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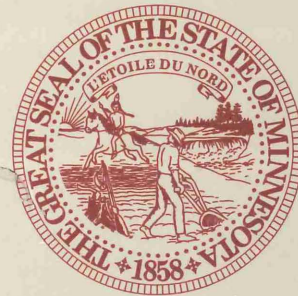
STATE OF MINNESOTA

870152

# PROPOSED BIENNIAL BUDGET

1987-89

FOR  
TRANSPORTATION AND OTHER AGENCIES



PRESENTED BY GOVERNOR RUDY PERPICH  
TO THE SEVENTY-FIFTH LEGISLATURE

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1987-89 BIENNIAL BUDGET  
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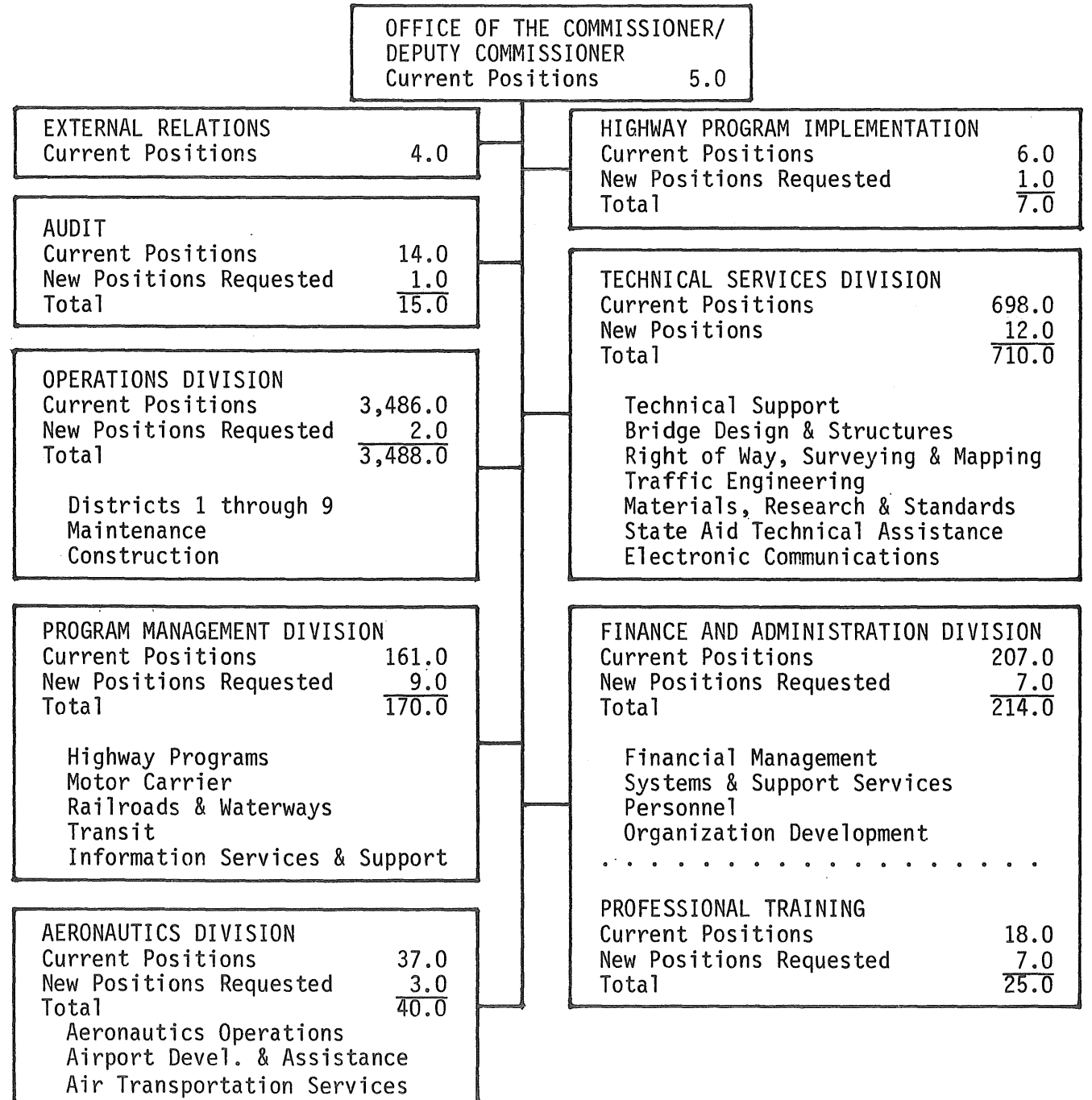
AGENCY: TRANSPORTATION, DEPARTMENT OF

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DEPARTMENT OF TRANSPORTATION

Organization Chart  
Current as of August 31, 1986

POSITION RECONCILIATION		
AUTHORITY:	CURRENT F.Y. 1987	REQUESTED FOR 6-30-89
<u>LEGISLATIVE COMPLEMENT</u>		
General Fund	15.0	15.0
State Airports Fund	37.0	40.0
Trunk Highway Fund	4,577.0	4,607.5
Federal Fund	7.0	16.0
TOTAL PERMANENT POSITIONS	4,636.0	4,678.0
OTHER COMPLEMENT (FTE)	858.7	858.7
TOTAL AUTHORIZED POSITIONS	5,494.7	5,536.7
EMPLOYEES ON 6-30-86	5,044.0	



DEPARTMENT OF TRANSPORTATION - FUNDING SUMMARY 1988 REPORT  
(Dollars In Thousands 137,522 = 137.5)

Program-Budget Activity	Total All Funds	DIRECT APPROPRIATIONS REQUIRING LEGISLATIVE ACTION							APPROPRIATIONS NOT REQUIRING DIRECT LEGISLATIVE ACTION				TOTAL ALL FUNDS	
		General Fund 10	State Airports 22	Municipal State Aids 25	County State Aids 26	Trunk Highway 27	Transit Assistance 34	MOTOR VEHICLE TRANSFER 37	STATE AIRPORTS 22	TRUNK HIGHWAY 27	FEDERAL FUND 30	AGENCY FUND 61		
Highway Development														
Trunk Highways	371,468.8					370,600.0		868.8						371,468.8
County State Aids	206,100.0				206,100.0									206,100.0
Municipal State Aids	65,600.0			65,600.0										65,600.0
Federal-County Road & Bridge	112,000.0									112,000.0				112,000.0
Highway Debt Service	11,089.4					11,089.4								11,089.4
Subtotal	<u>766,258.2</u>			<u>65,600.0</u>	<u>206,100.0</u>	<u>381,689.4</u>		<u>868.8</u>		<u>112,000.0</u>				<u>766,258.2</u>
Operations														
Maintenance	122,575.2					122,575.2								122,575.2
Construction Support	51,529.2					51,529.2								51,529.2
Subtotal	<u>174,104.4</u>					<u>174,104.4</u>								<u>174,104.4</u>
Technical Services														
Program Delivery	40,732.7					40,732.7								40,732.7
State Aid Technical Assistance	881.6					881.6								881.6
Electronic Communications	2,598.0					2,598.0								2,598.0
Subtotal	<u>44,212.3</u>					<u>44,212.3</u>								<u>44,212.3</u>
Public Transportation														
Rail Service Improvements														
Non-Metro Transit Assistance	8,856.8	1,638.9					5,220.0			1,891.6	106.3			8,856.8
Subtotal	<u>8,856.8</u>	<u>1,638.9</u>					<u>5,220.0</u>			<u>1,891.6</u>	<u>106.3</u>			<u>8,856.8</u>
Program Management														
Highway Programs	2,589.1	70.9				1,718.2				800.0				2,589.1
Motor Carrier	1,596.1					1,072.2				523.9				1,596.1
Railroads & Waterways	1,093.2	303.6				689.6				100.0				1,093.2
Transit Administration	1,403.6	379.1				214.9				809.6				1,403.6
Information Services & Support	3,480.7					3,044.8				200.0				3,480.7
Subtotal	<u>10,162.7</u>	<u>753.6</u>				<u>6,739.7</u>				<u>235.9</u>				<u>10,162.7</u>
General Support Services														
Finance & Administration	8,858.8					8,858.8								8,858.8
General Services	8,186.9	38.9	78.8			8,069.2								8,186.9
Equipment	17,303.1	20.4	65.7			16,917.0				300.0				17,303.1
Legal Services	1,073.0					1,073.0								1,073.0
Subtotal	<u>35,421.8</u>	<u>59.3</u>	<u>144.5</u>			<u>34,918.0</u>				<u>300.0</u>				<u>35,421.8</u>
Aeronautics														
Aeronautics Operations	1,110.1		1,089.5							20.6				1,110.1
Airport Development & Assistance	31,457.5		9,631.5							20,909.0				31,457.5
Air Transportation Services	650.2		39.1							611.1				650.2
Civil Air Patrol	71.0		71.0											71.0
Subtotal	<u>33,288.8</u>		<u>10,831.1</u>							<u>1,528.1</u>				<u>33,288.8</u>
GRAND TOTAL	1,072,305.0	2,451.8	10,975.6	65,600.0	206,100.0	641,663.8	5,220.0	868.8	1,528.1	535.9	137,254.7	106.3		1,072,305.0

DEPARTMENT OF TRANSPORTATION - FUNDING SUMMARY 1989 REPORT  
(Dollars in Thousands \$137,522 = 137.5)

Program-Budget Activity	Total All Funds	DIRECT APPROPRIATIONS REQUIRING LEGISLATIVE ACTION						APPROPRIATIONS NOT REQUIRING DIRECT LEGISLATIVE ACTION				TOTAL ALL FUNDS		
		General Fund 10	State Airports 22	Municipal State Aids 25	County State Aids 26	Trunk Highway 27	Transit Assistance 34	MOTOR VEHICLE TRANSFER 37	STATE AIRPORTS 22	TRUNK HIGHWAY 27	FEDERAL FUND 30		AGENCY FUND 61	
Highway Development														
Trunk Highways	356,468.8					355,600.0								356,468.8
County State Aids	209,700.0				209,700.0									209,700.0
Municipal State Aids	66,700.0			66,700.0										66,700.0
Federal-County Road & Bridge	117,000.0									117,000.0				117,000.0
Highway Debt Service	9,675.6					9,675.6								9,675.6
Subtotal	<u>759,544.4</u>			<u>66,700.0</u>	<u>209,700.0</u>	<u>365,275.6</u>				<u>117,000.0</u>				<u>759,544.4</u>
Operations														
Maintenance	122,303.4					122,303.4								122,303.4
Construction Support	50,888.2					50,888.2								50,888.2
Subtotal	<u>173,191.6</u>					<u>173,191.6</u>								<u>173,191.6</u>
Technical Services														
Program Delivery	30,689.0					39,689.0								39,689.0
State Aid Technical Assistance	879.8					879.8								879.8
Electronic Communications	2,616.3					2,616.3								2,616.3
Subtotal	<u>43,185.1</u>					<u>43,185.1</u>								<u>43,185.1</u>
Public Transportation														
Rail Service Improvements														
Non-Metro Transit Assistance	8,998.4	1,280.5					5,720.0			1,891.6	106.3			8,998.4
Subtotal	<u>8,998.4</u>	<u>1,280.5</u>					<u>5,720.0</u>			<u>1,891.6</u>	<u>106.3</u>			<u>8,998.4</u>
Program Management														
Highway Programs	2,584.6	70.9				1,713.7				800.0				2,584.5
Motor Carrier	1,586.7					1,059.6				527.1				1,586.7
Railroads & Waterways	1,026.9	243.3				683.6				100.0				1,026.9
Transit Administration	1,405.1	378.6				214.8				811.7				1,405.1
Information Services & Support	3,494.0					3,058.4				200.0				3,494.0
Subtotal	<u>10,097.3</u>	<u>692.8</u>				<u>6,730.1</u>				<u>235.6</u>	<u>2,438.8</u>			<u>10,097.3</u>
General Support Services														
Finance & Administration	8,823.2					8,823.2								8,823.2
General Services	8,080.0	41.6	83.1			7,955.3								8,080.0
Equipment	13,170.4	18.2	56.9			12,795.3				300.0				13,170.4
Legal Services	1,124.0					1,124.0								1,124.0
Subtotal	<u>31,197.6</u>	<u>59.8</u>	<u>140.0</u>			<u>30,697.8</u>				<u>300.0</u>				<u>31,197.6</u>
Aeronautics														
Aeronautics Operations	1,178.2		1,156.8							21.4				1,178.2
Airport Development & Assistance	32,979.1		10,316.7						917.0	21,745.4				32,979.1
Air Transportation Services	600.1		39.1						561.0					600.1
Civil Air Patrol	75.0		75.0											75.0
Subtotal	<u>34,832.4</u>		<u>11,587.5</u>						<u>1,478.0</u>	<u>21,766.8</u>				<u>34,832.4</u>
GRAND TOTAL	1,061,046.8	2,033.1	11,727.6	66,700.0	209,700.0	619,080.2	5,720.0	868.8	1,478.0	535.6	143,097.2	106.3		1,061,046.8

AGENCY PURPOSE:

The Minnesota Department of Transportation (Mn/DOT) is a service and regulatory agency which develops and implements plans and programs for the operation of statewide transportation systems and facilities. Mn/DOT also provides grant-in-aid funds as well as technical assistance to counties, municipalities, and other local transportation authorities for highway, aeronautics, and public transportation programs.

The primary purpose of Mn/DOT is to provide transportation systems services, and facilities which will allow for the safe and efficient movement of people and goods throughout the state. A well integrated transportation system is a key element in achieving statewide social, economic, and energy-related goals. It is the further objective of this department to provide an integrated transportation system which will assist Minnesota in meeting these goals.

OPERATION & CLIENTELE:

The Department of Transportation operates a statewide transportation network. This network includes a 12,100-mile state highway system. In 1985, 3.0 million licensed drivers operated nearly 3.2 million registered vehicles in Minnesota, driving 31.8 billion vehicle miles.

The department regulates over 22,000 interstate and intrastate for-hire motor carriers and participates financially in the operations of transit projects that serve numerous communities statewide. Seventeen railroads operate within Minnesota.

Scheduled air transportation services are used by over 10 million persons. There are 141 publicly owned municipal airports and 460 privately owned airports in the state.

Every citizen of or visitor to Minnesota is a client of Mn/DOT, directly or indirectly, because everyone uses or benefits from the transportation system. Mn/DOT's activities affect everyone who rides in a car, truck, bus, plane, train or on a bike. They also affect many transportation-related industries, either through regulation or subsidy programs.

Mn/DOT activities fall within 7 major program areas: highway development, operations; technical services; public transportation assistance; program management; general support services; and aeronautics.

1. The highway development program provides for the preservation, correction, and improvement of the 131,700 mile network of federal, state and local highways in Minnesota. The purposes of this program are met thru:
  - a. Contractual arrangements with private contractors for construction work on the state's trunk highway system.
  - b. The pass thru of state aid highway funds to county and municipal road authorities in accordance with constitutional provisions.

- c. The application of federal categorical highway aids for federal, state, and local highway improvements.
- d. The retirement of trunk highway debt which was incurred in previous years to advance state highway improvements.

2. The operations program provides for maintenance and improvement of the physical structures and facilities which make up the statewide transportation network. Although the majority of physical facilities are highway related, this program also offers support in the development and maintenance of airport and public transportation facilities. The program includes the following operations designed to preserve and protect the investment the State of Minnesota has made in its transportation system over the years, while contributing to the safety of the traveling public.
  - a. Maintenance, through 15 area maintenance offices, of the 12,100-mile state highway system.
  - b. Construction engineering and supervision, through 9 transportation construction district offices, of the state's highway construction program.
3. The technical services program provides support services of a highly technical nature to the operating divisions of Mn/DOT and to counties and municipalities on a cooperative agreement basis. The major types of services provided by this program include:
  - a. Providing road design services for highway construction needs.
  - b. Developing bridge and other structure design plans for construction needs.
  - c. Acquiring land for right of way needs.
  - d. Developing plans, estimates, and specifications for construction contract lettings.
  - e. Developing and issuing engineering and materials specifications, manuals, and standards used by Mn/DOT, counties, and municipalities in carrying out maintenance and construction activities.
  - f. Inspecting bridges and structures to ensure the safety of the traveling public.
  - g. Conducting and implementing research to improve the effectiveness and efficiency of transportation facilities.
  - h. Performing studies to resolve environmental/developmental conflicts.

The aim of this program is to ensure that Minnesota's transportation facilities are safe, efficient, and effective, while in harmony with the environment.

4. The public transportation assistance program is concerned with the safe and efficient movement of goods and people via rail and mass transit. Within this program, Mn/DOT regulates service and provides funding for the operation of the rail and transit public transportation modes. This function is carried out through contractual/grant-in-aid agreements with transit service providers and through grant and loan agreements with rail companies and rail users.

Through the operation of the public transportation program, Mn/DOT is attempting to maintain the viability of public transportation services as an integral part of the statewide transportation network.

5. Program management provides a wide range of functions relating to the management of major program areas carried out by Mn/DOT. These functions include, but are not limited to, the establishment of plans and controls to give direction to Mn/DOT programs, and the development of information and analysis techniques to effectively evaluate program progress. The programs managed include highways, rail, transit, waterways and motor carrier safety and compliance.
- It is the objective of program management to assure that all department activities relating to these major program areas are coordinated and mutually supportive and that they contribute to stated department program goals and directions.
6. The general support services program includes the Office of the Commissioner and the functions of finance, administrative services, personnel and training, management improvement, and public information. The general support services program establishes a foundation for the operation of Mn/DOT by ensuring that appropriate administrative and management controls exist. This program supports all other department programs and activities in meeting their stated goals and objectives through provision of necessary financial management, personnel management, legal, and information services.
7. The aeronautics program provides educational, technical, and financial assistance to municipalities that own public airports and to the aviation industry and air traveling public in general. The aeronautics program is funded from a legislatively dedicated state airports fund and from federal airport development aid funds. This program ensures that all aeronautical development in Minnesota is well planned and designed in accordance with current standards. It also ensures that such development is adequately zoned from a safety and land use standpoint and properly operated and maintained. As a part of this program, Mn/DOT inspects and licenses airports and aviation services, participates in airline route development proceedings, and promotes aviation education and aviation safety activities.

Details of the department's operation are provided on the program and activity pages that follow. It should be noted that this entire budget request is based upon available funding as prescribed by existing laws with no proposed tax increases.

INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
SAME Level Request	\$2,045,099.3	\$2,045,099.3	
Agency-wide CHANGE requests			
Highway Maintenance	0.0	0.0	9
Preservation Transfer			
Heavy Truck Response	11,200.0	0.0	10
Severance Pay	2,891.8	0.0	11
Subtotal	<u>14,091.8</u>	<u>0.0</u>	
Highway Development			
Trunk Highway Development	42,319.4	0.0	17
County State Aid Highways	0.0	(52,200.0)	20
Municipal State Aid Streets	0.0	(15,800.0)	23
Subtotal	<u>42,319.4</u>	<u>(68,000.0)</u>	
Operations			
Program CHANGE request			
Workers' and Unemployment	3,366.7	0.0	30
Compensation			
Activity CHANGE requests			
Travel Information Center Staff	46.0	0.0	33
District Support of	813.1	0.0	39
Construction Program			
Subtotal	<u>4,225.8</u>	<u>0.0</u>	
Technical Services			
Consultant Services	7,753.6	0.0	44
Electrical Services Unit	952.0	0.0	45
Traffic Management System and	167.6	0.0	46
ESU Enhancements			
Tort Claims Staff	57.3	0.0	47
Traffic Engineering Manual	20.6	0.0	48
Global Positioning System Surveys	100.0	0.0	49
Pavement Engineering	164.8	0.0	50
Standards Specification Book	30.0	0.0	51
Northstar Workshop	40.0	0.0	52
Workers' Compensation Position	48.8	0.0	53
Bicycle Transportation Unit	(44.0)	(44.0)	54
Transfer			
Employee Training & Development	46.7	0.0	55
Coop Program for Transportation	474.7	0.0	56
Research and Studies (COPTRS)			
Electronic Maintenance Service	78.5	0.0	61
Specialized Electronic Repair Parts	103.0	0.0	62
Subtotal	<u>9,993.6</u>	<u>(44.0)</u>	



INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
Public Transportation Assistance			
Increase in Non Metro Transit	2,880.8	(6,448.6)	69
Program Management			
Program CHANGE request			
Position Transfer	0.0	0.0	72
Activity CHANGE requests			
Bicycle Transportation Unit Transfer	44.0	44.0	76
Motor Carrier Safety Positions	0.0	0.0	79
Seaway Port Authority of Duluth	60.0	0.0	82
North Shore Truck Movement Study	22.0	0.0	83
Tourist Train Feasibility Study	20.0	0.0	84
Transit Administration	0.0	(116.9)	87
Metro Area Travel Model	120.0	0.0	91
Subtotal	266.0	(72.9)	
General Support Services			
Program CHANGE request			
Data Processing Development and Equipment	1,917.2	(41.0)	95
Activity CHANGE requests			
Federal Single Audit	111.0	0.0	99
Employee Suggestion System	47.8	0.0	100
Expanded Audio/Visual Program Services	67.6	0.0	101
Enhanced Information Services	33.2	0.0	102
Metro Area Safety Services	57.3	0.0	103
Information Management	69.3	0.0	104
New Technology Research	55.5	0.0	105
Engineering Rotation Training Program	408.5	0.0	108
State Aid Agreement Audits	56.5	0.0	109
Highway Program Implementation Staff	73.1	0.0	110
Transportation Building Modifications	400.0	0.0	111
Road Equipment	6,493.3	0.0	115
Scientific Equipment	668.8	0.0	117
Electronic Communications Equipment	81.0	0.0	118
Shop Equipment	165.4	0.0	119
Office Equipment	1,313.3	2.2	120

INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
Building Local Area Network	408.0	0.0	121
Legal Services Cost Increase	220.6	0.0	124
Subtotal	12,647.4	(38.8)	
Aeronautics			
Program CHANGE request			
Data Processing Production/ Maintenance	25.9	25.9	127
Activity CHANGE requests			
Aircraft Maintenance	66.0	66.0	133
Disseminate Aviation Weather Information	156.0	156.0	134
Publish and Mail Aeronautical Chart	44.3	44.3	135
Specialized Services for Scheduled Air Transportation	17.1	17.1	136
Airport Construction Grants	(619.7)	(619.7)	137
Airport Maintenance Grants	192.0	192.0	138
Minnesota Historical Society Grant	65.0	0.0	139
Precision Instrument Landing Systems	1,100.0	1,100.0	140
Dissemination of Live Color Weather Radar	549.1	549.1	141
Paint Striper	17.5	17.5	142
Administrative Services	241.8	241.8	143
Full Time Clerical Position	8.8	8.8	144
Air/Ground Communication	(85.7)	(85.7)	145
Increased Travel Expense	9.4	9.4	146
Pilot Positions	0.0	0.0	149
Part Time Clerical Support	24.2	24.2	150
Civil Air Patrol Increase	16.0	0.0	153
Subtotal	1,827.7	1,746.7	
AGENCY TOTAL	\$2,133,351.8	\$1,972,241.7	

GOVERNOR'S RECOMMENDATION:

The Governor recommends repeal of the law that transfers revenues generated by the motor vehicle excise tax from the General Fund to the Highway Users Tax Distribution Fund and to the Transit Assistance Fund. The Governor further recommends the elimination of the Transit Assistance Fund. No increases financed by the Trunk Highway Fund have been recommended. The Governor has directed the Commissioner of Transportation to examine funding needs of the state highway system and financing options. The Governor will make subsequent funding recommendations in March.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY PROGRAM:</b>											
HIGHWAY DEVELOPMENT OPERATIONS	810,819.3	789,475.1	884,113.8	728,998.5	37,259.7	766,258.2	700,598.5	737,284.7	22,259.7	759,544.4	706,084.7
TECHNICAL SERVICES	153,949.8	161,357.1	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
PUBLIC TRANSP ASSISTANCE	35,957.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
PROGRAM MANAGEMENT	13,441.9	12,719.2	21,386.8	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
GENERAL SUPPORT SERVICES	7,678.4	8,774.9	10,090.5	9,977.7	185.0	10,162.7	9,999.7	9,986.3	111.0	10,097.3	9,891.4
AERONAUTICS	24,609.4	31,400.5	24,591.5	26,887.4	8,534.4	35,421.8	26,872.4	26,931.4	4,266.2	31,197.6	26,907.6
	21,705.6	34,486.9	32,661.6	32,741.8	547.0	33,288.8	33,203.3	33,526.6	1,305.8	34,832.4	34,811.8
<b>TOTAL</b>	<b>1068,161.6</b>	<b>1076,256.3</b>	<b>1179,840.6</b>	<b>1018,229.1</b>	<b>54,075.9</b>	<b>1072,305.0</b>	<b>982,851.3</b>	<b>1026,870.2</b>	<b>34,176.6</b>	<b>1061,046.8</b>	<b>989,390.4</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	662,675.7	628,061.7	888,239.8	709,273.5	53,279.3	762,552.8	710,364.0	712,377.4	32,439.1	744,816.5	713,305.6
LOCAL ASSISTANCE	405,473.5	443,122.1	291,600.8	308,955.6	796.6	309,752.2	272,487.3	314,492.8	1,737.5	316,230.3	276,084.8
AIDS TO INDS.	12.4	5,072.5									
<b>TOTAL EXPENDITURES</b>	<b>1068,161.6</b>	<b>1076,256.3</b>	<b>1179,840.6</b>	<b>1018,229.1</b>	<b>54,075.9</b>	<b>1072,305.0</b>	<b>982,851.3</b>	<b>1026,870.2</b>	<b>34,176.6</b>	<b>1061,046.8</b>	<b>989,390.4</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	8,286.6	5,676.2	5,123.3	5,125.4	2,673.6-	2,451.8	2,992.2	5,127.3	3,094.2-	2,033.1	2,877.2
STATE AIRPORTS	9,715.7	10,957.5	10,744.8	10,443.6	532.0	10,975.6	10,890.1	10,445.6	1,282.0	11,727.6	11,707.0
MUNICPL/ST AID-HGHWY	118,945.5	126,159.6	61,900.0	65,600.0		65,600.0	58,000.0	66,700.0		66,700.0	58,500.0
CNTY/STATE AID-HGHWY	252,860.5	276,068.6	189,300.0	206,100.0		206,100.0	181,100.0	209,700.0		209,700.0	182,500.0
TRUNK HIGHWAY	590,948.7	538,520.3	570,939.7	589,575.2	52,088.6	641,663.8	589,575.2	587,720.3	31,359.9	619,080.2	587,720.3
HGHWY USER TAX DISTR		95.5									
TRANSIT ASSISTANCE	297.4	928.8	1,253.4	1,091.1	4,128.9	5,220.0		1,091.1	4,628.9	5,720.0	
MOTOR VEHICLE TRANS		856.5	868.8	868.8		868.8	868.8	868.8		868.8	868.8
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	2,509.5	2,780.7	13,371.3								
STATE AIRPORTS	1,127.1	820.8	1,672.6	1,528.1		1,528.1	1,528.1	1,478.0		1,478.0	1,478.0
TRUNK HIGHWAY	2,921.7	2,929.6	28,459.7	535.9		535.9	535.9	535.6		535.6	535.6
HGHWY USER TAX DISTR	125.3	318.3									
TRANSPORTATION	1,038.4	1,443.8	2,801.7								
AGENCY	11.0	86.5	86.8	106.3		106.3	106.3	106.3		106.3	106.3
GIFTS AND DEPOSITS			2.0								
FEDERAL	79,374.2	108,613.6	293,316.5	137,254.7		137,254.7	137,254.7	143,097.2		143,097.2	143,097.2
<b>TOTAL FINANCING</b>	<b>1068,161.6</b>	<b>1076,256.3</b>	<b>1179,840.6</b>	<b>1018,229.1</b>	<b>54,075.9</b>	<b>1072,305.0</b>	<b>982,851.3</b>	<b>1026,870.2</b>	<b>34,176.6</b>	<b>1061,046.8</b>	<b>989,390.4</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	46.0	15.0	15.0	15.0		15.0	15.0	15.0		15.0	12.0
STATE AIRPORTS	37.0	37.0	37.0	37.0	3.0	40.0	40.0	37.0	3.0	40.0	40.0
TRUNK HIGHWAY	4,351.0	4,497.0	4,577.0	4,577.0	26.0	4,603.0	4,577.0	4,577.0	30.0	4,607.0	4,577.0
FEDERAL	7.0	7.0	7.0	7.0	9.0	16.0	16.0	7.0	9.0	16.0	16.0
<b>TOTAL POSITIONS</b>	<b>4,441.0</b>	<b>4,556.0</b>	<b>4,636.0</b>	<b>4,636.0</b>	<b>38.0</b>	<b>4,674.0</b>	<b>4,648.0</b>	<b>4,636.0</b>	<b>42.0</b>	<b>4,678.0</b>	<b>4,645.0</b>

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: TRUNK HIGHWAYS/MAINTENANCE/MAINTENANCE PRESERVATION  
 PROGRAM: HIGHWAY DEVELOPMENT/OPERATIONS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The \$4,200.0 portion that was centrally managed will be shifted to Trunk Highway Development activity as the "road repair" category. "Road repair" work will be contracted by the districts or centrally for projects that repair or restore roadway sections above and beyond routine maintenance including repairs required by heavier truck usage.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Highway Maintenance Preservation Transfer				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the restructuring of the former Maintenance Preservation Program by transferring a portion of the funds to Maintenance and the remainder of the funds to Trunk Highway Development activities.

DESCRIPTION/BACKGROUND:

Since 1980, the maintenance preservation program has been an activity in the Operations budget growing from \$2.9 million (F.Y. 1980) to \$7.3 million (F.Y. 1987). \$3.1 million was allocated to districts for specified work and \$4.2 million was centrally managed. Over 80% of all work was contracted. A January, 1985 "Highway Maintenance" program evaluation by the Office of Legislative Auditor recommended a review of the maintenance preservation program. This budget request addresses the outcome of that review through a restructuring of the maintenance preservation program.

RATIONALE:

The historical district allocations of \$3,083.9 annually will be transferred to Maintenance activity for materials, supplies, and services portion of the Maintenance activity. This preserves the district flexibility to respond to maintenance needs that are not preservation related and eliminates unique reporting. This will recognize more accountability at the district level where maintenance decisions must be made.

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY: TRUNK HIGHWAYS/MAINTENANCE  
 PROGRAM: HIGHWAY DEVELOPMENT/OPERATIONS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

By F.Y. 1988, the expansion of the 80,000 pound truck system and the reductions in spring weight restrictions will essentially comply with the 1985 "Truck Weight Action Group Report." The agency is shifting to a risk management philosophy to allow heavy trucks to operate on trunk highways and repair the damage afterwards. \$1,200.0 is requested each year in the Maintenance Activity for materials, supplies and services in response to anticipated costs to repair damage from heavier trucks. \$4,400.0 is also requested each year in the Trunk Highway Activity for contract road repairs in response to anticipated repair costs for damage from heavier trucks.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Heavy Truck Response				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 5,600.0	- 0-	\$ 5,600.0	- 0-
Governor's Recommendation				
Trunk Highway Fund	\$ - 0-	- 0-	\$ - 0-	- 0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests \$5,600.0 annually to effectively respond to anticipated damage following the increase in maximum truck weight to 80,000 pounds and reductions in spring weight restrictions.

DESCRIPTION/BACKGROUND:

In January 1985, the agency reported on the expected increased costs to expand the 80,000 pound truck system and reduce spring weight restrictions. Short term costs (p. 19 and 20) are identified in the "Truck Weight Action Group Report":

- \$1.2 million per year - increased maintenance (change in Maintenance Activity)
- \$4.4 million per year - catastrophic failures on "risk sections" (change in Trunk Highway Activity)

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY:    VARIOUS  
 PROGRAM:    VARIOUS  
 AGENCY:    TRANSPORTATION, DEPARTMENT OF

Request Title:    Severance Pay				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 1,519.5	-0-	\$ 1,347.2	-0-
State Airports Fund	14.5	-0-	10.6	-0-
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
State Airports Fund	-0-	-0-	-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above amount to pay the costs of anticipated severance pay required for retiring employees. A significant number of retirements are anticipated in the F.Y. 1988-89 biennium.

DESCRIPTION/BACKGROUND:

Retirement severance pay has historically been paid from the salary account from which the retiring employee's salary was paid. Salary savings accruing from vacancies in the account provided the actual dollars for the payment. The salary savings from the retiring individual's position alone is rarely sufficient to cover the cost of severance pay for the individual.

During the past, when retirements were relatively few it was possible to cover severance pay costs from salary savings. However, given a sharp increase in the number of retirements expected, salary savings are not expected to be sufficient to cover severance pay requirements. The actual cost of severance pay was \$1,162.3 in F.Y. 1985, \$1,272.0 in F.Y. 1986, and \$1,474.0 is anticipated for F.Y. 1987.

This change item is split among the programs this way:

	F.Y. 1988	F.Y. 1989
Operations	\$ 1,062.9	\$ 948.0
Technical Services	353.6	319.0
Program Management	22.0	8.0
General Support Services	81.0	72.2
Aeronautics	14.5	10.6

RATIONALE:

If salary accounts are not increased for the additional costs of severance pay, levels of service in the affected budget activities will have to be reduced in order to provide salary and other expenditure savings. Severance payments to retiring employees are mandatory regardless of the financial status of the account which must pay them. Without additional funding, services and activities will have to be cut back. The control for this mandatory expenditure is outside of the department.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known. No funding is recommended from the State Airports Fund for this request.

PROGRAM PURPOSE:

The highway development program exists to preserve and improve the State's most important public roadway systems: trunk highway (TH), county state aid highway (CSAH), and municipal state aid streets (MSAS).

These three systems represent one-third of total Minnesota roadway mileage but carry 86% of the travel.

The State of Minnesota, 85,000 square miles in area, is served by nearly 131,700 miles of public streets and highways. The 1985 estimate of the population of the state is about 4,200,000. About two-thirds of the population resides in urban areas and about one-third of the population resides in rural areas. The residents of the state own about 3,200,000 motor vehicles. The 3,000,000 licensed drivers travel about 31.8 billion miles each year on the streets and highways.

The ownership of the system of streets and highways is divided up among 2,750 separate units of government. The streets and highways include an authorized system of approximately 31,900 miles of state aid roads and streets which are partially financed through highway user taxes. A tabulation of the mileage of existing roadways is shown below.

<u>Government</u>	<u>System</u>	<u>Mileage</u>	<u>% of Miles</u>	<u>% of Travel</u>
State	TH	12,100	9	57
County	CSAH	30,000	23	22
	County Road	15,300	12	3
Township	Township Road	55,700	42	2
City	MSAS	1,900	1	7
	City Street	13,700	11	9
Other	Forest Road, etc.	3,000	2	0
	TOTAL	131,700	100	100

The state managed road system in Minnesota is funded primarily by state and federal user fees. County, city and township networks are funded by a combination of road user fees and other taxes.

OPERATION:

This program encompasses the following operations:

1. Trunk Highways - this activity provides for the preservation, correction and limited improvement of the state trunk highway system through: 1) contract expenditures for highway and bridge work; 2) acquisition of right of way; 3) cooperative agreements with other road authorities; and 4) safety projects.

The activity emphasizes preservation of the existing trunk highway system.

2. County State Aid Highways - this activity distributes 29% of the Highway User Tax Distribution Fund for construction and maintenance of 30,000 miles of designated county state aid highways.
3. Municipal State Aid Streets - this activity distributes 9% of the Highway User Tax Distribution Fund for construction and maintenance of designated municipal state aid streets in cities over 5,000 population.
4. Federal/Local Road and Bridge Programs - this activity channels designated federal aid through the Department of Transportation for local road and bridge projects.
5. Highway Debt Service - this activity accounts for the retirement of previously sold trunk highway bonds.

EXPLANATION OF BUDGET REQUEST:

The highway development budget request is based on estimates of revenue from existing highway user taxes and federal aids. The revenue estimate includes the transfer of the Motor Vehicle Excise Tax in F.Y. 1988 and F.Y. 1989. Federal aids, which make up a substantial part of the trunk highway and federal/county road and bridge activities, are subject to considerable fluctuation dependent on congressional and presidential action.

County and municipal state aids are subject to fluctuation in the actual collections of state highway user taxes and will likely be different than the estimate given here.

Debt service levels are based on fixed debt redemption and principal payment schedules for previously sold trunk highway bonds.

