety (T790564); Lower Sioux Tribal Monitoring (T790568); Willmar City Right of Way Acq (T790574); Pavement Stripe Rev Acct (T790580); WI Border Bridge (T790618); Mn/DOT- Duluth Shared OAC (T790624); NAE Phase II Pooled Fund-VDOT (T790625); NDDOT Pack Rust Rmvl Bdge 9090 (T790626); Excess R/W Rent (T790668); ND Border Bridge (T790742); Highway Sign Revolving Account (T790765); Central Corr LRT R/W Parcels (T791041); Ctrl Corr LRT R/W Parcel Incid (T791042); Southwest LRT (T791153); City Cass Lk WelcomeCtr (T791169); WI StCroix Bridge Coop (T791171); Chaska TS Fuel/Utilities (T791193); Blue Line Ext LRT (T791231); NRRRA Associate Dues (T791270); AASHTO/NTPEP (T791292); ND DOT Kennedy Bridge (T791300); LAPC-TCMC 2nd Empire (T791301); WI/DOT RedWing Bridge (T791302); Utah DOT ClearRoad Phase3 (T791315); Henn I35W/Lk (T791316); Mpls I35W/Lake (T791317); Metro Transit I35W/Lk (T791318); Henn Cty Lake St CE #1027480 (T791360); City Mpls Lake St CE #1027509 (T791361); Metro Transit Lk St CE#1027528 (T791362); Min Transp Ontario #98621A01 (T791371); WI/DOT-Scope Blatnik (T791376); MnRoad/NCAT Pavement (T791454); MnDOT/WiDOT Blatnik Br (T791481); MN/ND TH55/CR11 Rabbit River (T791482); CR 221 Winter Maint (T791484); e-Builder Service (T791485); Old 61 Winter Maint (T791486); MnROAD Research Asphalt Mix (T791506); WyomingDOT NW Pass Pooled Fund (T791509); SW Light Rail Transit Plant (T791510); Duluth/Oliver Bridge Snow&Ice (T791511); DNR Bridge 3459 Design (T791513); Illinois Tollway, National Roa

(T791517); MetCouncil-4 Traffic Signals (T791525); MN BWSR Mitigation Project (T791527); Ramsey County Rgnl Rail Auth (T791531); Wabasha Bridge Reconst Br79000 (T791538); MN Bridge 6347/WI BR #B=48-224 (T791608); Northshore Inline Marathon (T791620); Grandma's Marathon (T791622); MetCo RushLine MFA Staff (T791624); DNR Wildland Fire Resp/plannin (T791628); Concrete Pvmt Rehab TH94 (T791651); WeFest Traffic Cntl/Signs (T791663); Baudette Phase2 Enviro Assess (T791664); MetroD Line Signal & Elec Supp (T791668); BluLn Extn-Adv/Let/Admin (T791669); City of MPLS Rent Ramp B (T791678); KwikTrip TH60 Signing/Stripini (T791679); WisDOT/MnDOT Blatnik Br Maint (T791680); County Partnership Constr (T796300); County Partnership Maint (T796301); Non-Ded Construction - 2700 (T799000); Non-Ded Dept Support - 2700 (T799007)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	32,018	30,574	29,321	21,927	21,927	19,455	19,455
Resources:							
Departmental Earnings	21,299	22,783	45,292	45,292	45,292	45,292	45,292
Other Resources:							
Earning Transferred In	6,500						
Revenue Collected by Another Agency							
Other Receipts	137	67	150				
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	27,936	22,850	45,442	45,292	45,292	45,292	45,292
Expenditures:							
Direct Expenditures	29,380	24,103	52,836	47,764	47,764	47,769	47,769
Indirect Expenditures							
Total Expenditures	29,380	24,103	52,836	47,764	47,764	47,769	47,769
Current Difference	(1,444)	(1,253)	(7,394)	(2,472)	(2,472)	(2,477)	(2,477)
Accumulated Ending Balance	30,574	29,321	21,927	19,455	19,455	16,978	16,978

Background Information:

MnDOT Leases, External

MnDOT will continue to utilize available resources (vacant land and buildings) in a fiscally responsible manner until the resource is needed for construction. Many leases are long-term such as parking for churches or hay cutting along state roads. Also, some lease collections are for inter-governmental co-operation property utilization. These earnings are collected as miscellaneous income and are not identified with specific operating expenditures in the department. Vacant right-of-way is also leased to interested parties until needed by MnDOT.

MnDOT Agreement with other Governments

These agreements are with other units of government including bordering states for provision of MnDOT expertise in project engineering and construction.

Sale of Gravel, Sand, and Salt

MnDOT sells gravel, sand, and salt to other units of government where locations are convenient, and supplies are adequate at an at cost basis.

Rail Safety Inspection Assessment

Reimbursements are received for Rail Safety Inspector's inspection of rail tracks, rail right-of-way, review of maintenance and repair records, and review of railroad security measures.

Forecast Basis:

Forecast is based on historic and current cost of above activities. Amounts collected in these accounts are established within each written agreement.

Recent Changes:

None

Agency Analysis/Comments:

These department earnings are a mix of dedicated and non-dedicated receipts established for cost recovery.

Purpose: User fees collected for single passenger vehicles traveling in the high occupancy vehicle lanes (MnPASS)

Legal Citation: MS 160.93

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Restrict Misc Special Revenue (2000); Trunk Highway (2700)

Appropriation: Mn/Pass Unearned Receipts (T791177); MnPASS 35W Corridor (T791468); MnPASS 394 Corridor (T791469); MnPASS Transponders (T791470); Non-Ded Construction - 2700 (T799000)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	2,751	2,614	3,311	3,134	3,134	3,534	3,534
Resources:							
Departmental Earnings	2,935	3,646	4,153	4,367	4,367	4,451	4,451
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	2,935	3,646	4,153	4,367	4,367	4,451	4,451
Expenditures:							
Direct Expenditures	3,072	2,949	4,330	3,967	3,967	4,039	4,039
Indirect Expenditures							
Total Expenditures	3,072	2,949	4,330	3,967	3,967	4,039	4,039
Current Difference	(137)	697	(177)	400	400	412	412
Accumulated Ending Balance	2,614	3,311	3,134	3,534	3,534	3,946	3,946

Background Information:

Fees are collected from single passenger vehicles utilizing High Occupancy Toll (HOT) MnPass lanes. Customers are issued a free vehicle sticker that scans when entering a MnPass lane, or they may purchase a switchable tag for \$15.00. Fees collected are used to maintain current operations and improve the toll infrastructure.

Forecast Basis:

Forecast is based on historic and current data, along with projected future expansion of toll system. Toll lanes were established as a traffic management tool. Fees vary and are imposed as needed to effectively manage traffic flow.

Recent Changes:

I-35E HOT lane began operation January 2016 generating additional revenues and costs. The I-35E HOT lane fees are deposited in the Trunk Highway fund for repayment.

Agency Analysis/Comments:

The system requires customers to maintain a minimum account balance. This balance is unearned until the vehicle uses a toll lane and tolls are charged (earned). These account balances are deposited into a MnDOT Special Revenue fund account. Unearned receipts equal approximately \$1,800,000 of the rolled forward balances and non-dedicated receipts to the Trunk Highway fund from I-35E HOT lane fess add an \$600,000 each year to the balance. Revenue in the Special Revenue fund is used to maintain and expand the current system. Expenditures include revenue sharing agreement payments to Metropolitan Council.

Purpose: Fees collected through licensing, permitting, and registration of MN for-hire property, special transportation service providers, passenger carriers and commercial vehicles engaged in intrastate commerce.

Legal Citation: MS 221.131; MS 174.30 4E

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Trunk Highway (2700)

Appropriation: Spec Trans Providers Inspecti (T791279); Non-Ded Comm Vehicle - 2700 (T799011)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	8	1,415	2,809	4,035	4,035	5,103	5,103
Resources:							
Departmental Earnings	1,531	1,539	1,380	1,208	1,208	1,195	1,195
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,531	1,539	1,380	1,208	1,208	1,195	1,195
Expenditures:							
Direct Expenditures	124	145	154	140	140	140	140
Indirect Expenditures							
Total Expenditures	124	145	154	140	140	140	140
Current Difference	1,407	1,394	1,226	1,068	1,068	1,055	1,055
Accumulated Ending Balance	1,415	2,809	4,035	5,103	5,103	6,158	6,158

Background Information:

Motor carrier permits and fees ensure compliance with state laws, rules, and regulations governing Minnesota intrastate motor carrier operations, so that transportation of persons and property on Minnesota's public highways is safe and meets the needs of carriers, shippers, passengers, and the traveling public. Permit are established in law were last changed in 1994.

Commercial Motor Vehicles (CMVs):

Fees are collected through the Unified Carrier Registration (UCR) system for registering the operators of commercial motor vehicles (CMVs) engaged in interstate travel. Revenues are deposited into the Trunk Highway Fund.