CHANGE items are requested for this program. In the trunk highway activity, CHANGE requests for trunk highway development of \$37,259.7 in F.Y. 1988 and \$22,259.7 in F.Y. 1989 are due mainly to increased dollars available. The CHANGE includes \$4,200.0 each year which reflects the shift of a portion of Maintenance Preservation from Operations to Highway Development. Also, the CHANGE includes \$4,400.0 each year to respond to anticipated damage following increase in maximum truck weight to 80,000 pounds and reductions in spring weight restrictions.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase in the Trunk Highway Fund of \$4,200.0 each year which results from a transfer of a portion of the maintenance preservation activity from the operations program. No additional funding for these requests is recommended at this time. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

The Governor recommends a decrease of \$25,000.0 in F.Y. 1988 and \$27,200.0 in F.Y. 1989 in the County State Aid Highway Fund and \$7,600.0 in F.Y. 1988 and \$8,200.0 in F.Y. 1989 in the Municipal State Aid Street Fund. These recommendations reflect the absence of motor vehicle excise tax monies that had been built into the SAME level funding for these two years. The Governor will make funding recommendations for county state aid roads and municipal state aid streets in March when total revenues available to the Highway Users Tax Distribution Fund are known.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: HIGHWAY DEVELOPMENT

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
TRUNK HIGHWAYS	375,095.1	306,008.2	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
COUNTY STATE AIDS	253,600.8	276,857.0	190,735.5	206,100.0		206,100.0	181,100.0	209,700.0		209,700.0	182,500.0
MUNICIPAL STATE AIDS	119,243.6	126,815.0	63,266.2	65,600.0		65,600.0	58,000.0	66,700.0		66,700.0	58,500.0
FED-COUNTY ROAD & BRIDGE	62,879.8	79,794.9	268,503.0	112,000.0		112,000.0	112,000.0	117,000.0		117,000.0	117,000.0
HIGHWAY DEBT SERVICE				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
TOTAL	810,819.3	789,475.1	884,113.8	728,998.5	37,259.7	766,258.2	700,598.5	737,284.7	22,259.7	759,544.4	706,084.7
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	435,074.2	383,503.1	630,112.1	457,298.5	37,259.7	494,558.2	461,498.5	460,884.7	22,259.7	483,144.4	465,084.7
LOCAL ASSISTANCE	375,745.1	405,972.0	254,001.7	271,700.0		271,700.0	239,100.0	276,400.0		276,400.0	241,000.0
AIDS TO INDS.											
TOTAL EXPENDITURES	810,819.3	789,475.1	884,113.8	728,998.5	37,259.7	766,258.2	700,598.5	737,284.7	22,259.7	759,544.4	706,084.7
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	250.0										
MUNICPL/ST AID-HGHWY	118,945.5	126,159.6	61,900.0	65,600.0		65,600.0	58,000.0	66,700.0		66,700.0	58,500.0
CNTY/STATE AID-HGHWY	252,860.5	276,068.6	189,300.0	206,100.0		206,100.0	181,100.0	209,700.0		209,700.0	182,500.0
TRUNK HIGHWAY	374,160.8	304,756.2	333,340.3	344,429.7	37,259.7	381,689.4	348,629.7	343,015.9	22,259.7	365,275.6	347,215.9
MOTOR VEHICLE TRANS		856.5	868.8	868.8		868.8	868.8	868.8		868.8	868.8
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	684.3	280.7	27,400.0								
TRANSPORTATION	1,038.4	1,443.8	2,801.7								
FEDERAL	62,879.8	79,909.7	268,503.0	112,000.0		112,000.0	112,000.0	117,000.0		117,000.0	117,000.0
TOTAL FINANCING	810,819.3	789,475.1	884,113.8	728,998.5	37,259.7	766,258.2	700,598.5	737,284.7	22,259.7	759,544.4	706,084.7
POSITIONS BY FUND:											
TOTAL POSITIONS											

ACTIVITY: TRUNK HIGHWAYS  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

**OBJECTIVE:**

To preserve and improve the state trunk highway system for the movement of people and goods.

**EFFECTIVENESS MEASURES:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Pavement condition (miles)				
Poor	2,050	2,000	1,950	1,900
Fair	3,350	3,350	3,350	3,350
Good	4,800	4,900	5,000	5,100
Excellent	1,900	1,850	1,800	1,750
Route sufficiency (miles)				
Poor	1,300	1,150	1,000	850
Fair	2,200	2,050	1,900	1,750
Good	3,600	3,750	3,900	4,050
Excellent	5,000	5,150	5,300	5,450
Roadway width (miles) (Less than 24' wide)	1,370	1,320	1,270	1,220
Deficient bridges (bridges)	360	340	310	280
Interstate completion remaining (miles)	23	17	11	5

**DESCRIPTION:**

This program exists to preserve and improve the state trunk highway system for the movement of people and goods. The categories of highway construction describe the proposed highway improvements.

Resurfacing and Reconditioning - the projects restore the roadway surface to a smooth ride, restore the shoulders of the roadway and widen narrow pavements.

Reconstruction - the projects correct critical deficiencies such as roadway strength, passing sight distance, stopping sight distance, and locations with a history of accidents.

Major Construction - the projects correct deficiencies in capacity and maintain the original level of service in the movement of people and goods.

Road Repair - the projects repair and restore roadway sections above and beyond routine maintenance including repairs required by heavier spring or year-round loads.

Bridge Repair - the projects maintain, preserve, and extend the usefulness of existing bridges.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

Bridge Replacement - the projects replace bridges which are deficient in condition, width, load or clearance.

Safety & Urban - the projects reduce or eliminate unsafe conditions by channeling traffic, relocating or removing roadside obstacles, and correcting local traffic problems.

Interstate Completion - the projects continue the scheduled completion of the National System of Interstate and Defense Highways.

Interstate Preservation - the projects resurface, restore, rehabilitate, or reconstruct the interstate segments which have served their original purpose; also, 1) enhance service and safety, and 2) mitigate the effects of the interstate routes.

Interstate Substitution - the projects serve some of the purposes of segments which were withdrawn from the interstate system.

Right of Way and Agreement - the activities include the purchase of the right of way for construction projects, the relocation of public utilities, and joint work with local governments and railroad companies.

Salvage Yard Program - the projects provide acquisition or landscape/fencing of salvage yards (junkyards) on state trunk highways in order to effect highway beautification.

This activity is based on an estimate or projection of existing known revenue sources, as follows:

	F.Y. 1988	F.Y. 1989
Trunk Highway Fund		
State Funds (\$ millions)	\$148.6	\$148.6
Federal Funds (\$ millions)	222.0	207.0
Sub-Total (\$ millions)	\$370.6	\$355.6
Motor Vehicle Transfer Fund (\$ millions)	0.9	0.9
Total (\$ millions)	\$371.5	\$356.5

**ACTIVITY STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Resurfacing &amp; Reconditioning</u>				
Miles	412	262	298	296
\$ millions	\$55.9	\$35.3	\$40.2	\$40.0
<u>Reconstruction</u>				
Miles	60	35	86	58
\$ millions	\$27.6	\$15.8	\$38.6	\$25.9
<u>Major Construction</u>				
Miles	25	18	29	27
\$ millions	\$24.0	\$17.4	\$28.7	\$26.2
<u>Road Repair</u>				
\$ millions	\$0.0	\$0.0	\$8.6	\$8.6



ACTIVITY: TRUNK HIGHWAYS  
 (Continuation)  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY STATISTICS:	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Bridge Repair \$ millions	\$7.5	\$8.8	\$9.0	\$9.0
Bridge Replacement Bridges	34	26	30	28
\$ millions	\$33.4	\$35.0	\$40.3	\$36.8
Safety & Urban \$ millions	\$10.0	\$25.9	\$11.4	\$22.4
Interstate Completion \$ millions	\$45.6	\$81.2	\$89.4	\$86.7
Interstate Preservation \$ millions	\$37.1	\$51.4	\$51.5	\$60.0
Interstate Substitution \$ millions	\$16.2	\$5.8	\$12.9	\$0.0
Right of Way & Agreements \$ millions	\$47.8	\$56.7	\$40.0	\$40.0
Sub-Total \$ millions	<u>\$305.1</u>	<u>\$333.3</u>	<u>\$370.6</u>	<u>\$355.6</u>
Salvage Yard Program (\$ millions)	0.9	0.9	0.9	0.9
Total (\$ millions)	<u>\$306.0</u>	<u>\$334.2</u>	<u>\$371.5</u>	<u>\$356.5</u>

CHANGE REQUESTS:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	Type
Highway Maintenance Preservation Transfer	\$4,200.0	\$4,200.0	Agency Wide
Heavy Truck Response	4,400.0	4,400.0	Agency Wide
Trunk Highway Development	\$28,659.7	\$13,659.7	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRUNK HIGHWAYS

PROGRAM: HIGHWAY DEVELOPMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	375,066.1	305,906.2	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
LOCAL ASSISTANCE	29.0	102.0									
AIDS TO INDS.											
TOTAL EXPENDITURES	375,095.1	306,008.2	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	480.6	1,453.6									
SUPPLIES & MATERIALS	1,370.9	1,116.6									
EQUIPMENT	87.8	30.5									
OTHER EXPENSE ITEMS	373,126.8	303,305.5	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
TOTAL STATE OPERATIONS	375,066.1	305,906.2	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	250.0										
TRUNK HIGHWAY	374,160.8	304,756.2	333,340.3	333,340.3	37,259.7	370,600.0	337,540.3	333,340.3	22,259.7	355,600.0	337,540.3
MOTOR VEHICLE TRANS		856.5	868.8	868.8		868.8	868.8	868.8		868.8	868.8
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	684.3	280.7	27,400.0								
FEDERAL		114.8									
TOTAL FINANCING	375,095.1	306,008.2	361,609.1	334,209.1	37,259.7	371,468.8	338,409.1	334,209.1	22,259.7	356,468.8	338,409.1
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRUNK HIGHWAYS  
 PROGRAM: HIGHWAY DEVELOPMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: State Trunk Highway Development	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 28,659.7	-0-	\$ 13,659.7	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above increase in state trunk highway development dollars due to increased dollars available within the trunk highway fund for this activity. The lesser increase in F.Y. 1989 is due to lesser federal-aid anticipated.

DESCRIPTION/BACKGROUND:

First Special Session Laws of 1986, Chapter 1 deferred motor vehicle excise tax transfer in F.Y. 1986 and F.Y. 1987. Revenue will be increased by the phased transfer of motor vehicle excise taxes as provided by First Special Session Laws of 1986, Chapter 1.

STATISTICS:

	F.Y. 1988	F.Y. 1989
Improve pavement condition (miles)	40	20
Improve route sufficiency (miles)	30	15

RATIONALE:

The agency is projecting the most effective use of existing revenue sources including the reinstatement of the phased Motor Vehicle Excise Tax transfer. The agency is also estimating a decrease of \$15 million Federal Aid Highway Funds in F.Y. 1989.

ACTIVITY: COUNTY STATE AID  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

**OBJECTIVE:**

To administer the Highway User Tax Distribution Fund for construction and maintenance of designated county state aid highways.

**DESCRIPTION:**

Article XIV of the Minnesota Constitution provides that state taxes paid for registration of motor vehicles and taxes on the fuel for motor vehicles shall be deposited to a Highway Users Tax Distribution Fund. The Article further provides that 29% of the net proceeds of the fund shall be set aside as the County State Aid Highway Fund and apportioned among all counties for the construction, improvement and maintenance of county state aid highways. Eighty seven counties are eligible to receive this aid. Statutory Reference: M.S. 162.07

Basically, 50% of the resources of the fund are apportioned on the basis of construction needs, 30% according to county state aid mileage, and 20% according to population. Of the 20% for population, 10% is equally apportioned among the 87 counties and 10% is determined by the totals in motor vehicle registration. Monies are released according to Minnesota Rules Chapter 8820.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Miles of road improved	1,370	1,425	1,295	1,210
Miles of county road maintained	30,110	30,120	30,120	30,120

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
County State Aid Highway Fund	276,855.7*	189,300.0	206,100.0	209,700.0
Total	\$ 276,855.7	\$189,300.0	\$206,100.0	\$209,700.0

\* F.Y. 1986 amount includes balance carried forward from previous fiscal years.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COUNTY STATE AIDS

PROGRAM: HIGHWAY DEVELOPMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,306.0	2,232.8									
LOCAL ASSISTANCE	251,294.8	274,624.2	190,735.5	206,100.0		206,100.0	181,100.0	209,700.0		209,700.0	182,500.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>253,600.8</b>	<b>276,857.0</b>	<b>190,735.5</b>	<b>206,100.0</b>		<b>206,100.0</b>	<b>181,100.0</b>	<b>209,700.0</b>		<b>209,700.0</b>	<b>182,500.0</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	91.0	60.0									
SUPPLIES & MATERIALS		4.6									
EQUIPMENT											
OTHER EXPENSE ITEMS	2,215.0	2,168.2									
<b>TOTAL STATE OPERATIONS</b>	<b>2,306.0</b>	<b>2,232.8</b>									
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
CNTY/STATE AID-HGHWY	252,860.5	276,068.6	189,300.0	206,100.0		206,100.0	181,100.0	209,700.0		209,700.0	182,500.0
DEDICATED APPROPRIATIONS:											
TRANSPORTATION	740.3	788.4	1,435.5								
<b>TOTAL FINANCING</b>	<b>253,600.8</b>	<b>276,857.0</b>	<b>190,735.5</b>	<b>206,100.0</b>		<b>206,100.0</b>	<b>181,100.0</b>	<b>209,700.0</b>		<b>209,700.0</b>	<b>182,500.0</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: COUNTY STATE AID  
 PROGRAM: HIGHWAY DEVELOPMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
County State Aid Highway Fund	\$(25,000.0)	-0-	\$(27,200.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 1986, 297B.09				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$25,000.0 in F.Y. 1988 and \$27,200.0 in F.Y. 1989. These recommendations reflect the absence of motor vehicle excise tax monies that had been built into the SAME level funding for these 2 years. The Governor will make funding recommendations for county state aid roads and municipal state aid streets in March when total revenues available to the Highway Users Tax Distribution Fund are known.

ACTIVITY: MUNICIPAL STATE AID  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

To administer the Highway Users Tax Distribution Fund for construction and maintenance of designated municipal state aid streets in cities over 5,000 population.

DESCRIPTION:

Article XIV of the Minnesota Constitution provides that state taxes paid for registration of motor vehicles and taxes on the fuel for motor vehicles shall be deposited to a Highway Users Tax Distribution Fund. The Article further provides that 9% of the net proceeds of this fund shall be set aside as the Municipal State Aid Street Fund and apportioned among eligible municipalities for the construction, improvement and maintenance of municipal state aid streets. One hundred ten Minnesota municipalities with a population of 5,000 or more are eligible to receive this aid. Statutory Reference: M.S. 162.13

Basically, 50% of the resources of the fund are apportioned on the basis of construction needs and the remaining 50% on the basis of population. Specific allocations to recipient municipalities is determined by the construction needs of any one municipality as a percentage of the needs of all eligible municipalities and the population of any one municipality as a percentage of the population of all eligible municipalities.

Approximately 85% of the 1984 allocation was used for construction projects. All of the engineering plans for these projects must be reviewed and approved by the Minnesota Department of Transportation Office of State Aid prior to letting of the contracts. The remaining 15% is used for the general maintenance of the municipal state aid street system. Monies are released according to Minnesota Rules Chapter 8820.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Miles of streets improved	120	60	72	76
Miles of streets maintained	2,125	2,150	2,150	2,076

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Municipal State Aid Street Fund	\$125,916.1*	\$61,900.0	\$65,600.0	\$66,700.0
Transportation Fund	0	1,306.2	0	0
Total	\$125,916.1	\$63,206.2	\$65,600.0	\$66,700.0

\*F.Y. 1986 amount includes balance carried forward from previous fiscal years.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: MUNICIPAL STATE AIDS**

**PROGRAM: HIGHWAY DEVELOPMENT**

**AGENCY: TRANSPORTATION, DPT OF**

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	818.1	898.9									
LOCAL ASSISTANCE	118,425.5	125,916.1	63,266.2	65,600.0		65,600.0	58,000.0	66,700.0		66,700.0	58,500.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>119,243.6</b>	<b>126,815.0</b>	<b>63,266.2</b>	<b>65,600.0</b>		<b>65,600.0</b>	<b>58,000.0</b>	<b>66,700.0</b>		<b>66,700.0</b>	<b>58,500.0</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	29.0	20.6									
SUPPLIES & MATERIALS	.6	1.4									
EQUIPMENT											
OTHER EXPENSE ITEMS	788.5	876.9									
<b>TOTAL STATE OPERATIONS</b>	<b>818.1</b>	<b>898.9</b>									
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
MUNICPL/ST AID-HGHWY	118,945.5	126,159.6	61,900.0	65,600.0		65,600.0	58,000.0	66,700.0		66,700.0	58,500.0
<b>DEDICATED APPROPRIATIONS:</b>											
TRANSPORTATION	298.1	655.4	1,366.2								
<b>TOTAL FINANCING</b>	<b>119,243.6</b>	<b>126,815.0</b>	<b>63,266.2</b>	<b>65,600.0</b>		<b>65,600.0</b>	<b>58,000.0</b>	<b>66,700.0</b>		<b>66,700.0</b>	<b>58,500.0</b>
<b>POSITIONS BY FUND</b>											
<b>TOTAL POSITIONS</b>											



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MUNICIPAL STATE AID  
 PROGRAM: HIGHWAY DEVELOPMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
Municipal State Aid Street Fund	\$(7,600.0)	-0-	\$(8,200.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 1986, 297B.09				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$7,600.0 in F.Y. 1988 and \$8,200.0 in F.Y. 1989. These recommendations reflect the absence of motor vehicle excise tax monies that had been built into the SAME level funding for these 2 years. The Governor will make funding recommendations for county state aid roads and municipal state aid streets in March when total revenues available to the Highway Users Tax Distribution Fund are known.

ACTIVITY: FEDERAL/COUNTY ROAD & BRIDGE  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

To administer designated federal aid for local road and bridge projects.

DESCRIPTION:

Certain federal aid funds are available for local roads and bridges. The department acts as agent for and administers agreements for counties and eligible municipalities. The local share of project costs is deposited with the department. These local funds are used to make payment to contractors for work performed under federal reimbursement programs. The specific federal programs provide funding for federal aid secondary, federal aid urban, special federal bridge replacement, federal interstate substitution, forest highway, public land, Great River Road, highway safety road signing, highway safety bridge posting, and pavement marking projects. The Federal Highway Administration considers this centralized management necessary for efficient disbursement of federal funds within each state.

Recipient Identification and Eligibility Criteria: By state law, all 87 Minnesota counties and any Minnesota city with a population of 5,000 or more are eligible to participate in this program. There are currently 110 eligible municipalities.