Other vehicle fees:

Revenue for these activities is received into the Trunk Highway Fund through direct payments by applicants who apply for authority and/or vehicle identifiers such as, Limousine Program (Limo), Household Goods (HHG), Building Movers (BMH), Motor Carriers of Passengers

Special Transportation Services Providers Fee:

Annual inspections of Special Transportation Services Provider (STS) vehicles and equipment are required by law. A inspection fee is collected and deposited into a dedicated Trunk Highway account and used to maintain this program. A decal is issued to the STS to display on inspected vehicle.

Forecast Basis:

Forecast is based on historic and current data. Fees for these activities vary per type of commercial vehicle and type of registrations (annual or renewal).

Recent Changes:

Beginning in FY17, fees for Special Transportation Provider vehicle and equipment inspections are required by law. Provider is issued a decal to display on inspected vehicle and fees are deposited into a dedicated account for use of maintaining this program.

Agency Analysis/Comments:

Revenue for Unified Carriers permits are received into the Trunk Highway Fund through the Unified Carriers Registration System. This system is used by all states in the United States. Congress determined state caps based on 2004 receipts. Any revenue received by MnDOT that is over Minnesota's cap, \$1,137,132.30, is returned to the program in following years for distribution to other states.

Purpose: Fees on short term vehicle rentals.

Legal Citation: MS 297A.64 Subd 2 and 5, MS 297A.94d

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Highway Users Tax Distribution (2710)

Appropriation: Non-Ded Agy Service -2710 (T799012)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:		5,009	9,096	12,246	12,246	15,396	15,396
Resources:							
Departmental Earnings	5,009	4,087	3,150	3,150	3,150	3,150	3,150
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	5,009	4,087	3,150	3,150	3,150	3,150	3,150
Expenditures:							
Direct Expenditures							
Indirect Expenditures							
Total Expenditures							
Current Difference	5,009	4,087	3,150	3,150	3,150	3,150	3,150
Accumulated Ending Balance	5,009	9,096	12,246	15,396	15,396	18,546	18,546

Background Information:

Fees are collected on vehicles rented for less than 28 days if the fee is greater than the motor vehicle registration tax, the excess is deposited in the Highway User Tax Distribution Fund. These non-dedicated receipts are collected by Public Safety and are used to support the overall transportation system. This fee was initiated in FY 2009.

Forecast Basis:

Forecast is based on historic and current trends. Revenues are distributed for use as directed by law.

Recent Changes:

Revenue distribution was changed in MN Laws of 2014, Chapter 312, Sec. 29 Subd.3.

Agency Analysis/Comments:

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

Purpose: Lease receipts for use of statewide communication tower space.

Legal Citation: MS 174.70

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Trunk Highway (2700)

Appropriation: Tower Leases (T790532)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,498	1,963	1,602	1,200	1,200	900	900
Resources:							
Departmental Earnings	1,720	1,893	1,600	1,600	1,600	1,600	1,600
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	1,720	1,893	1,600	1,600	1,600	1,600	1,600
Expenditures:							
Direct Expenditures	1,255	2,254	2,002	1,900	1,900	1,900	1,900
Indirect Expenditures							
Total Expenditures	1,255	2,254	2,002	1,900	1,900	1,900	1,900
Current Difference	465	(361)	(402)	(300)	(300)	(300)	(300)
Accumulated Ending Balance	1,963	1,602	1,200	900	900	600	600

Background Information:

Lease agreements established with commercial wireless providers or other tower owners to install privately owned equipment on state-owned buildings or structures. Revenues are collected and deposited in the Trunk Highway Fund. Revenue is used for developing and maintaining the statewide communications systems that serves state agencies. In lieu of a site use fee, the commissioner may make agreements with commercial wireless service providers or other tower owners to place state equipment on privately owned towers and may accept improvements such as tower reinforcement, reconstruction, site development, or other site improvements to the state's communications system facilities or real or personal property.

Forecast Basis:

Forecast is based on historic and current trends. Fees collected are based on the value of the real property or structure made available.

Recent Changes:

None

Agency Analysis/Comments:

The revenues derived are used to reduce the overall cost of operating the Statewide Radio Communication systems, but do not cover all costs incurred.