Criteria and Formulas Determining Amount of Payment to Recipient: The disbursement of funds in this activity is to contractors for the provision of road and bridge improvements. The direct benefit to counties and municipalities is a function of the federal aid program under which specific local projects qualify. The department performs the review and approval function. The federal participating ratios are: 1) rural, secondary and urban and Great River Road projects 76.74%; bridge projects, 80%; forest highway projects, 90%; highway safety and pavement marking projects, 100%.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal aid secondary projects	119	130	124	120
Federal aid urban projects	28	27	27	25
Federal aid bridge projects	50	50	50	48
Claims audited	205	200		196
Forest highway projects	2	2	1	1
Interstate substitution projects	10	0	0	0
Great River Road Projects	4	2	0	0

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: FED-COUNTY ROAD & BRIDGE

PROGRAM: HIGHWAY DEVELOPMENT

AGENCY: TRANSPORTATION,DPT OF

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	56,884.0	74,465.2	268,503.0	112,000.0		112,000.0	112,000.0	117,000.0		117,000.0	117,000.0
LOCAL ASSISTANCE	5,995.8	5,329.7									
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>62,879.8</b>	<b>79,794.9</b>	<b>268,503.0</b>	<b>112,000.0</b>		<b>112,000.0</b>	<b>112,000.0</b>	<b>117,000.0</b>		<b>117,000.0</b>	<b>117,000.0</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	3.7										
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS	56,880.3	74,465.2	268,503.0	112,000.0		112,000.0	112,000.0	117,000.0		117,000.0	117,000.0
<b>TOTAL STATE OPERATIONS</b>	<b>56,884.0</b>	<b>74,465.2</b>	<b>268,503.0</b>	<b>112,000.0</b>		<b>112,000.0</b>	<b>112,000.0</b>	<b>117,000.0</b>		<b>117,000.0</b>	<b>117,000.0</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	62,879.8	79,794.9	268,503.0	112,000.0		112,000.0	112,000.0	117,000.0		117,000.0	117,000.0
<b>TOTAL FINANCING</b>	<b>62,879.8</b>	<b>79,794.9</b>	<b>268,503.0</b>	<b>112,000.0</b>		<b>112,000.0</b>	<b>112,000.0</b>	<b>117,000.0</b>		<b>117,000.0</b>	<b>117,000.0</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

ACTIVITY: HIGHWAY DEBT SERVICE  
 Program: HIGHWAY DEVELOPMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

To provide necessary funding for highway construction and to stay within the debt limit established in the Minnesota Department of Transportation debt management policy.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percentage of Capital Funds available for Debt retirement compared to 25% limit	8.4%	6.9%	15.7%	17.2%

DESCRIPTION:

The highway debt service activity exists to retire the trunk highway bond debt. Debt service expense includes principal and interest on state bonds, principal on loans and advances from other government entities, and service and redemption fees. The department's debt management policy dictates that bonds are sold only after conducting an analysis of a 10 year revenue and expenditure forecast. This forecast is to demonstrate that for the first 6 years of the 10 year period, debt cost for both existing and proposed bonds will not exceed 25% of estimated available capital funds for any one of the 6 years.

Further, the proceeds from trunk highway bonds will be used solely for long term capital investment purposes which have an expected useful life greater than the 20 year term of the bonds. The budgeted costs are reflective of the current outstanding debt repayment requirements for the 1988-89 biennium. The last sale of trunk highway bonds was in F.Y. 1984.

State law requires that the sums required for timely payment of state bond debt principal and interest must be transferred to the state Debt Service Fund one year in advance of the time when payment is due to debt holders. Since monies transferred in advance will earn interest income, the amount which must be transferred in any one year will be less than the amount actually paid to bond debt holders. This does not apply to the repayment of loans and advances.

The amounts shown in this summary for F.Y. 1988 and F.Y. 1989 are those amounts which will be paid to debt holders. The agency request shows the maximum amount which would be required for payment to the state Debt Service Fund this biennium.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Payments (thousands \$)	\$16,524.2	\$16,151.9	\$11,089.4	\$9,675.6
Debt outstanding at the end of fiscal year (thousands \$)	\$102,713.0	\$88,280.0	\$76,795.0	\$69,610.0

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HIGHWAY DEBT SERVICE

PROGRAM: HIGHWAY DEVELOPMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
TOTAL STATE OPERATIONS				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING				11,089.4		11,089.4	11,089.4	9,675.6		9,675.6	9,675.6
POSITIONS BY FUND											
TOTAL POSITIONS											

PROGRAM PURPOSE:

This program exists to provide services to the citizens of Minnesota. The most significant of these services is the provision and maintenance of safe and efficient public transportation systems. These systems are essential to provide for the mobility of the public and the movement of people and goods to support our agricultural, industrial, commercial and tourism economic base. The most significant of these transportation systems is the State Trunk Highway System, which is presently estimated to have a current replacement value of over \$18.9 billion. The operations program deals primarily with the operation, maintenance, and preservation of this system. It also provides enhancements to the system on a limited basis. Currently, the major enhancement program is the completion of the interstate system. Additionally, the program offers support in the development and maintenance of airports, public transportation facilities, and the state aid roadway system.

OPERATION:

The operations program is conducted by the 9 transportation districts which are responsible for:

1. providing constituent services.
2. maintaining all trunk highways within each district.
3. developing the plans for providing maintenance and construction enhancements to the highway system.
4. all construction management activities associated with enhancements to, or preservation of, the roadway system within the district.
5. administering the state aid program to the cities and counties encompassed by each district.
6. managing and operating the trunk highway system which includes:
  - . managing the 228,000 acres of rights of way.
  - . permitting for entrances/oversized vehicles and utilities.
  - . speed zoning and signing of the system.
  - . operating and maintaining 834 traffic signals and flashing beacons (excludes signals within Minneapolis, St. Paul and Duluth).
7. managing and operating rest areas and information centers.
8. coordinating private and public developments which affect the operation of the highway system.

The clients of this program are the users of the statewide highway system and all of the people of Minnesota who benefit from the economical and efficient transportation of goods and services via highways. In 1985, 3 million licensed drivers operated nearly 3.2 million registered vehicles in Minnesota. Approximately 18.2 billion vehicle miles were traveled on the 12,100 mile trunk highway system alone.

In addition, users of the 30,092 miles of county state aid highways and the 1,896 miles of municipal state aid streets and users of bridges replaced under the bridge replacement program are clients of this program.

Users of bike trails, air, and public transportation who receive benefits through the support provided to these modes of transportation are also clients of this program.

BUDGET ISSUES:

The department expects to deliver a construction program of \$371.5 million in F.Y. 1988 and \$356.5 million in F.Y. 1989. The agency proposes to accomplish this and routine highway maintenance with minimum need for additional funds, but has requested a restructuring of the Operations Program activities that will allow the most effective and efficient use of same level funds.

EXPLANATION OF BUDGET:

The major CHANGE items in this program are 1) the shift of the Maintenance Preservation Activity to Maintenance (\$3,083.9 each year) and Highway Development (\$4,200.0 each year); 2) the increase in the Maintenance Activity (\$1,200.0 each year) to respond to additional road repairs anticipated as a result of the new maximum truck weight of 80,000 pounds; 3) the increased cost in the Construction Activity (\$638.0 in F.Y. 1988 and \$175.5 in F.Y. 1989) for district support needed to deliver the construction program; and 4) the increased cost of workers' and unemployment compensation (\$1,682.9 in F.Y. 1988 and \$1,683.8 in F.Y. 1989).

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to discontinue the maintenance preservation activity as a separate activity. This results in a decrease in this program of \$4,200.0 each year which is transferred to the Highway Development Program. No increases are recommended at this time. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: OPERATIONS

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MAINTENANCE	104,042.7	108,708.2	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
MAINTENANCE PRESERVATION	7,496.3	7,366.6	7,283.9	7,283.9	7,283.9-			7,283.9	7,283.9-		
CONSTRUCTION	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
TOTAL	153,949.8	161,357.1	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	153,947.8	161,353.5	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
LOCAL ASSISTANCE											
AIDS TO INDS.	2.0	3.6									
TOTAL EXPENDITURES	153,949.8	161,357.1	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	153,949.8	161,357.1	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	153,949.8	161,357.1	170,736.4	173,720.6	383.8	174,104.4	169,520.6	173,338.7	147.1-	173,191.6	169,138.7
POSITIONS BY FUND:											
TRUNK HIGHWAY	3,340.0	3,427.0	3,486.0	3,486.0		3,486.0	3,486.0	3,486.0	2.0	3,488.0	3,486.0
TOTAL POSITIONS	3,340.0	3,427.0	3,486.0	3,486.0		3,486.0	3,486.0	3,486.0	2.0	3,488.0	3,486.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MAINTENANCE/CONSTRUCTION SUPPORT  
 PROGRAM: OPERATIONS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Workers' and Unemployment Compensation				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Trunk Highway Fund	\$ 1,682.9	-0-	\$1,683.8	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to provide funding at a 6% annual increase above actual expenditures in F.Y. 1986 and an 8% increase to fund the cost of administering the workers' compensation claims management program.

DESCRIPTION/BACKGROUND:

While the agency has increased its safety programs and its efforts to re-employ injured workers, the workers' compensation costs continue to increase. 82% of the CHANGE request is for workers' compensation claims.

Because of the greatly expanded construction program and limitations on the full-time complement, a significant increase in seasonal worker utilization has become necessary to provide for construction staffing. This has resulted in an increase in the agency unemployment compensation claims. Unemployment claims account for 18% of this CHANGE request.

The change is split among the activities as follows:

	F.Y. 1988	F.Y. 1989
Maintenance	\$1,386.8	\$1,387.7
Construction Support	296.1	296.1

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Workers' Compensation Costs (\$ millions)	\$1.9	\$2.2	\$2.4	\$2.4
Unemployment Compensation Costs (\$ millions)	0.7	0.7	0.7	0.7

RATIONALE:

This CHANGE level request will provide sufficient funding so that other activity funding will not have to be shorted to pay for these claims. In F.Y. 1986, \$1,079,300 was transferred from other activity funding to pay for claims. In the previous 3 fiscal years, workers' compensation costs have risen an average of 6%. In addition, effective July 1, 1986, the Department of Labor and Industry began charging departments for the costs of administering the workers' compensation claims management program. These charges are expected to add 8% to the total workers' compensation billing.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.



ACTIVITY: MAINTENANCE  
 Program: OPERATIONS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,253.4	\$ 1,294.4	\$ 1,290.0	\$ 1,380.0	\$ 1,460.0

**OBJECTIVE:**

1. Protect the state's investment by maintaining the trunk highway system, including bridges and rest areas, and to provide for safe, efficient, and reliable movement of goods with minimal interruption to the public.
2. Ensure financial and fiscal accountability for the capital investment in buildings and equipment through the development and maintenance of a long term building program and equipment replacement program.
3. Conduct spill-reaction training programs about hazardous materials, including radioactive wastes, and emergency operations simulation exercises for district personnel.
4. Manage travel information centers (TIC's) and develop TIC staff training and travel/tourism promotion programs.

**EFFECTIVENESS MEASURES:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Tons of salt per inch of snow	2,103	2,000	1,900	1,900
Winter maintenance \$ per inch of snow	\$410,000	\$410,000	\$430,000	\$448,000
Rest areas/TIC's - average visitors annually per center	219,000	223,000	228,000	232,000

**DESCRIPTION:**

This budget activity consists of 2 separate facets: 1) the total divisional administrative/management staff; and 2) the entire maintenance operation activity performed through 15 area maintenance offices located throughout the state and the central maintenance office in St. Paul.

The 15 maintenance offices perform the following functions:

1. Maintaining and repairing the road surfaces, shoulders, and approaches of the 28,994 lane miles of trunk and interstate highway.
2. Removing snow and ice from the highways.
3. Repairing, inspecting, and painting trunk highway bridges.
4. Maintaining 20,348 lane miles of undivided and 8,646 lane miles of divided highway and adjoining right of way, including slope repair, vegetation control, debris clearance, and upkeep of roadside information centers and rest areas, drainage systems, and noise barriers.
5. Providing traffic control services, including pavement marking, highway lighting, traffic signals, structures, guard rails, concrete barriers, sign fabrication and installation and detour maintenance.
6. Repairing and improving road equipment, buildings, and building grounds.
7. Providing maintenance support services to ensure fiscal accountability, including personnel, accounting, labor relations, inventory management, and procurement.

The Central Maintenance Office exists to perform the following functions:

1. Establishing level of service goals for the maintenance of the roadway, bridges, roadside information centers and rest areas, and structures that compose the trunk highway system, and providing recommendations on accomplishing those goals uniformly and efficiently.
2. Preparing and executing contract proposals for extraordinary maintenance projects, rental of equipment, routine maintenance agreements with other governmental units, and Commissioner's Orders for emergency repair of catastrophic damage.
3. Conducting administrative studies and maintenance research to comply with Federal Highway Administration requirements and for public information.
4. Providing for the cost-efficient purchase of major maintenance materials through centralized procurement.
5. Developing the department's biennial capital building budget request and 6-year building plan, preparing plans and specifications for new buildings and major remodeling, preparing contracts for building construction, inspecting building construction prior to payment approval, and directing the maintenance and repair of existing buildings.
6. Attending to the safety needs of the public by preparing and disseminating road and weather condition information, issuing overdimension and overweight transport permits, and developing emergency preparedness plans.
7. Providing statewide coordination of operations staff training and travel/tourism promotion programs at the 8 travel information centers and numerous rest areas.
8. Managing equipment purchases and disposal, developing an equipment replacement program, providing a fleet of pool vehicles to central office employees, and receiving and inspecting new vehicles.
9. Fabricating special snow plow assemblies at the central shop; fabricating and repairing other specialized equipment utilized in operations.

**ACTIVITY STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Roadway to be maintained (lane miles)	28,866	28,877	28,959	29,042
Rest areas to be maintained	60	63	65	69
TIC's to be maintained and staffed	8	9	9	11

**CHANGE REQUESTS:**

	F.Y. 1988	F.Y. 1989	Type
Highway Maintenance Preservation Transfer	3,083.9	3,083.9	Agency Wide
Heavy Truck Response	1,200.0	1,200.0	Agency Wide
Severance Pay	621.1	550.6	Agency Wide
Workers' and Unemployment Compensation	1,386.8	1,387.7	Program Wide
Travel Information Center Staff	0	46.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MAINTENANCE

PROGRAM: OPERATIONS

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	104,040.7	108,704.6	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
LOCAL ASSISTANCE											
AIDS TO INDS.	2.0	3.6									
TOTAL EXPENDITURES	104,042.7	108,708.2	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	67,259.9	71,292.9	75,091.7	76,417.4	2,007.9	78,425.3	76,417.4	76,169.2	1,984.3	78,153.5	76,169.2
EXPENSES & CONTRAC. SERV	10,882.4	11,729.2	12,341.0	12,341.0	1,556.7	13,897.7	13,897.7	12,341.0	1,816.4	14,157.4	14,157.4
SUPPLIES & MATERIALS	25,885.9	25,668.6	27,502.5	27,508.0	2,727.2	30,235.2	29,035.2	27,508.0	2,467.5	29,975.5	28,775.5
EQUIPMENT	12.5	13.9	17.0	17.0		17.0	17.0	17.0		17.0	17.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	104,040.7	108,704.6	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	104,042.7	108,708.2	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	104,042.7	108,708.2	114,952.2	116,283.4	6,291.8	122,575.2	119,367.3	116,035.2	6,268.2	122,303.4	119,119.1
POSITIONS BY FUND											
TRUNK HIGHWAY	2,265.0	2,285.0	2,283.0	2,283.0		2,283.0	2,283.0	2,283.0	2.0	2,285.0	2,283.0
TOTAL POSITIONS	2,265.0	2,285.0	2,283.0	2,283.0		2,283.0	2,283.0	2,283.0	2.0	2,285.0	2,283.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MAINTENANCE  
 PROGRAM: OPERATIONS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
<b>Request Title:</b> Travel Information Center Staff				
<b>Agency Request</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ 46.0	2.0
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars and positions to supervise and operate 2 new travel information centers scheduled to open in F.Y. 1989.

DESCRIPTION/BACKGROUND:

The 1985 legislature authorized the building of 2 new travel information centers near St. Cloud and Worthington. The staffing for travel information centers consist of a full time supervisor and seasonal employees for each location.

RATIONALE:

In order to operate and provide for supervision of seasonal employees for the St. Cloud and Worthington travel information centers, the above identified dollars and positions are required.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

ACTIVITY: MAINTENANCE PRESERVATION  
 Program: OPERATIONS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

1. Extend the service life of road and bridge structures.
2. Reduce routine maintenance requirements by immediately attending to the maintenance needs of those roadways where severe surface deterioration is currently apparent, but where major reconstruction is not yet required.
3. Develop new technology in maintenance operations.

DESCRIPTION:

The agency requests the restructuring of the Maintenance Preservation Program by transferring \$3.1 million of the (same level) funds to Maintenance and the remaining \$4.2 million to Trunk Highway Development activities.

In January of 1985, the agency reported on the expected increased costs to expand the 80,000 pound truck system and reduce spring weight restrictions. The guidelines for distribution of the Maintenance Preservation funds are inadequate to allow for increased maintenance and failures, which will be resultant from the expanded 80,000 pound truck system. Road repairs and maintenance can effectively be administered through distribution of funds in the Maintenance activity, directly to the districts responsible for deciding where and when the roads require such maintenance.

The agency has further provided for funding failure of the roadway system caused by heavy trucks by requesting distribution of the remainder of the former Maintenance Preservation activity funds to the Trunk Highway Development activity.

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Maintenance Preservation Transfer	\$(7,283.9)	\$(7,283.9)	Agency Wide

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: MAINTENANCE PRESERVATION**

**PROGRAM: OPERATIONS**

**AGENCY: TRANSPORTATION, DPT OF**

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	7,496.3	7,366.6	7,283.9	7,283.9	7,283.9-			7,283.9	7,283.9-		
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>7,496.3</b>	<b>7,366.6</b>	<b>7,283.9</b>	<b>7,283.9</b>	<b>7,283.9-</b>			<b>7,283.9</b>	<b>7,283.9-</b>		
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	54.5	52.4									
EXPENSES & CONTRAC. SERV	6,595.6	4,626.8	6,644.2	6,644.2	6,644.2-			6,644.2	6,644.2-		
SUPPLIES & MATERIALS	834.3	2,687.4	639.7	639.7	639.7-			639.7	639.7-		
EQUIPMENT											
OTHER EXPENSE ITEMS	11.9										
<b>TOTAL STATE OPERATIONS</b>	<b>7,496.3</b>	<b>7,366.6</b>	<b>7,283.9</b>	<b>7,283.9</b>	<b>7,283.9-</b>			<b>7,283.9</b>	<b>7,283.9-</b>		
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	7,496.3	7,366.6	7,283.9	7,283.9	7,283.9-			7,283.9	7,283.9-		
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>7,496.3</b>	<b>7,366.6</b>	<b>7,283.9</b>	<b>7,283.9</b>	<b>7,283.9-</b>			<b>7,283.9</b>	<b>7,283.9-</b>		
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

ACTIVITY: CONSTRUCTION SUPPORT  
 Program: OPERATIONS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

- To provide constituent services to the local units of government, Minnesota citizens, and plant management; that is, to coordinate, consult with and cooperate with these clientele in order to facilitate economic development.
- To provide all of the preconstruction plans and documents necessary to process a project from conception to contract bid letting.
  - preconstruction and construction activities are based on an annual program value of \$371.5 million in F.Y. 1988 and \$356.5 million in F.Y. 1989 of which \$331.5 million and \$316.5 million respectively, is for planned construction. The remaining \$40.0 million each year is for rights of way, utility relocations, and similar land purchases or agreements necessary to clear the land for construction.
- To provide construction management of the construction program.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Constituent services and plant management - % of construction complement time	24%	22%	22%	22%
Designated construction engineering costs - as % of construction cost	7%	7%	7%	7%

DESCRIPTION:

The construction support activity consists of 3 distinctly different but closely related activities:

- Constituent services and management of the highway "plant":  
 There are a number of services which the department provides to the citizens of Minnesota, termed "constituent services." Many of these services are not readily separable from "plant" management activities. For example, the department either owns or has easements on approximately 228,000 acres of land utilized as rights of way. As a major owner of land and operator of the facilities they contain, the department has land-management responsibilities not unlike other major landowners. Additionally, there are certain legislated activities which the department must carry out in operating the highway system. Approximately 22% of the time of the construction support complement (1198) is spent on the constituent services and plant management activities summarized as follows:

LOCAL COORDINATION

- construction staging (other governmental units' projects)
- traffic control
- cooperative agreements for funding
- review of other agencies' environmental documents
- review regional development commissions plans
- joint plan development with regional development commissions
- non-program/non-plant management time

LAND MANAGEMENT

- reconveyances of land
- turnbacks of land and roads
- plat reviews
- entrance permitting
- monumenting right of way
- utility permitting
- ditch/stream (hydraulic) management

TRAFFIC SERVICES

- speed zoning
  - . on trunk highways
  - . for cities
  - . for counties
- plat reviews
- entrance permit reviews
- signal system management
- technical assistance
  - . to cities
  - . to counties

2. Pre-construction/Plan Development:

This activity accounts for approximately 31% of the construction support complement's time. It includes the following:

- location surveys
- soils investigations
- layout development
- environmental document preparation
- public meetings/hearings
- right of way acquisition
- construction plan preparation
- construction signing plans

3. Construction Management:

This activity accounts for approximately 47% of the construction support complement's time. The goal is to staff the full time construction management complement at 2/3 of the requirements needed to satisfy the Construction Engineering Manpower Management System. The remaining 1/3 of the needs is fulfilled by seasonal workers.