Purpose: To regulate the movement of oversized/overweight vehicles on the trunk highway system and to compensate for damage to the highways

Legal Citation: MS 169.865; MS 169.86; MS 169.8261; MS 169.869; MS 174.525

Dedicated Receipts: Yes **Non-Dedicated Receipts:** Yes

Fund: Restrict Misc Special Revenue (2000); Trunk Highway (2700)

Appropriation: CVO Permit Program Admin (T790078); Forest Prod Hauler - Local (T790701); OSOW TH to TIFIA (T791670); Non-Ded Comm Vehicle - 2700 (T799011)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	7,720	13,101	17,863	22,194	22,194	26,525	26,525
Resources:							
Departmental Earnings	6,244	6,427	6,242	6,242	6,242	6,242	6,242
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	6,244	6,427	6,242	6,242	6,242	6,242	6,242
Expenditures:							
Direct Expenditures	845	1,632	1,886	1,886	1,886	1,887	1,887
Indirect Expenditures	18	33	25	25	25	25	25
Total Expenditures	863	1,665	1,911	1,911	1,911	1,912	1,912
Current Difference	5,381	4,762	4,331	4,331	4,331	4,330	4,330
Accumulated Ending Balance	13,101	17,863	22,194	26,525	26,525	30,855	30,855

Background Information:

Special permit fees are assessed and collected for vehicles that exceed height, width or load for which the vehicle is registered, or otherwise not in conformity. The last time the fees were changed was in 1993.

Non-dedicated revenue was deposited in the Trunk Highway Fund and was used to maintain and repair the trunk highway system. MN Laws of 2020, Chapter 69 dedicated these revenues to a dedicated special revenue fund account managed by MMB to repay loans received under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program. MnDOT is in the process of applying for a TIFIA loan for a project on TH 14.

Dedicated revenue, (M.S. 169.8261 - Forest Products Permits, MS 169.869 - Road Construction Materials Permits, MS 169.865 - Special Farm Product Permits) is deposited in a special revenue account and used for the inspection, and erection of weight-posting signs on local bridges.

Forecast Basis:

Forecast is based on historic and current trends. Fees are stated in law.

Recent Changes:

MN Laws of 2020, Chapter 69 dedicated the non-dedicated TH revenues to a dedicated special revenue fund account managed by MMB to repay loans received under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program. MnDOT is in the process of applying for a TIFIA loan for a project on TH 14.

Agency Analysis/Comments:

Note that beginning in FY 2021, the non-dedicated revenues that in previous years were deposited in the TH Fund are now planned on being deposited in the special revenue account managed by MMB to repay any TIFIA loans

Purpose: Fees charged to cover the cost of burials for eligible veteran family members.

Legal Citation: M.S. 197.236, subd. 9

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Duluth Cem Develop & Maint (H751DL2); Little Falls Cem Dev & Maint-i (H751LF2); Preston Cem Develop & Maint (H751PN2); Redwood Cemetery M&D (H751RW2)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	897	1,051	1,286	1,313	1,313	1,140	1,140
Resources:							
Departmental Earnings	205	239	255	265	265	275	275
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts	409	510	590	610	610	630	630
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	614	749	845	875	875	905	905
Expenditures:							
Direct Expenditures	460	514	818	1,048	1,048	905	905
Indirect Expenditures							
Total Expenditures	460	514	818	1,048	1,048	905	905
Current Difference	154	235	27	(173)	(173)		
Accumulated Ending Balance	1,051	1,286	1,313	1,140	1,140	1,140	1,140

Background Information:

The Commissioner of Veterans Affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

Forecast Basis:

Revenues are estimated to increase 3.9% between FY25 to FY26 and 3.8% between FY26 to FY27.

Purpose: Lease fees charged to tenant to cover building maintenance, utility costs and other expenditures.

Legal Citation: M.S. 198.003, subd.3 and 4

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Rental Property-Hastings (H752H11)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	41	185	210	85	85		
Resources:							
Departmental Earnings	351	225	100	100	100	100	100
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	351	225	100	100	100	100	100
Expenditures:							
Direct Expenditures	206	176	225	185	185	100	100
Indirect Expenditures	1	24					
Total Expenditures	207	200	225	185	185	100	100
Current Difference	144	25	(125)	(85)	(85)		
Accumulated Ending Balance	185	210	85				

Background Information:

The Hastings Veterans Home leases a campus building to the Minnesota Department of Transportation.

Forecast Basis:

Forecasted revenue estimate is based on current interagency agreement with the Minnesota Department of Transportation.

Purpose: Maintenance fees charged to Adult Daycare Residents to cover the cost of their care.

Legal Citation: M.S. 198.03, subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: Adult Day (H752MAD)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	19	16	11				
Resources:							
Departmental Earnings	45	47	49	49	49	49	49
Other Resources:							
Earning Transferred In	335	330	350	211	211	197	197
Revenue Collected by Another Agency							
Other Receipts	527	597	618	645	645	672	672
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	907	974	1,017	905	905	918	918
Expenditures:							
Direct Expenditures	910	979	1,028	905	905	918	918
Indirect Expenditures							
Total Expenditures	910	979	1,028	905	905	918	918
Current Difference	(3)	(5)	(11)				
Accumulated Ending Balance	16	11					

Background Information:

Adult Daycare maintenance fee is a veteran resident daily co-pay to cover the cost of their care.

Forecast Basis:

Revenue is estimate is expected to remain the same in FY26 & FY27.

Purpose: Maintenance fees charged to domiciliary residents to cover the cost of their care. Fees are set by MN Rule Chapter 9050 per M.S. 198.03 subd. 2

Legal Citation: M.S. 198.03 subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: Veterans Home Hastings Ops (H752H10); MPLS DOMS CARE (H752M13)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	183	38	183				
Resources:							
Departmental Earnings	2,490	2,918	2,811	2,811	2,811	2,811	2,811
Other Resources:							
Earning Transferred In	5,796	6,657	7,406	5,697	5,697	5,632	5,632
Revenue Collected by Another Agency							
Other Receipts	2,888	3,167	3,209	3,450	3,450	3,700	3,700
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	11,174	12,742	13,426	11,958	11,958	12,143	12,143
Expenditures:							
Direct Expenditures	11,315	12,586	13,598	11,943	11,943	12,128	12,128
Indirect Expenditures	4	11	11	15	15	15	15
Total Expenditures	11,319	12,597	13,609	11,958	11,958	12,143	12,143
Current Difference	(145)	145	(183)				
Accumulated Ending Balance	38	183					

Background Information:

The commissioner sets out in MN 9050 the method of calculating the average cost of care for domiciliary care residents. The cost is determined yearly based upon the average cost per resident taking into account, but not limited to, administrative costs of the homes, the cost of service available to the resident, along with food and lodging costs. The amount charged each resident for maintenance, if anything, is based on the appropriate average cost of care calculation and the assets and income of the resident which must not exceed the appropriate average cost of care.

Forecast Basis:

Revenues are estimated to remain the same in FY26 & FY27.

Agency:
Earnings Group:

Veterans Affairs
Veterans Homes Resident Maintenance Charges for Skilled Nursing

2026-27 Departmental Earnings

Purpose: Maintenance fees charged to skilled nursing residents to cover the cost of their care. Fees are set by MN Rule Chapter 9050 per M.S. 198.03 subd. 2

Legal Citation: M.S. 198.03, subd. 2

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Other Misc Special Revenue (2001)

Appropriation: Veterans Home Fergus Falls Ops (H752F10); Bemidji Veteran Home (H752J10); Veterans Home Luverne Ops (H752L10); Veterans Home Minneapolis Ops (H752M10); Veterans Home Silver Bay Ops (H752S10); Preston V/H Operations (H752T10); Montevideo Operations (H752V10)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,041	996	1,833				
Resources:							
Departmental Earnings	13,484	13,577	16,050	16,050	16,050	16,050	16,050
Other Resources:							
Earning Transferred In	49,218	66,971	70,552	61,638	61,638	62,395	62,395
Revenue Collected by Another Agency							
Other Receipts	34,251	40,571	52,538	64,161	64,161	69,014	69,014
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	96,953	121,119	139,140	141,849	141,849	147,459	147,459
Expenditures:							
Direct Expenditures	96,998	120,282	140,973	141,849	141,849	147,459	147,459
Indirect Expenditures							
Total Expenditures	96,998	120,282	140,973	141,849	141,849	147,459	147,459
Current Difference	(45)	837	(1,833)				
Accumulated Ending Balance	996	1,833					

Background Information:

The commissioner sets out in MN Rule 9050 the method of calculating the average cost of care for skilled nursing care residents. The cost is determined yearly based upon the average cost per resident taking into account, but not limited to, administrative costs of the homes, the cost of service available to the resident, and food and lodging costs. The amount charged each resident for maintenance, if anything, is based on the appropriate average cost of care calculation and the assets and income of the resident but must not exceed the appropriate average cost of care.

Forecast Basis:

Revenues are estimated to remain the same in FY26 & FY27.

Purpose: To recover the costs of regulating the veterinary medicine profession.