This activity includes the following functions:

- construction surveys and staking
- grading, base, bituminous, concrete, culvert inspection
- plant (i.e., bituminous/concrete) inspection
- bridge inspection
- measurement of quantities
- determination of partial payments to contractors
- preparation of final plans (as-built)
- contract closeout documents and payments
- contract administration in general

ACTIVITY: CONSTRUCTION SUPPORT  
 (Continuation)  
 Program: OPERATIONS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

To provide a central processing focus for all construction activities, the Contract Administration Section of Contract Administration and Maintenance is located in St. Paul. This office is staffed by 22 people, included in the total activity complement of 1198, and assists Minnesota Department of Transportation (Mn/DOT) districts and divisions, 87 counties, 110 municipalities, consultant engineers, contractors, materials suppliers, and the Federal Highway Administration by:

- administering all phases of construction contracts
- clarifying specification requirements
- clarifying bid proposals for prospective bidders
- recommending contract awards
- authorizing subcontracting
- reviewing and approving supplemental agreements
- serving as departmental liaison with contractors
- recommending approval of partial and final payment vouchers

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Contracts let	387	375	370	340
\$ Volume of construction contracts (\$ millions)	\$258.2	\$277.5	\$331.5	\$316.5

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Severance Pay	\$441.8	\$397.4	Agency Wide
Workers' and Unemployment Compensation	\$296.1	\$296.1	Program Wide
District Support of Construction Program	\$638.0	\$175.1	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CONSTRUCTION

PROGRAM: OPERATIONS

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	40,480.4	43,258.9	46,326.6	47,736.7	1,199.5	48,936.2	47,736.7	47,582.5	693.5	48,276.0	47,582.5
EXPENSES & CONTRAC. SERV	1,558.4	1,677.4	1,841.4	2,084.3	108.4	2,192.7	2,084.3	2,104.8	105.6	2,210.4	2,104.8
SUPPLIES & MATERIALS	372.0	346.0	332.3	332.3	68.0	400.3	332.3	332.3	69.5	401.8	332.3
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	42,410.8	45,282.3	48,500.3	50,153.3	1,375.9	51,529.2	50,153.3	50,019.6	868.6	50,888.2	50,019.6
POSITIONS BY FUND											
TRUNK HIGHWAY	1,075.0	1,142.0	1,203.0	1,203.0		1,203.0	1,203.0	1,203.0		1,203.0	1,203.0
TOTAL POSITIONS	1,075.0	1,142.0	1,203.0	1,203.0		1,203.0	1,203.0	1,203.0		1,203.0	1,203.0



**CHANGE REQUEST**

Agency     Program     Activity

1987-89 Biennial Budget

ACTIVITY: CONSTRUCTION SUPPORT  
 PROGRAM: OPERATIONS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

<b>Request Title:</b> District Support of Construction Program				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 638.0	-0-	\$ 175.1	-0-
 <b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
 <b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

RATIONALE:

Based on program history, the amount above identified for program delivery is required to support the additional construction projects scheduled during the biennium. This request will provide training of employees in the use of new technology, negotiated benefits for memberships, relocation expenses resulting from high turnover of our aging workforce, and increased use of seasonal employees and overtime. In addition, the request will cover the increased cost of completing critical projects on evenings and weekends to minimize the inconvenience to the public.

The requested funds are necessary to complete scheduled projects and to avoid a loss in federal funding available to the agency.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to meet program objectives based on construction projects scheduled to occur during F.Y. 1988 and F.Y. 1989.

DESCRIPTION/BACKGROUND:

Based on the cost and number of projects scheduled, fiscal years 1986 and 1987 were big program years for highway development. Mn/DOT was able to effectively deliver that level of program by utilizing additional positions and new technology equipment authorized by the 1985 legislature. Also, a greater emphasis was placed on minimizing the inconvenience to the traveling public during the construction season. This was accomplished by working on projects during evenings and weekends.

Minnesota's ever increasing traffic volumes, particularly heavy truck traffic, drive the rising highway development request. This request drives the expanding need for engineering and engineering support to serve the construction program.

PROGRAM: TECHNICAL SERVICES  
Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

EXPLANATION OF BUDGET REQUEST:

At the activity level a CHANGE of \$5,653.5 and 9 positions in F.Y. 1988 and \$4,701.2 and 10 positions in F.Y. 1989 for program delivery is requested. Also State Aid Technical Assistance activity has a CHANGE of \$20.0 in F.Y. 1988 and \$20.0 in F.Y. 1989 and the Electronic Communications activity has a CHANGE of \$122.9 and 1 position in F.Y. 1988 and \$148.6 and 2 positions in F.Y. 1989.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding for this program except for the requested reduction of \$22.0 each year to transfer one non-complement position to the Program Management Program. The Governor will consider making additional recommendations in March after revenues available to the Trunk Highway Fund are known.

PROGRAM PURPOSE:

The Technical Services program provides engineering and technical support and assistance to district offices of Mn/DOT and to other agencies involved in the design, construction, and operation of the state transportation system. Program priorities are to optimize the use of current transportation facilities through modern traffic management techniques; design of the reconstruction and rehabilitation of existing roadways and structures; completion of federal interstate system of highways; support the local road and street programs of Minnesota counties and municipalities through the administration of the state aid systems; and fulfill the telecommunications and related electronic system services needs of Mn/DOT and other public agencies. The program also attempts to ensure that system improvements are in harmony with the existing environment and to improve this environment where conditions permit.

OPERATION:

This program consists of the centralized technical efforts carried on within the Department that directly support the construction, reconstruction, or improvement of our transportation facilities, including: 1) acquiring land; 2) design of all bridge construction and renovation plans; 3) administering county and municipal transportation programs that involve state and federal funds; 4) developing plans, estimates, and specifications for construction contracts; 5) developing and issuing specifications, manuals, and standards used by the department and other levels of government; 6) monitoring and supervising projects to see that quality criteria and contractual obligations are in compliance with contract requirements; 7) implementing research results in all areas of transportation to take advantage of the latest technology; 8) developing and maintaining an adequate telecommunications network for Mn/DOT and other state agencies; 9) providing environmental expertise to project managers; and 10) supplying technical assistance to other state agencies.

The major goal of this program has been to provide the district offices with unique expert knowledge in the development and coordination of highway construction and maintenance programs. This includes:

- develop design standards
- research into new techniques
- bridge design and construction expertise
- final materials certification
- centralized management of all automated design
- tort claim administration
- traffic signal repair
- traffic management system
- radio, computer and telephone installation repair and maintenance

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: TECHNICAL SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
PROGRAM DELIVERY	33,360.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
STATE AID TECHNICAL ASSIST	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
ELECTRONIC COMMUNICATION	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
TOTAL	35,957.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	35,957.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	35,957.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	40.0										
TRUNK HIGHWAY	35,917.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	35,957.2	38,042.6	36,260.0	38,415.9	5,796.4	44,212.3	38,393.9	38,315.3	4,869.8	43,185.1	38,293.3
POSITIONS BY FUND:											
GENERAL	1.0										
TRUNK HIGHWAY	660.0	686.0	698.0	698.0	10.0	708.0	698.0	698.0	12.0	710.0	698.0
TOTAL POSITIONS	661.0	686.0	698.0	698.0	10.0	708.0	698.0	698.0	12.0	710.0	698.0

ACTIVITY: PROGRAM DELIVERY  
 Program: TECHNICAL SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

OBJECTIVE:

To provide highway users with the highest quality, cost-effective transportation system possible by contributing to these portions of program delivery:

1. Develop policies and standards for all program delivery functions and to review engineering and technical functions for compliance and quality.
2. To perform centralized pre-construction activities, such as geodetic control surveys, foundations analysis, environmental assessments for soils and wetlands; to enable district personnel to begin preliminary design work.
3. To perform centralized portion of plan development; e.g. preparation of base maps, bridge plans, and right of way acquisition.
4. To perform the centralized portion of construction management, e.g., expert technical assistance, materials compliance, certification, and supplemental project cost estimate.

DESCRIPTION:

Centralized engineering and technical role in the department's major functions of:

Pre-construction/Plan Development

- Land surveys and base map preparation
- Geometric design standards and consultation
- Grading and materials analysis and selection
- Right of way pre-acquisition
- Environmental assessments prepared and reviewed
- Hydraulic design and consultation
- Bridge and structural design
- Roadway lighting and signing design
- Landscape design
- Rest area/information center design
- Plan, specification and estimate package preparation
- Coordination with Federal Highway Administration on all technical reviews and approvals

Construction

- Certification of material quality for all contracts
- Bituminous and concrete consultation
- Grading and base consultation
- Bridge construction consultation
- Construction practices review

Centralized Quality Engineering and Construction Assurance

- Research of new methods and materials
- Materials testing for new or improved products
- Traffic management design and consultation
- Automated engineering systems development and management for users in district offices
- Develop design standards
- Develop construction standards
- Develop right of way standards
- Develop structural standards
- Develop value engineering implementation

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Severance Pay	288.6	254.0	Agency Wide
Consultant Services	4,273.1	3,480.5	Activity Specific
Electrical Services Unit	507.1	444.9	Activity Specific
Traffic Management System & ESU Enhancements	69.0	98.6	Activity Specific
Tort Claims Staff	28.7	28.6	Activity Specific
Traffic Engineering Manuals	20.6	0	Activity Specific
Global Positioning System-Surveys	50.0	50.0	Activity Specific
Pavement Engineering	128.3	36.5	Activity Specific
Standards Specification Book	0	30.0	Activity Specific
Northstar Workshop	20.0	20.0	Activity Specific
Workers' Compensation Position	24.4	24.4	Activity Specific
Bicycle Transportation Unit Transfer	(22.0)	(22.0)	Activity Specific
Employee Training & Development	23.2	23.5	Activity Specific
Coop Program for Transportation Research & Studies (COPTRS)	242.5	232.2	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PROGRAM DELIVERY

PROGRAM: TECHNICAL SERVICES

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	33,360.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	33,360.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	21,477.8	22,550.3	24,410.7	24,729.2	548.3	25,277.5	24,707.2	24,646.4	541.5	25,187.9	24,624.4
EXPENSES & CONTRAC. SERV	10,965.4	11,551.1	7,617.5	9,372.1	4,805.2	14,177.3	9,372.1	9,363.0	3,859.7	13,222.7	9,363.0
SUPPLIES & MATERIALS	917.7	1,053.0	974.1	977.9	300.0	1,277.9	977.9	978.4	300.0	1,278.4	978.4
EQUIPMENT		2.6									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	33,360.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	40.0										
TRUNK HIGHWAY	33,320.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	33,360.9	35,157.0	33,002.3	35,079.2	5,653.5	40,732.7	35,057.2	34,987.8	4,701.2	39,689.0	34,965.8
POSITIONS BY FUND											
GENERAL	1.0										
TRUNK HIGHWAY	591.0	612.0	619.0	619.0	9.0	628.0	619.0	619.0	10.0	629.0	619.0
TOTAL POSITIONS	592.0	612.0	619.0	619.0	9.0	628.0	619.0	619.0	10.0	629.0	619.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Consultant Services				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$4,273.1	0	\$3,480.5	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE:

The workload anticipated by Mn/DOT for F.Y. 1988 is beyond the capacity of Mn/DOT to perform and requires the use of consultants to meet planned schedules. The full program as planned cannot be delivered without the use of consultants. It is anticipated that the surge of interstate bridges will have peaked in F.Y. 1988 resulting in a reduced need for consultants for bridge design in F.Y. 1989.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues are available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars for consultant services based on an evaluation of the design work needed during 1988-89 to have plans ready for scheduled contract lettings over the next several years.

DESCRIPTION/BACKGROUND:

A large design workload will occur in 1988-89 in attempting to meet the federal deadline on interstate highway completion. That deadline states that all remaining interstate completion contracts, must be awarded to contractors before October 1, 1990, in order to receive federal interstate completion funds. (Interstate contract volume must increase from an average of \$118 million per year - 1986-87, to an average of \$150 million per year - 1988-89.)

The total consultant contracts are \$9.3 million in F.Y. 1986, \$4.9 million in F.Y. 1987 (additional funding is critically needed to meet design needs in the remainder of F.Y. 1987), \$10.5 million in F.Y. 1988, and \$9.7 million in F.Y. 1989.

**CHANGE REQUEST**

Agency    Program    Activity

1987-89 Biennial Budget

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

In order to meet the increasing workload, which has risen at a rate of 6% a year for the last 6 years, the agency must increase the number of technicians servicing traffic signals and roadway lighting and purchase the parts/equipment necessary for maintenance.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
<b>Request Title:</b> Electrical Services Unit				
<b>Agency Request</b>				
Trunk Highway Fund	\$ 507.1	4.0	\$ 444.9	4.0
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
<b>Request requires statutory change:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>Statutes Affected:</b>				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars and positions in the Electrical Services Unit (ESU) to meet the continuing increase in workload and parts.

DESCRIPTION/BACKGROUND:

Since 1980, the number of signalized intersections have increased at a 6% rate each year. It is anticipated that this growth rate will continue through the F.Y. 1988-89 biennium. The Project Management Scheduling System (PMSS) has identified 59 new signal projects and the upgrade of 27 existing signal projects for the F.Y. 1988-89 biennium. In addition, approximately 12% of existing signal controllers and cabinets have reached the end of their useful life and are no longer maintainable.

Statewide traffic signal maintenance and roadway lighting maintenance is currently managed from a central maintenance facility at Fort Snelling. As the number of signals, lights and other electrical devices has grown in the outstate areas, there are now substantial benefits in changing to decentralized service. An extensive study on decentralization of these functions was conducted in 1985 which recommended the establishment of 3 outstate locations.

These 4 positions will be used to meet continuing workload by assignment to the central location or to the first regional shop in Mankato. The study revealed that the greatest growth is occurring in the southern part of the state.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The electrical engineer will also provide technical assistance to the Electrical Services Unit for design applications and recurring maintenance problems. In addition, this engineer will provide staff support to central office design projects, for changeable message signs and other special projects.

An increase in dollars is needed for the increased rates for electrical power and the increased usage of electrical power for the new system.

RATIONALE:

These changes are essential for the department's ability to effectively manage traffic and imminent traffic congestion problems.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Traffic Management System & ESU Enhancements	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 69.0	2.0	\$ 98.6	3.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above positions and dollars to handle additional design programming and system operations problems, as well as, costs of increasing electrical power demands for the Traffic Management System (TMS).

DESCRIPTION/BACKGROUND:

During the past 14 years, only 1 major traffic management system has been developed at a time and current staff has been adequate. During F.Y. 1988 and F.Y. 1989, 3 major systems will be developed. They will be on I-394 between downtown Minneapolis and Trunk Highway 101, on I-694 between the Mississippi River Bridge and I-35W, and I-94 between the Lowry Tunnel and Mounds Boulevard. To accomplish this work the following positions are needed:

- Electrical Engineer - design of freeway control systems
- EDP Computer Programmer - develop and enhance TMS software and overload central office projects
- Highway Technician, Senior - drafter of new system designs and subsequently system operator in F.Y. 1989



**CHANGE REQUEST**

Agency    Program    Activity

1987-89 Biennial Budget

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

Until 1 year ago when an engineering specialist position was added, the Tort Claims Section was staffed by 1 person. Since that time, both positions have been fully utilized and the section was able to efficiently accommodate a temporary graduate engineer to do the preliminary development and formatting of our computer data base program. The request for this new position will allow the Claims Section to expend additional effort on in-house training, research required to respond to claims and lawsuits, and complete and maintain a data base of claims. Without this position, we will not be able to maintain the quality of our current work product.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Tort Claims Staff	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 28.7	1.0	\$ 28.6	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above position and dollars to fund a full time position for the Tort Claims Section. With the increase in the number of claims and the complexity of claims and lawsuits and the need to train Mn/DOT employees on a statewide basis about tort claims, we request an additional position to assist with in-house training, data base development and status reporting to staff and district offices.

DESCRIPTION/BACKGROUND:

The Tort Claims Section, consisting of 2 individuals, has seen constant growth in the demand to adequately respond to claims and lawsuits, as well as demands for in-house training. Now, in the midst of developing a computer data base and program to analyze past and future claims, the section is again faced with the critical need for additional personnel.

Claims filed against Mn/DOT have increased dramatically. In 1976 there were 76 claims; in 1981 there were 138; and in 1985 there were 213 claims filed against Mn/DOT.

The Attorney General's staff claims workload is expected to continue to increase in size and complexity.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Traffic Engineering Manuals	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 20.6	0	\$ -0-	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars in F.Y. 1988 to print the 3 traffic engineering manuals which establish uniform guidelines, practices, and procedures for use by department personnel working in the area of traffic engineering and local units of government.

DESCRIPTION/BACKGROUND:

Three documents require major revisions so that uniform reference sources are available to Mn/DOT and local units of government personnel. Minnesota Statute 169.06, subd. 1 directs the commissioner to adopt a manual and specifications for a uniform system of traffic control devices for use upon highways within this state.

- 1) The current Traffic Engineering Manual (TEM) was issued January 1, 1977 and needs a complete update. Estimated cost for printing is \$9,600 for 600 copies. Distribution is to Mn/DOT maintenance and traffic engineering personnel (150 copies); 200 manuals to counties and state aid cities; 250 to other governmental units, libraries, legal, etc.; non-governmental requesters will be charged for the manual (private sector engineering, legal, etc.).
- 2) The Flagger Manual (FM) was last updated in 1986 and needs to be printed and distributed. It is a part of the Minnesota Manual on Uniform Traffic Control Devices and therefore has legal status in all work zones where traffic control is required by a flagger. \$6,000 for 5,000 copies; distribution is to various road authorities throughout the state, utility companies, contractors, etc. It is a key document to improving the quality of flagging operation on Minnesota's highway and streets. There is no charge for the manual.

- 3) Minnesota Manual on Uniform Traffic Control Devices (MMUTCD) - Mn/DOT adopts the federal MUTCD (modified to suit state law and local conditions). The MMUTCD was reissued during the summer of 1986. Federal revisions 4 and 5 are due later next year. These will be issued in F.Y. 1988 at a cost of \$5,000 (2,100 copies of each). This manual is a standard for signing, striping, signalization and work zone traffic control. It is used by all road authorities, highway contractors, utility companies, traffic safety agencies and the legal profession. Court suits against all road authorities are increasing rapidly and the manual is frequently used in the litigation procedure. MMUTCD's are sold for \$23.00 (including tax) to the private sector.

RATIONALE:

Local agencies (counties, cities, and townships) may utilize these manuals in dealing with their day to day traffic engineering problems. With the increased legal claims against the department, uniform practices are a necessity. Similarly, a uniform format is very desirable, and the present Traffic Engineering Manual's should be brought into conformance with other Mn/DOT manuals, so that the publication is easily recognizable and accessible as our official publication. Distribution and updating through normal channels would also be greatly facilitated.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

**CHANGE REQUEST**

1987-89 Biennial Budget

Agency     Program     Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

Contract work completed in the current biennium has demonstrated that GPS can obtain first-order accuracies of geodetic control monuments in 1/4 - 1/3 the time it would take to complete the work using conventional methods at 1/3 the cost.

By using GPS to do control surveys, the survey crews are then available to perform more conventional type survey work, i.e. photo control and location surveys for districts which are short of survey help to keep projects on schedule.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Global Positioning System - Surveys				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 50.0	0	\$ 50.0	0
 Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to contract for services and/or lease the equipment needed to provide geodetic control surveys using the Global Positioning System (GPS), a new cost saving survey device.

DESCRIPTION/BACKGROUND:

Presently, we are employing theodolite, electronic distance measuring instruments and survey towers to establish precise horizontal positions (geodetic control) on transportation projects.

In recent years, a new type of electronic satellite receiver, GPS, has been developed. These portable units are being used to obtain precise positions by taking readings off the orbiting satellites. By utilizing this new technology, more timely services can be provided to the districts and greater precision is assured at a sizeable cost savings.

In 1986, the agency contracted to have 50 survey control points established. This work was performed in 2 weeks at a cost of \$52,000. Using conventional methods, the same survey work would have taken a 4 person survey crew from 4 to 6 weeks, barring poor weather conditions, at a cost of \$60,000.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Pavement Engineering	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 128.3	2.0	\$ 36.5	2.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

Finally, this request includes 1.0 position in both F.Y. 1988 and F.Y. 1989 to provide clerical support to the PMS. The 1981 legislature approved funding for development of this system but did not provide complement positions to accomplish this work. The system is now in its final phase of development and an ongoing staff of 4 has been identified. Three complement positions have been created by downscoping in other activities and transferring 3 complement positions and incumbents to this unit. A non-complement position has been used for clerical support. Since it is now clear that this support position will be permanently needed, a complement position is requested.

The purpose of this position is twofold. The primary function is computer data entry (75% time) of roadway characteristics and the secondary function is (25% time) general clerical support to the unit.

RATIONALE:

Pavement is a major investment item for the department each year. To enable the department and legislature to make the best decisions concerning road improvements, completion of PMS and complete staffing of that unit is essential. To enable the department to make the best day to day decision on pavements structural design, another professional engineer must be hired to meet workload demands.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above cited positions and dollars to staff the new emphasis area of Pavement Engineering and to complete Phase III of the Pavement Management System (PMS).

DESCRIPTION/BACKGROUND:

The Technical Services Division was reorganized during the past year (F.Y. 1986) to refocus efforts on emerging technical areas. A significant change was the creation of a Pavement Engineering Section comprised of about 15 people. This section will provide technical expertise to the districts with regard to pavement design, construction, and maintenance. Success in this area is critical since pavements are the major investment item for the department each year.

Specifically, this request includes \$91.7 in F.Y. 1988 to complete development of the PMS. The purpose of this system is to enable analysis of the effects of various levels of road improvement investments for funding decisions by Mn/DOT and staff and the legislature.

In addition, this request includes \$36.6 and 1.0 position in F.Y. 1988 and \$36.5 and 1.0 position in F.Y. 1989. This is for a full time position to serve as a concrete and bituminous structural design engineer.

**CHANGE REQUEST**

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

Agency     Program     Activity

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Standards Specification Book				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ -0-	0	\$ 30.0	0
 Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to print a new Standards Specifications Book.

DESCRIPTION/BACKGROUND:

Normally a new Specifications Book is printed every 4 years. Since the current book is dated 1983, it was originally planned to print the Specifications Book in 1987; however, with the vacancy in the Specifications Engineer position for the past year (during reorganization) it is now planned to print the new book in F.Y. 1989. This cost is above the usual printing costs of this section.

RATIONALE:

This document contains all standard specifications for design, construction and materials for highway contracts, i.e., procedures for performing tasks involved in construction with clear description of required standards of performance.

The \$30,000 will cover the cost of printing 8,500 books. (Distribution will be 3,000 to Mn/DOT personnel, 450 to other units of government within the state; 49 for other states and the remainder for sale to the public; i.e., construction contractors and other units of government requiring more than the single copy provided.) Receipts from sales are deposited in the trunk highway fund and do not go into a revolving printing fund.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Northstar Workshop				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 20.0	0	\$ 20.0	0
 Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to increase the visibility and vitality of transportation research by identifying and publicizing a breakthrough area to receive special emphasis. Periodically Mn/DOT conducts an invitational "Northstar Workshop" (N\*W) with public and private sector participation for purposes of presentation, discussion, assessment, implementation and correlation with other local and national efforts within the breakthrough area.

DESCRIPTION/BACKGROUND:

The N\*W is part of the commissioner's initiative list in the Mn/DOT action plan. Three N\*Ws have been held.

1. 1983-Noncorrosive Deicers;
2. 1984-Roads and Loads;
3. 1986-Public/Private Partnerships in Transportation Funding.

RATIONALE:

The funding for N\*Ws is presently being provided in the research and development budget by reducing the dollars available for the contract research program. If the change level request is not approved, funding for the N\*Ws will have to be made up from present operational budgets at the expense of other needed research.

**CHANGE REQUEST**

1987-89 Biennial Budget

Agency     Program     Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Workers' Compensation Position				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 24.4	0	\$ 24.4	0
 Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to cover the salary for a workers' compensation position over and above established department complement level.

DESCRIPTION/BACKGROUND:

A Mn/DOT employee serving as a delivery van driver was injured and is drawing workers' compensation. To help this employee return to the work force and to reduce Mn/DOT's workers' compensation insurance premium, we have rehired the employee to relearn drafting, a trade skill he had studied many years before employment here.

The employee is relearning these skills while assisting in the preparation of design plans in the Office of Technical Support.

RATIONALE:

In cooperation with the Department of Labor and Industry's State Workers' Compensation Division we are retraining an injured employee for meaningful re-entry to the work force. The arrangement is not intended to be permanent. Therefore, this is not a request for a complement increase but rather salary to support the position. (M.S. 16A.123, subd. 2)

It is intended that this funding cease at the time of the employee's termination or permanent assignment to a complement position.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Bicycle Transportation Unit Transfer				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ (22.0)	0	\$ (22.0)	0
Governor's Recommendation				
Trunk Highway Fund	\$(22.0)	-0-	\$(22.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above decrease to effect the transfer of 1 non-complement position along with the Bicycle Transportation Unit functions from Technical Services to Program Management.

DESCRIPTION/BACKGROUND:

The Bicycle Transportation Unit was assigned to the Office of Environmental Services in the Technical Services Division and the state bicycle coordinator was assigned to the Program Management Division. During a reorganization of the Technical Services Division it was determined that the remaining functions of the Bicycle Transportation Unit should be assigned to the Office of Highway Programs.

RATIONALE:

Rather than continue operation of the bicycle program in 2 separate divisions of Mn/DOT, it was determined than if both units were assigned to 1 division, it would result in more coordinated efforts and better service to their clientele.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: Employee Training & Development				
Agency Request				
Trunk Highway Fund	\$ 23.2	0	\$ 23.5	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

RATIONALE:

- Training demands have increased in recent years for the following reasons:
1. The implementation of new technology requires intensive training so that employees can make efficient use of the new equipment.
  2. A large number of retirements has caused a loss of experience in the ranks and must be substituted by training wherever possible.
  3. Strong commitment by management that training is vital to keep the human resource capable of handling new technology and to maintain good morale.
  4. Membership in professional associations provides an ongoing opportunity for continuing education. Some labor agreements covering conditions of employment now stipulate that the employer will pay for professional membership fees.
  5. The FHWA has provided much of the technical training for our employees. Until F.Y. 1985, there had been no cost to the department. Now there is a charge for these courses which ranges from \$2,000 to \$4,500 per employee.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to enhance and emphasize employee development in the Technical Services Division.

DESCRIPTION/BACKGROUND:

While employee training and development has always been a management priority, this effort has always been hampered by lack of identified funding. A recent Citizen's League report on state employment emphasized the need for more attention to adequate employee development for state employees. Use of new technology, retirements, labor agreements stipulating that fees for professional memberships be provided, the new costs for Federal Highway Administration (FHWA) and Department of Employee Relations (DOER) courses all are added factors in the need to augment the funding of training and development efforts.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM DELIVERY  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: Coop. Program for Transportation Research & Studies (COPTRS)				
Agency Request				
Trunk Highway Fund	\$242.5	0	\$ 232.2	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this Cooperative Program for Transportation Research and Studies (COPTRS) is to utilize the capabilities of the University of Minnesota to perform studies or research in basic and applied sciences and engineering to effectively solve transportation problems, speed the technology transfer related to research results and to stimulate new ideas and areas of research. The specific projects are identified by Mn/DOT.

DESCRIPTION/BACKGROUND:

COPTRS was established by agreement between the University of Minnesota and Mn/DOT to provide funding to the University of Minnesota for research and studies on issues of concern to Mn/DOT and other transportation officials in Minnesota. The program has supported over 30 research projects. The studies for these projects are performed by branches of the University of Minnesota including the College of Agriculture - Soil Science Department, Institute of Technology - Chemical Engineering Department, College of Biological Sciences - Botany Department, and Institute of Technology - Civil Engineering Department.

In F.Y. 1986, 14 projects were under contract for a total cost of \$259,659 of which \$248,100 was covered by COPTRS. The remaining \$10,275 was funded by other budgets in Mn/DOT from offices which had initially requested that the project be undertaken. There are 7 projects identified in the first quarter of F.Y. 1987 for a total cost of \$235,708. Six of these are for continuation of prior year projects. The COPTRS funding level for F.Y. 1987 is \$242,800. Generally, at the level of \$250,000 only 4 or 5 new projects are started each year.

In actuality, there are dozens of potential projects that have not been solicited yet because of the present funding limit. The funds in this change request will provide for those additional projects. Currently, projects have to be stretched out over several years because of funding limits. If that time span can be shortened, the department can start realizing cost savings much sooner. The agency will distribute these monies by contracts, technical service agreements and grants.

RATIONALE:

The request to increase COPTRS funding is based on the desire to provide additional needed transportation studies, to help Mn/DOT effectively solve transportation problems and to speed the transfer of new technology to the transportation system.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

ACTIVITY:

1987-89 Biennial Budget

Program: STATE AID TECHNICAL ASSISTANCE  
 Agency: TECHNICAL SERVICES  
 TRANSPORTATION, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

Provide technical assistance to support the state aid road and street systems.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State aid projects reviewed and approved on road/street projects				
County	775	650	685	700
Municipal	260	125	130	135

DESCRIPTION:

The state aid technical assistance activity exists to support the local road and street officials of Minnesota's 87 counties and 110 municipalities (over 5,000 population) in the administration of the county state aid highway and municipal state aid street systems by:

1. Providing technical assistance in the design, construction, and maintenance of the county and municipal state aid highway and street systems, as well as reviewing and approving plans and specifications and conducting final inspection and approval of all state aid construction projects on these systems.
2. Maintaining the county state aid highway and municipal state aid street needs studies as required by law for the distribution of the Highway Users Tax Distribution Fund to the counties and eligible municipalities.
3. Inspecting the maintenance of county state aid highways and municipal state aid streets.
4. Promulgating rules and procedures for management of the state aid systems.

This activity differs from the county and municipal state aid activities in that it represents the actual salary and expenses incurred by the department in administration of the state aid systems. Costs of this activity are reimbursed to the trunk highway fund from the state aid administrative accounts.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Bridge projects:				
County	84	50	100	110
Municipal	10	5	10	12
Township	138	150	150	160
State aid roads inspected (miles):				
County	31,000	31,000	31,000	31,000
Municipal	2,220	2,270	2,270	2,270

CHANGE REQUESTS:

Severance Pay

F.Y. 1988	F.Y. 1989	Type
\$20.0	\$20.0	Agency Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE AID TECHNICAL ASSIST

PROGRAM: TECHNICAL SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	645.5	666.3	769.2	788.2	20.0	808.2	788.2	785.6	20.0	805.6	785.6
EXPENSES & CONTRAC. SERV	30.5	24.4	62.8	68.4		68.4	68.4	69.2		69.2	69.2
SUPPLIES & MATERIALS	.6	3.8	5.0	5.0		5.0	5.0	5.0		5.0	5.0
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	676.6	694.5	837.0	861.6	20.0	881.6	861.6	859.8	20.0	879.8	859.8
POSITIONS BY FUND											
TRUNK HIGHWAY	19.0	20.0	20.0	20.0		20.0	20.0	20.0		20.0	20.0
TOTAL POSITIONS	19.0	20.0	20.0	20.0		20.0	20.0	20.0		20.0	20.0

ACTIVITY: ELECTRONIC COMMUNICATIONS  
 Program: TECHNICAL SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE:

Design, install, maintain and operate electronic equipment and systems for the Minnesota Department of Transportation (Mn/DOT) and other state agencies.

DESCRIPTION:

The electronic communications activity exists to supply telecommunications and related electronic systems for Mn/DOT and other state agencies by designing and maintaining communications networks, aeronautical navigational aids, electronic truck weighing, and closed circuit television (CCTV) surveillance systems for the entire state. State agencies utilizing these services are the Departments of Natural Resources, Public Safety, Corrections, Administration, Agriculture, and Health; also state colleges and hospitals, and the Metropolitan Transit Commission. These services are provided to other agencies through service contracts requiring reimbursement to the trunk highway fund for all related costs incurred by Mn/DOT.

This activity operates, maintains and services: 350 personal computers, 6 telephone systems, 5,935 mobile radios, 2,427 portable radios, 570 base transmitting stations, 6 national weather service (NWS) broadcasting stations, 7 electronic weighing stations, 2 navigational aid facilities, 15 airport lighting systems, 3 weighing-in-motion scales, 6 CCTV, and numerous items of Mn/DOT electronic equipment such as roughometers, portable signs, and portable scales located throughout the state. These systems exist for purposes of transportation, public safety, law enforcement, public health, and education. About one-half of Mn/DOT's activity in the service and repair area involves communication systems repair for other agencies.

In addition, there are 95 base station transmission sites strategically located throughout the state to affect statewide communications. Fifteen electronic repair shops are geographically located which, along with the engineering services office, support this activity by providing ongoing system design, engineering services, and maintenance.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Repair service requests completed or anticipated	11,387	15,366	18,000	20,000
Engineering tasks completed-total	48	52	54	54
for Mn/DOT	20	22	23	23
for other state/local agencies	28	30	31	31
Mobile radio installations	2,030	1,980	1,850	1,900
Microwave systems maintained	21	20	20	21
CCTV systems maintained	6	6	6	6

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
NWS stations maintained	8	8	8	8
Radar speed timing devices maintained	663	663	663	663
Electronic scales maintained	6	8	8	8
Weighing-in-motion scales maintained	4	6	6	6
Maintenance of telephone systems	0	6	8	10
Maintenance of personal computers	0	350	450	550

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Severance Pay	\$45.0	\$45.0	Agency Wide
Electronic Maintenance Service	\$26.4	\$52.1	Activity Specific
Specialized Electronic Repair Parts	\$51.5	\$51.5	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ELECTRONIC COMMUNICATION

PROGRAM: TECHNICAL SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY: STATE OPERATIONS LOCAL ASSISTANCE AIDS TO INDS.	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
TOTAL EXPENDITURES	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
STATE OPERATIONS - DETAIL: PERSONAL SERVICES EXPENSES & CONTRAC. SERV SUPPLIES & MATERIALS EQUIPMENT OTHER EXPENSE ITEMS	1,707.1 87.1 125.5	1,900.9 101.6 183.1 5.5	2,146.4 81.0 193.3	2,187.7 94.1 193.3	70.9 5.0 47.0	2,258.6 99.1 240.3	2,187.7 94.1 193.3	2,180.3 94.1 193.3	96.6 5.0 47.0	2,276.9 99.1 240.3	2,180.3 94.1 193.3
TOTAL STATE OPERATIONS	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
SOURCES OF FINANCING DIRECT APPROPRIATIONS: TRUNK HIGHWAY DEDICATED APPROPRIATIONS:	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
TOTAL FINANCING	1,919.7	2,191.1	2,420.7	2,475.1	122.9	2,598.0	2,475.1	2,467.7	148.6	2,616.3	2,467.7
POSITIONS BY FUND TRUNK HIGHWAY	50.0	54.0	59.0	59.0	1.0	60.0	59.0	59.0	2.0	61.0	59.0
TOTAL POSITIONS	50.0	54.0	59.0	59.0	1.0	60.0	59.0	59.0	2.0	61.0	59.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ELECTRONIC COMMUNICATIONS  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

Maintenance of the Mn/DOT additional equipment added to the State Patrol and the DNR will require the services of 2 full time technical people either in-house or by contract. In-house technicians are able to provide this service on a more timely basis and at lower cost.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Electronic Maintenance Service	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 26.4	1.0	\$ 52.1	2.0
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above positions and dollars to provide maintenance service on electronics and hardware used for maintenance of additional portable radios added to the Minnesota State Patrol and Department of Natural Resources (DNR) communications systems. This request includes .25 FTE and \$6.6 for salary to maintain the existing local area network within the Transportation Building.

DESCRIPTION/BACKGROUND:

The Minnesota State Patrol has purchased 447 UHF portable radios and 471 mobile repeaters. These units have been placed in service during F.Y. 1987. The DNR has purchased 214 portable radios during this same period. The warranty period for this equipment is 4 months, after which the Office of Electronic Communications will assume the additional maintenance workload. This will require the addition of 1 position in F.Y. 1988.

The department is in the process of purchasing and installing telephone systems for many of our district and maintenance headquarters, personal computers and a local area network for the Transportation Building. The equipment and systems experience periodic maintenance problems and timely repair is critical. Trained technicians on site are essential as dependence on automated systems increase.