Legal Citation: M.S. 156, 214, 319B and M.R. 9100

Dedicated Receipts: No **Non-Dedicated Receipts:** Yes

Fund: Health Related Boards (1201)

Appropriation: Vet Med Non Dedicated Receipts (H7R1000)

Fee Change? Yes

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	471	486	427	275	275	122	241
Resources:							
Departmental Earnings	436	418	417	417	636	417	636
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	436	418	417	417	636	417	636
Expenditures:							
Direct Expenditures	326	354	443	444	544	444	544
Indirect Expenditures	95	123	126	126	126	126	126
Total Expenditures	421	477	569	570	670	570	670
Current Difference	15	(59)	(152)	(153)	(34)	(153)	(34)
Accumulated Ending Balance	486	427	275	122	241	(31)	207

Background Information:

The board's mission is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of veterinary medicine to ensure a standard of competent and ethical practice.

The Board of Veterinary Medicine provides the following services:

- Issue initial licensure and renew licenses for qualified professionals.
- Review initial registration documents and annual reports for veterinary professional firms to determine compliance with professional firm regulations.
- Ensure that only applicants who meet licensure requirements are granted a license.
- Respond to public and agency inquiries, complaints, and reports regarding licensure and conduct of applicants and licensees.
- Take disciplinary or corrective action against an applicant or licensee for misconduct.
- Set standards of practice and professional conduct for licensees.
- Set educational standards for initial licensure and continuing education requirements for maintaining licensure.
- Review applicant's education and training to determine compliance with the board's licensure requirements.
- Provide information about licensure requirements and standards of practice to citizens and other interested persons or agencies.
- Evaluate and review continuing education programs.

Forecast Basis:

Fees charged to applicants, licensees, and sponsors of continuing education programs approved by the board are set to recover the board's direct and indirect expenditures. Revenues are forecasted based on a number of factors, including actual revenue collected in the previous years, revenue trends and the number of applicants seeking initial licensure.

Recent Changes:

There are no recent changes. The board last increased fees for licensure and renewal in 1997.

Agency Analysis/Comments:

None.

Governor's Recommendation:

For information about recommended fee and expenditure changes, see "Fee Increase" and "New Licensure Specialist Position" proposals in the Board of Veterinary Medicine's 2026-27 Governor's Budget Recommendations.

Purpose: (1) Wetland Banking Program Fees and (2) Wetland Conservation Act Appeal Fees

Legal Citation: (1) MS 103G.2242.15 and (2) MS 103G.2242.9

Dedicated Receipts: Yes **Non-Dedicated Receipts:** No

Fund: Restrict Misc Special Revenue (2000)

Appropriation: Wetland Banking Fees (R9PBNK0); WBNK Easement Fee (R9PBNKE); WBNK Stewardship (R9PBNKS); Wca - Appeal - Fee (R9PWCA0)

Fee Change? No

Group Summary (Dollars in Thousands)	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Current Law FY 2026	Gov Rec FY 2026	Current Law FY 2027	Gov Rec FY 2027
Accumulated Balance:	1,735	1,711	1,887	423	423	556	556
Resources:							
Departmental Earnings	575	861	978	873	873	873	873
Other Resources:							
Earning Transferred In							
Revenue Collected by Another Agency							
Other Receipts							
Resource Reductions:							
Earnings Transferred Out							
Revenue Collected for Another Agency							
Total Resources	575	861	978	873	873	873	873
Expenditures:							
Direct Expenditures	462	574	2,342	640	640	640	640
Indirect Expenditures	137	111	100	100	100	100	100
Total Expenditures	599	685	2,442	740	740	740	740
Current Difference	(24)	176	(1,464)	133	133	133	133
Accumulated Ending Balance	1,711	1,887	423	556	556	689	689

Background Information:

99% of Departmental Earnings are through the Wetland Banking Program. Only 1% is for Wetland Conservation Act (WCA) Appeal fees.

Forecast Basis:

Revenue has encountered increased variability more recently, and projections have been extended to be based on receipt history for the last 5 years. As there is a notable increase from 4-5 years ago, the amounts in FY21 and FY22 do not appear to be representative of the long term trajectory, so more weight continues to be given to FY19 amounts and prior.

Recent Changes:

None.

Agency Analysis/Comments:

Expense costs look at recent revenue history and budget those based on moving averages, leaving a slight margin to cover for unexpected drops in revenue. Wetland Banking Stewardship takes a portion of Wetland Banking Fees and transfers are made to the State Board of Investment account for long term stewardship costs.