With the rapid growth in hardware and interconnections (networking), additional electronic maintenance workers are badly needed. This need will require 1 additional position in F.Y. 1989.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ELECTRONIC COMMUNICATIONS  
 PROGRAM: TECHNICAL SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Specialized Electronic Repair Parts	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 51.5	0	\$ 51.5	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to provide parts for repair of additional equipment purchased by State Patrol, Mn/DOT and Department of Natural Resources (DNR); and occasional factory repair of specialized equipment modules that would not be economically handled by our technical personnel.

DESCRIPTION/BACKGROUND:

The State Patrol has an additional 447 VHF portable radios and 471 mobile repeaters, which were put in service in July of 1986. Mn/DOT has purchased 107 portable radios to assist in meeting expanded construction program goals. DNR Enforcement has purchased a total of 214 portable radios for their enforcement officers. Routine repair of these added electronic devices will require an increase in the inventory of repair parts and batteries.

RATIONALE:

The addition of the large amount of new equipment will require a greater expenditure for parts. The estimated cost of replacement batteries alone is \$21,000. The majority of the costs involved would be reimbursed by DNR and State Patrol.

The repair of specialty items and some of our test equipment is on a module exchange basis with some units being sent back to the factory for repair. This eliminates the need to purchase expensive spare modules and specialized test equipment.



PROGRAM PURPOSE:

The public transportation assistance program provides grants and loans to public and private providers of transportation services in 2 categories: Rail Programs and Transit Programs. The objectives of these programs are: to maintain passenger transportation services for those patrons who are without alternatives, to provide alternatives to the automobile, and to provide capital funds for the preservation and improvement of railroad facilities.

OPERATION:

This program encompasses the following services:

1. Rail Service Improvement Program

This program provides grants and loans for railroad service improvements through 3-way contracts between the state, the railroad company and rail users. Minnesota has lost over 245 miles of rail line in the last 2 years. The general purpose of this program is to prevent the abandonment of rail lines that have potential for profitability and lines that are important to Minnesota's economy.

2. Non Metro Transit Assistance

The biennial appropriation is distributed through a detailed application process on an annual basis. Recipients include Duluth, 4 urbanized cities (Rochester, Moorhead, St. Cloud, East Grand Forks), 20 small urban cities, 14 rural systems and 4 projects to serve the special needs of disabled persons in Duluth, St. Cloud, Moorhead and Rochester. Funds are distributed using a fixed share funding formula which requires the recipient to provide a fixed percentage of total operating costs. State funds are used to supplement the balance of total operating costs, less any federal monies received.

Fixed local shares are: Large urbanized (55%), urbanized and small urban (40%), rural and elderly/handicapped (35%).

BUDGET ISSUES:

1. The rail service improvement program has been funded through a general obligation bond authorization since 1982 when a constitutional amendment was approved allowing the use of bonds for rail rehabilitation purposes. Since 1982, \$25.5 million has been authorized and \$18.5 million has been sold. Federal assistance has continued to decline from a high of \$4.5 million/year to the present \$0.5 million/year. This will be addressed in the capital improvement budget.

2. The phased transfer of motor vehicle excise tax receipts will provide a stable fund source for non metro transit providers and is therefore of extreme importance to the program's continued success.
3. Federal funds - Decreased support of operating and capital costs from the federal government has a direct impact on needed state funds.
4. New systems/demonstrations - other areas of outstate Minnesota have expressed a need for transit service.

EXPLANATION OF BUDGET:

The change item requested for this program is in the Non-Metro Transit Assistance. The net change is \$1,369.6 in F.Y. 1988 and \$1,511.2 in F.Y. 1989. Net change levels are arrived at in the following manner:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Resume transfer of Motor Vehicle Excise Tax	\$4,128.9	\$4,628.9
General Fund reductions as a result of		
Motor Vehicle Excise Tax transfer	(2,759.3)	(3,117.7)
Net CHANGE	\$1,369.6	\$1,511.2

A detailed explanation of these figures can be found on the change level request.

GOVERNOR'S RECOMMENDATION:

The Governor recommends repeal of the law that transfers revenues generated by the motor vehicle excise tax from the General Fund to the Highway Users Tax Distribution Fund and to the Transit Assistance Fund. The Governor further recommends the elimination of the Transit Assistance Fund. Therefore, no increases financed by the Transit Assistance Fund have been recommended. The Governor recommends that all transit subsidies be financed through the General Fund. The General Fund subsidy for both metro transit assistance and outstate transit assistance represents approximately 15% of the systems operating costs.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: PUBLIC TRANSP ASSISTANCE

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
RAIL SERVICE IMPROVEMENTS	4,321.0	3,700.8	13,571.3								
NON METRO TRANSIT ASSISTANC	9,120.9	9,018.4	7,815.5	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
TOTAL	13,441.9	12,719.2	21,386.8	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,509.5	2,093.7	13,371.3								
LOCAL ASSISTANCE	10,932.4	9,508.8	8,015.5	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
AIDS TO INDS.		1,116.7									
TOTAL EXPENDITURES	13,441.9	12,719.2	21,386.8	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	6,435.6	5,027.7	4,398.2	4,398.2	2,759.3-	1,638.9	2,265.0	4,398.2	3,117.7-	1,280.5	2,265.0
TRANSIT ASSISTANCE	297.4	928.8	1,253.4	1,091.1	4,128.9	5,220.0		1,091.1	4,628.9	5,720.0	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	2,509.5	2,780.7	13,371.3								
AGENCY	11.0	86.5	86.8	106.3		106.3	106.3	106.3		106.3	106.3
FEDERAL	4,188.4	3,895.5	2,277.1	1,891.6		1,891.6	1,891.6	1,891.6		1,891.6	1,891.6
TOTAL FINANCING	13,441.9	12,719.2	21,386.8	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
POSITIONS BY FUND:											
TOTAL POSITIONS											

ACTIVITY: RAIL SERVICE IMPROVEMENT PROGRAM  
 Program: PUBLIC TRANSPORTATION ASSISTANCE  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE:

1. Retain viable railroad service on lines which might otherwise be lost through abandonment.
2. Purchase abandoned railroad right of way for potential future commercial transportation.
3. Provide loans and loan guarantee to rail users to improve rail shipping facilities and increase rail use on project lines.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Miles of rail line retained/ rehabilitated	140	100	273	43
Lines purchased	1	2	1	1
Million tons of freight moved over project lines	3.3	4.2	5.5	5.8
Truckloads kept off highways	120,000	153,000	200,000	211,000
Facilities improved	2	8	4	3

DESCRIPTION:

This budget activity is administered by the Office of Railroads and Waterways, Program Management Division. Within the activity are two programs: Minnesota Rail Service Improvement Program and Rail Banking Program.

The Minnesota Rail Service Improvement Program is established to overcome the negative effects of rail line abandonments and to retain economically viable rail lines. The Rail Bank Program retains abandoned rail line corridors for future transportation purposes.

The need for the program should be considered in light of the following information:

1. There are 225 miles of rail line which were abandoned in Minnesota in 1985. Rail line abandonments are expected to continue in the years ahead but at a much reduced pace.
2. While most of the unprofitable rail lines in the state have been abandoned, there are still several rail lines that are marginal. Two of the three major railroads in Minnesota are attempting to address their marginal rail lines by selling those lines to regional or short line operators. These regional or short line operators may be able to reduce operating costs and provide specialized services which will allow them to operate these lines profitably. However, these lines are often only in fair or poor physical condition. This results in their often facing major rehabilitation needs directly after making a sizeable capital overlay for purchase of the line. The rail service improvement program is available to assist these short lines by loaning money for the necessary rehabilitation improvements. This results in the preservation of rail lines that have the traffic base and potential to provide viable rail service to Minnesota shippers.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

3. The Rail Bank Program allows for the preservation of those rail line corridors that are abandoned but are valuable for other future transportation uses.
4. General obligation bonding is the present source of funds for these programs. Of the \$25 million authorized for the program, \$18 million have been sold and are programmed. The remaining \$7 million are scheduled to be sold during F.Y. 1988-89. If these bonds are sold as scheduled it will allow the preservation of the most important and economically viable rail lines which contribute to Minnesota's economic strength and provide jobs and profits in the private sector.
5. This program has been in effect since 1976 and has generated millions of dollars of investment in rail line rehabilitation allowing over 500 miles of line to continue in service to rural Minnesota.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Rail Service Improvement Program:				
Number of rehabilitation contracts	2	2	2	2
Number of rail bank and RRA projects	1	2	1	1
Capital improvement projects	1	7	4	3
Communities benefited	19	17	35	6
Population benefited	40,000	13,000	179,000	6,000
Rail users benefited	17	19	512	10
Loan Guarantees	1	1	0	0

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: RAIL SERVICE IMPROVEMENTS**

**PROGRAM: PUBLIC TRANSP ASSISTANCE**

**AGENCY: TRANSPORTATION,DPT OF**

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	2,509.5	2,093.7	13,371.3								
LOCAL ASSISTANCE	1,811.5	495.3	200.0								
AIDS TO INDS.		1,111.8									
<b>TOTAL EXPENDITURES</b>	<b>4,321.0</b>	<b>3,700.8</b>	<b>13,571.3</b>								
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	93.5										
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS	2,416.0	2,093.7	13,371.3								
<b>TOTAL STATE OPERATIONS</b>	<b>2,509.5</b>	<b>2,093.7</b>	<b>13,371.3</b>								
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	408.8										
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	2,509.5	2,780.7	13,371.3								
FEDERAL	1,402.7	920.1	200.0								
<b>TOTAL FINANCING</b>	<b>4,321.0</b>	<b>3,700.8</b>	<b>13,571.3</b>								
<b>POSITIONS BY FUND</b>											
<b>TOTAL POSITIONS</b>											

ACTIVITY: NON-METRO TRANSIT ASSISTANCE  
 Program: PUBLIC TRANSPORTATION ASSISTANCE  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

1. Realize increased benefit from the state's investment in public transportation in greater Minnesota by increasing the effectiveness of present service levels and by improving the cost effectiveness of existing systems.
2. Provide a process for local decision making regarding transit service needs assessment.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Service:				
. Passenger/mile	1.35	1.36	1.37	1.38
. Total hours of service/population	.46	.46	.46	.46
. Revenue/subsidy ratio	.59	.57	.57	.57
Cost:				
. Cost/passenger	\$1.70	\$1.76	\$1.81	\$1.87
. Revenue/cost ratio	.37	.36	.36	.36

DESCRIPTION:

Statutory Ref: M.S. 174.21-24, 174.32

This budget activity is administered by the Office of Transit, Program Management Division. The non-metro transit assistance program provides needed transportation to more than 50% of greater Minnesota's population. Recipients include the cities of Duluth, Moorhead, St. Cloud, Rochester, East Grand Forks, 20 small urban systems and 14 rural systems. The type of transit service provided by each recipient varies, ranging from fixed route service to demand responsive, specialized services.

Without this program, users of these outstate systems would have little or no mobility. This program allows many Minnesotans the ability to maintain independent life styles. Trip purposes include trips to work, doctor, shopping, recreation, appointments, and congregate meal sites.

Grants by Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 5,027.7	\$ 4,398.2	\$ 1,638.9	\$ 1,280.5
Transit Assistance	928.8	1,253.4	5,220.0	5,720.0
Federal	2,975.4	2,077.1	1,891.6	1,891.6
Agency	86.5	86.8	106.3	106.3
Total	\$ 9,018.4	\$ 7,815.5	\$ 8,856.8	\$ 8,998.4

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Passengers (thousands)	8,645.5	8,732.0	8,819.3	8,907.5
Total Miles Traveled (thousands)	6,411.2	6,418.7	6,426.2	6,433.7
Total Hours (thousands)	502.5	505.6	508.7	511.9
Cost/Mile	\$2.30	\$2.39	\$2.49	\$2.59

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	TYPE
Increase in Non Metro Transit	1,369.6	1,511.2	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: NON METRO TRANSIT ASSISTANC

PROGRAM: PUBLIC TRANSP ASSISTANCE

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	9,120.9	9,013.5	7,815.5	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
AIDS TO INDS.		4.9									
TOTAL EXPENDITURES	9,120.9	9,018.4	7,815.5	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,026.8	5,027.7	4,398.2	4,398.2	2,759.3-	1,638.9	2,265.0	4,398.2	3,117.7-	1,280.5	2,265.0
TRANSIT ASSISTANCE	297.4	928.8	1,253.4	1,091.1	4,128.9	5,220.0		1,091.1	4,628.9	5,720.0	
DEDICATED APPROPRIATIONS:											
AGENCY	11.0	86.5	86.8	106.3		106.3	106.3	106.3		106.3	106.3
FEDERAL	2,785.7	2,975.4	2,077.1	1,891.6		1,891.6	1,891.6	1,891.6		1,891.6	1,891.6
TOTAL FINANCING	9,120.9	9,018.4	7,815.5	7,487.2	1,369.6	8,856.8	4,262.9	7,487.2	1,511.2	8,998.4	4,262.9
POSITIONS BY FUND											
TOTAL POSITIONS											

## CHANGE REQUEST

1987-89 Biennial Budget

 Agency  Program  Activity

ACTIVITY: NON-METRO TRANSIT ASSISTANCE  
 PROGRAM: PUBLIC TRANSPORTATION  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$2,265.0 each year from the General Fund. This represents approximately 15% of the total outstate transit systems costs. Additional local funding support is recommended to maintain current levels of service.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: Non-Metro Transit Increase				
Agency Request				
Transit Assistance Fund	\$ 4,128.9	0	\$ 4,628.9	0
General Fund	(2,759.3)		(3,117.7)	0
	<u>\$ 1,369.6</u>		<u>\$ 1,511.2</u>	
Governor's Recommendation				
Transit Assistance Fund	\$(1,091.1)	-0-	\$(1,091.1)	-0-
General Fund	(2,133.2)		(2,133.2)	
	<u>\$(3,224.3)</u>		<u>\$(3,224.3)</u>	
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funding shift to reflect the non-metro share of motor vehicle excise tax receipts dedicated to transit and the subsequent decreased demand on the general fund. The positive net change for each year reflects this budget being developed based on the following: 1) Same service level; 2) 4% inflation factor per year due to the labor intensity of the transit industry and increased insurance costs; 3) impacts of federal reductions in transit funding; and 4) continuing need for replacement of capital equipment.

DESCRIPTION/BACKGROUND:

Current law provides for the transfer of a portion of motor vehicle excise tax receipts to the transit assistance fund. Though the transfer was suspended for the 1986-87 biennium, this request reflects reinstatement of the transfer.

RATIONALE:

In order to conform to current law and provide funding at a level necessary to maintain the state's investment in public transportation in accordance with the fixed share funding formula, this request is necessary.

PROGRAM PURPOSE:

Program management exists to provide direction, plans, information and evaluation of department programs. This includes improvement, maintenance, compliance, and grant programs for highways, rail, transit and waterways. This program also assures public and special client involvement in developing plans and programs. These functions are accomplished through the five budget activities of the Program Management Division: Highway Programs, Motor Carrier Safety and Compliance, Railroads and Waterways, Transit Administration and Transportation Data, Research and Analysis.

OPERATION:

This program encompasses the following major functions:

1. Highway Programs provides planning and capital improvement programs for Minnesota's 12,100 mile trunk highway network. It manages the investment of federal aid and trunk highway funds for projects on the trunk highway network. It coordinates Mn/DOT's transportation planning activities with regional development commissions and metropolitan planning organizations and bikeway activity.
2. Motor Carrier Safety and Compliance registers the authenticity and the equipment of interstate and intrastate motor carriers and enforces compliance with federal and state laws in the areas of safety, handling of hazardous materials, operating authority, and insurance. Private carriers are also required to meet safety standards. Building movers are licensed, and providers of special transportation services to the elderly, handicapped or disabled, are certified. Rate data is provided in all rail and motor carrier rate proceedings for review and approval by the Transportation Regulation Board. Rates filed by permit intrastate carriers are reviewed and approved, and all intrastate rates are enforced. Staff is provided for State Hazardous Materials Response Team.
3. Railroads and Waterways administers state and federal rail service and safety improvement programs, and provides technical assistance to railroads and waterways providers and users; develops and implements rail crossing, rail banking, rail service and water planning activities; coordinates rail and water system development with other states; and provides professional-technical support for policy development in these modal areas.
4. Transit Administration administers the state and federal transit assistance programs, provides technical assistance to local transit system operators, develops statewide transit program policies and plans, and directs the evaluation of transit programs and projects. The transit operations specialists examine and approve applications for operating and capital assistance. Staff provide statewide professional management and technical assistance to program recipients and local officials. This activity follows the requirements of Minnesota Statutes 174.21 - 174.31.

5. Transportation Data, Research and Analysis provides information to the Department on: 1) the current condition and use of transportation systems, 2) commodity flows, and 3) federal legislation and regulations affecting the state's transportation systems. This activity also prepares estimates of future highway use for design, and provides administrative support services for the division.

BUDGET ISSUE:

Mn/DOT is continuing to fulfill its mission as a multi-modal transportation agency by seeking budget authority to stabilize the bikeway program, explore transit, rail, and waterway alternatives, and investigate new traffic level forecasting techniques.

EXPLANATION OF BUDGET REQUEST:

The following change items are requested for F.Y. 1988: \$60,000 for Transportation Data Research (metro-modelling), \$11,000 for Rail Planning (cargo container research), \$70,000 for Rail Development, (\$10,000 for tourist train development, \$60,000 for Duluth shiploading), and \$22,000 for Highway Programs to cover the shift of a permanent part-time person to full time in Bikeways. This last also covers a staffing change level of one person.

For F.Y. 1989, the dollars would be the same with the exception of no added expenditure for the Duluth shiploading project.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the following requests:

1. Transfer 1.0 General Fund position from the transit administration activity to the highway programs activity.
2. Transfer \$22.0 each year from the technical services program to the program management program.
3. Addition of 9.0 positions funded by federal funds for the motor carrier activity.

The Governor will consider making other funding recommendations in March after revenues available to the Trunk Highway Fund are known.

As a result of the transfer of metro transit administration responsibilities to the Regional Transit Board and the Governor's recommendation for decreased state subsidies for outstate transit, the Governor recommends a reduction of \$116.9 and 3.0 positions in F.Y. 1989 in the transit administration activity.



PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
HIGHWAY PROGRAMS	2,282.6	2,685.2	2,560.4	2,567.1	22.0	2,589.1	2,589.1	2,562.6	22.0	2,584.6	2,584.6
MOTOR CARRIER	1,093.8	1,153.3	1,334.1	1,586.1	10.0	1,596.1	1,586.1	1,586.7		1,586.7	1,586.7
RAILROADS & WATERWAYS	838.1	918.3	1,128.5	1,008.2	85.0	1,093.2	1,008.2	1,005.9	21.0	1,026.9	1,005.9
TRANSIT ADMINISTRATION	706.5	1,001.5	1,406.7	1,403.6		1,403.6	1,403.6	1,405.1		1,405.1	1,288.2
TRANS DATA, RESRCH & ANALYS	2,757.4	3,016.6	3,660.8	3,412.7	68.0	3,480.7	3,412.7	3,426.0	68.0	3,494.0	3,426.0
<b>TOTAL</b>	<b>7,678.4</b>	<b>8,774.9</b>	<b>10,090.5</b>	<b>9,977.7</b>	<b>185.0</b>	<b>10,162.7</b>	<b>9,999.7</b>	<b>9,986.3</b>	<b>111.0</b>	<b>10,097.3</b>	<b>9,891.4</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	6,585.7	7,078.5	8,452.0	8,412.7	185.0	8,597.7	8,434.7	8,421.3	111.0	8,532.3	8,326.4
LOCAL ASSISTANCE	1,082.3	1,689.3	1,638.5	1,565.0		1,565.0	1,565.0	1,565.0		1,565.0	1,565.0
AIDS TO INDS.	10.4	7.1									
<b>TOTAL EXPENDITURES</b>	<b>7,678.4</b>	<b>8,774.9</b>	<b>10,090.5</b>	<b>9,977.7</b>	<b>185.0</b>	<b>10,162.7</b>	<b>9,999.7</b>	<b>9,986.3</b>	<b>111.0</b>	<b>10,097.3</b>	<b>9,891.4</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	1,502.6	609.1	677.7	683.6	70.0	753.6	683.6	682.8	10.0	692.8	565.9
TRUNK HIGHWAY	4,613.0	5,885.4	6,428.9	6,624.7	115.0	6,739.7	6,646.7	6,629.1	101.0	6,730.1	6,651.1
HGHY USER TAX DISTR		95.5									
<b>DEDICATED APPROPRIATIONS:</b>											
TRUNK HIGHWAY	235.8	350.8	767.5	235.9		235.9	235.9	235.6		235.6	235.6
FEDERAL	1,327.0	1,834.1	2,216.4	2,433.5		2,433.5	2,433.5	2,438.8		2,438.8	2,438.8
<b>TOTAL FINANCING</b>	<b>7,678.4</b>	<b>8,774.9</b>	<b>10,090.5</b>	<b>9,977.7</b>	<b>185.0</b>	<b>10,162.7</b>	<b>9,999.7</b>	<b>9,986.3</b>	<b>111.0</b>	<b>10,097.3</b>	<b>9,891.4</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	45.0	15.0	15.0	15.0		15.0	15.0	15.0		15.0	12.0
TRUNK HIGHWAY	109.0	138.0	139.0	139.0		139.0	139.0	139.0		139.0	139.0
FEDERAL	7.0	7.0	7.0	7.0	9.0	16.0	16.0	7.0	9.0	16.0	16.0
<b>TOTAL POSITIONS</b>	<b>161.0</b>	<b>160.0</b>	<b>161.0</b>	<b>161.0</b>	<b>9.0</b>	<b>170.0</b>	<b>170.0</b>	<b>161.0</b>	<b>9.0</b>	<b>170.0</b>	<b>167.0</b>

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: HIGHWAY PROGRAMS & TRANSIT ADMINISTRATION  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

Because of funding reductions and responsibility shifts the position in the transit administration activity has been held vacant, conversely the state bicycle coordinator's activities were funded but no full time complement position was approved. The agency requests the approval of the shifting of the unfunded vacant position to the highway programs activity for the state bicycle coordinator. No additional general funds are requested.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Position Transfer				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ -0-	0	\$ -0-	0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the approval of shifting an unfunded vacant (General Fund) position from the transit administration activity to the highway programs activity. The position is being utilized by the state bicycle coordinator.

DESCRIPTION/BACKGROUND:

As a result of the previous legislature's General Fund reduction and transfer of metro area transit responsibilities to the Regional Transit Board, 1 General Fund position was unfunded and held vacant in the transit administration area.

The position of state bicycle coordinator was authorized by the 1983 legislature as a key recommendation of the Governor's Special Commission on Bikeways. General funds were appropriated for this activity but no full time complement position was authorized. The agency has also consolidated all bicycle related functions by transferring responsibility for trunk highway bicycle rating, project evaluation, and state bicycle mapping to the highway programs activity.

ACTIVITY: HIGHWAY PROGRAMS  
 Program: PROGRAM MANAGEMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

1. Plan, coordinate, develop, and manage the trunk highway development program.
2. Coordinate transportation planning activities with regional development commissions, the Metropolitan Council and metropolitan planning organizations for informed decisions on transportation programs and projects.
3. Initiate and coordinate state bicycle programs.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal aid programmed (\$ millions)	\$193.4	\$216.0	\$222.0	\$207.0
State funds programmed (\$ millions)	\$111.7	\$117.3	\$148.6	\$148.6
Total funds programmed (\$ millions)	\$305.1	\$333.3	\$370.6	\$355.6

DESCRIPTION:

The highway programs activity: 1) develops and manages the highway improvement program; 2) manages and coordinates federal aid transportation programming; 3) provides direction for the preservation, safety improvement, and further physical development of Minnesota's highway system; 4) coordinates transportation planning activities with metropolitan planning organizations and regional development commissions; 5) performs studies to guide development of programs and policies; 6) provides information and an analytical base to influence changes in Mn/DOT highway programs, decisions, and operations; and 7) all agency bicycle activities including a State Bicycle Advisory Committee.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1. Approved program changes	2,877	2,800	2,800	2,800
2. Approved work plans with metropolitan planning organizations, Metropolitan Council, regional development commissions	16	16	16	16
3. Strategic highway planning analysis and studies	54	50	50	50
4. Bicycle Advisory Committee meetings	8	8	8	8

GRANTS AND AIDS:

Federal Aids to Metropolitan Planning Organizations: Statutory Ref: M.S. 174.03, subd. 4. Federal highway funds are allocated to urban areas over 50,000 population to support (85%) continuing, cooperative, and comprehensive transportation planning. One-half of one percent of the total federal highway aid is dedicated for urban transportation planning and allocated to 7 metropolitan planning organizations on the basis of equity, need, and primarily population.

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1. Duluth-Superior Area (\$ thousands)	\$127.4	\$100.4	\$99.0	\$99.0
2. St. Cloud Area	85.2	77.7	76.0	76.0

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
3. Rochester Area	\$ 58.8	\$ 79.3	\$ 77.0	\$ 77.0
4. LaCrosse-LaCrescent Area	3.0	3.0	3.0	3.0
5. Fargo-Moorhead Area	25.7	33.5	33.0	33.0
6. East Grand Forks-Grand Forks Area	9.1	14.4	11.0	11.0
7. Special study	23.9	0	0	0
8. Twin Cities Metropolitan Area	521.4	512.2	501.0	501.0
Sub-Total	\$854.5	\$820.5	\$800.0	\$800.0
Carry forward from Prior Years	167.6	0	0	0
Total	\$1,022.1	\$820.5	\$800.0	\$800.0

Grants By Fund:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal Funds	\$839.4	\$820.5	\$800.0	\$800.0

Transportation Grants to Regional Development Commissions: Statutory Ref: M.S. 174.03, subd. 4. Mn/DOT, in cooperation with the State Planning Agency, maintains a program providing general support to the 9 Regional Development Commissions as well as a Transportation Study Grant Program.

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General support (\$ thousands)	\$135.0	\$135.0	\$135.0	\$135.0
Study grants (\$ thousands)	90.0	90.0	90.0	90.0

Grants by Fund:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Trunk Highway Fund (\$ thousands)	\$225.0	\$225.0	\$225.0	\$225.0

Other Transportation Grants: Highway jurisdiction studies are being performed by 10 regional development commissions as required by Chapter 10, Section 29, Special Session Laws of 1985 (\$95.5 expended in F.Y. 1986). The agency also entered into a cooperative study with the Metropolitan Council, select cities and counties to review the transportation implications of land use in the vicinity of I-494, Bloomington to Minnetonka (\$25.0 expended in F.Y. 1987).

Grants by Fund:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Highway User Tax Distribution Fund	\$95.5	0	0	0
Trunk Highway Fund	0	\$25.0	0	0
Total	\$95.5	\$25.0	0	0

Grants by Fund - Summary:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$1,022.1	\$820.5	\$800.0	\$800.0
Highway User Tax Distribution Fund	95.5	0	0	0
Trunk Highway	225.0	250.0	225.0	225.0
Total	\$1,342.6	\$1,070.5	\$1,025.0	\$1,025.0

ACTIVITY: HIGHWAY PROGRAMS  
(Continuation)  
Program: PROGRAM MANAGEMENT  
Agency: TRANSPORTATION

1987-89 Biennial Budget

CHANGE REQUESTS:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Position Transfer	0	0	Program Wide
Bicycle Transportation Unit Transfer	22.0	22.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HIGHWAY PROGRAMS

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,199.9	1,342.6	1,489.9	1,542.1	22.0	1,564.1	1,564.1	1,537.6	22.0	1,559.6	1,559.6
LOCAL ASSISTANCE	1,072.3	1,335.5	1,070.5	1,025.0		1,025.0	1,025.0	1,025.0		1,025.0	1,025.0
AIDS TO INDS.	10.4	7.1									
TOTAL EXPENDITURES	2,282.6	2,685.2	2,560.4	2,567.1	22.0	2,589.1	2,589.1	2,562.6	22.0	2,584.6	2,584.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,130.3	1,210.1	1,377.2	1,390.8	22.0	1,412.8	1,412.8	1,386.3	22.0	1,408.3	1,408.3
EXPENSES & CONTRAC. SERV	66.2	129.3	106.5	145.1		145.1	145.1	145.1		145.1	145.1
SUPPLIES & MATERIALS	3.4	3.2	6.2	6.2		6.2	6.2	6.2		6.2	6.2
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,199.9	1,342.6	1,489.9	1,542.1	22.0	1,564.1	1,564.1	1,537.6	22.0	1,559.6	1,559.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	40.1	55.5	70.8	70.9		70.9	70.9	70.9		70.9	70.9
TRUNK HIGHWAY	1,334.8	1,489.1	1,669.1	1,696.2	22.0	1,718.2	1,718.2	1,691.7	22.0	1,713.7	1,713.7
HGHMY USER TAX DISTR		95.5									
DEDICATED APPROPRIATIONS:											
FEDERAL	907.7	1,045.1	820.5	800.0		800.0	800.0	800.0		800.0	800.0
TOTAL FINANCING	2,282.6	2,685.2	2,560.4	2,567.1	22.0	2,589.1	2,589.1	2,562.6	22.0	2,584.6	2,584.6
POSITIONS BY FUND											
GENERAL											
TRUNK HIGHWAY	29.0	29.0	30.0	30.0	1.0	30.0	30.0	30.0	1.0	30.0	30.0
TOTAL POSITIONS	29.0	29.0	30.0	30.0	1.0	31.0	31.0	30.0	1.0	31.0	31.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: HIGHWAY PROGRAMS  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Bicycle Transportation Unit Transfer				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 22.0	0	\$ 22.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ 22.0	-0-	\$ 22.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above increase to effect the transfer of 1 non-complement position along with the Bicycle Transportation Unit functions from the Technical Services Program to the Program Management Program.

DESCRIPTION/BACKGROUND:

The Bicycle Transportation Unit was assigned to the Technical Services Division, Office of Environmental Services, while the state bicycle coordinator was assigned to the Program Management Division. At the time of the reorganization of the Technical Services Division it was determined to shift the remaining functions of the Bicycle Transportation Unit, including 1 non-complement position, to the Program Management Division.

RATIONALE:

The consolidation of the bicycle program in the Program Management Division will result in a more effective effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: MOTOR CARRIER SAFETY & COMPLIANCE  
 Program: PROGRAM MANAGEMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,390.5	\$1,344.3	\$1,350.0	\$1,350.0	\$1,350.0

**OBJECTIVE:**

To perform the administrative and enforcement functions associated with economic and safety regulation of the for-hire and private motor carrier industry in Minnesota.

**DESCRIPTION:**

Economic regulation insures a viable motor transportation industry through equitable competition and fair charges. Safety regulation enhances public and industry safety through maintenance of insurance coverage, equipment standards, driver qualifications and hazardous materials transportation standards.

Functions performed in this activity are as follows:

1. Annual authority renewal for 5,200 intrastate authorities operating 24,000 power units.
2. Annual status registration of 17,000 interstate carriers operating 375,000 power units.
3. Maintain current insurance filing for 22,200 for-hire motor carriers.
4. Enforce economic regulations (authority, rates, leasing and fuel tax) imposed on intrastate for-hire carriers.
5. Enforce safety regulations (safe operations, equipment standards, driver qualifications and hazardous materials transportation standards) imposed on for-hire intrastate, for-hire interstate, private and state exempt carriers.
6. Examine financial reports of for-hire motor carriers to determine economic stability in order to establish reasonable rates. (3,500)
7. Approve the rates filed by permit intrastate carriers so that they are just, reasonable, and compensatory. (10,600)
8. Support the decision-making process of the Transportation Regulation Board (TRB) by providing data relative to rate adjustments being considered for certificated intrastate carriers. (25)
9. Process applications for new intrastate authority, participate in TRB decision process, and enforce compliance with the Board's order.
10. Administer and enforce the building mover license process for building movers.
11. Certify the provider of special transportation services.
12. Provide support, education programs for industry, county attorneys, county judges, local policy and fire departments, vo-tech classes and the state patrol, on a continual basis.
13. Staff State Hazardous Materials Response Team.

**ACTIVITY STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Intrastate vehicle registrations	22,296	24,000	24,500	25,000
Interstate exempt stamps	15,111	14,500	14,000	14,000
Interstate regulated stamps	363,976	375,000	390,000	400,000
New intrastate authority applications	591	620	650	680
Intrastate authority cancellations	643	640	575	500
Special Transportation Service (STS) renewals	72	90	18	120
New STS applications	11	18	12	10
Building movers	81	85	80	80
Complaints investigated	168	180	190	200
Carrier audits	45	100	100	100
Vehicles inspected	5,676	6,000	6,000	6,000
Vehicles out of service	884	940	940	940
Drivers out of service	55	60	60	60

**CHANGE REQUESTS:**

	F.Y. 1988	F.Y. 1989	Type
Severance Pay	\$ 10.0	\$ 0	Agency
Motor Carrier Safety Positions	0	0	Wide Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MOTOR CARRIER

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,093.8	1,153.3	1,334.1	1,586.1	10.0	1,596.1	1,586.1	1,586.7		1,586.7	1,586.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,093.8	1,153.3	1,334.1	1,586.1	10.0	1,596.1	1,586.1	1,586.7		1,586.7	1,586.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	959.6	983.1	1,110.4	1,333.2	10.0	1,343.2	1,333.2	1,329.4		1,329.4	1,329.4
EXPENSES & CONTRAC. SERV	91.2	102.9	147.9	186.9		186.9	186.9	188.3		188.3	188.3
SUPPLIES & MATERIALS	16.6	64.9	56.3	46.5		46.5	46.5	49.5		49.5	49.5
EQUIPMENT	26.4	2.4									
OTHER EXPENSE ITEMS			19.5	19.5		19.5	19.5	19.5		19.5	19.5
TOTAL STATE OPERATIONS	1,093.8	1,153.3	1,334.1	1,586.1	10.0	1,596.1	1,586.1	1,586.7		1,586.7	1,586.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	921.0										
TRUNK HIGHWAY		928.3	1,032.1	1,062.2	10.0	1,072.2	1,062.2	1,059.6		1,059.6	1,059.6
DEDICATED APPROPRIATIONS:											
FEDERAL	172.8	225.0	302.0	523.9		523.9	523.9	527.1		527.1	527.1
TOTAL FINANCING	1,093.8	1,153.3	1,334.1	1,586.1	10.0	1,596.1	1,586.1	1,586.7		1,586.7	1,586.7
POSITIONS BY FUND											
GENERAL	28.0										
TRUNK HIGHWAY		28.0	28.0	28.0		28.0	28.0	28.0		28.0	28.0
FEDERAL	4.0	4.0	4.0	4.0	9.0	13.0	13.0	4.0	9.0	13.0	13.0
TOTAL POSITIONS	32.0	32.0	32.0	32.0	9.0	41.0	41.0	32.0	9.0	41.0	41.0



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MOTOR CARRIER SAFETY AND COMPLIANCE  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Motor Carrier Safety Positions				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Federal Fund	\$ -0-	9.0	\$ -0-	9.0
Governor's Recommendation				
Federal Fund	\$ -0-	9.0	\$ -0-	9.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above positions to maintain and enhance motor carrier safety efforts with available federal funds.

DESCRIPTION/BACKGROUND:

Two person vehicle inspections are being encouraged under the federal grant program to enhance safety of inspectors, improve quality of inspections and reduce delay to trucks. Inspection helpers will not need the same expertise as the current enforcement staff, therefore 6 laborer positions are being requested. Two clerical positions are being requested for Safetynet data entry and a federal program coordinator position is being requested. Twenty six people will be involved in a statewide field program for safety and economic regulation with 1 supervisor. The federal program coordinator position would assist the supervisor in maximizing resources in safety efforts.

RATIONALE:

At least \$480,000 in federal funds will be available to Mn/DOT to hire additional personnel to enhance motor carrier safety on Minnesota highways. The personnel will be utilized in improved inspection procedures and as support for participating in and accessing the federal safety statistics reporting program (Safetynet). If not utilized funds will be turned back for other states.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: RAILROADS AND WATERWAYS  
 Program: PROGRAM MANAGEMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

**OBJECTIVE:**

1. Ensure the continuation of effective rail and water transportation service for the movement of goods and people in all parts of the state.
2. Maximize safety for the traveling public and prevent accidents, injuries, and fatalities on railroads and at railroad highway grade crossings.
3. Complete needed rail rehabilitation and rail service programs.
4. Ensure that water system users have access to the best, most effective service.
5. Negotiate agreements for work on rail property required by the trunk highway construction program.

**EFFECTIVENESS MEASURES:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Fatalities at crossings	8	8	8	8
Accidents at crossings	142	140	140	140
Railroad derailments, track related	60	50	40	40
Miles of rail retained in service	140	100	273	42
Towns/shippers affected	19/17	17/19	35/200	6/10
Times that Minnesota transportation users' interests were represented				
- Rail	510	520	520	520
- Water	175	220	220	220
Contacts with public to provide information or receive concerns (railroad)	400	400	400	350

**DESCRIPTION:**

The railroad and waterways activity exists to help ensure the safe and efficient movement of goods and people by rail and vessel for all geographical areas and economic sectors of the state. This service is provided through the following activities: 1) development of rail rehabilitation projects under the rail service improvement activity to continue rail service on needed portions of the 1,200 miles of railroad threatened with loss of service over the next 10 years; 2) administration of the Federal Grade Crossing Safety Program agreements between railroads and local governments to increase safety at the 5,840 rail-highway crossings in Minnesota; 3) relocation and restoration of railroad facilities and acquisition of railroad rights of way where affected by trunk highway construction; 4) enforcement of track safety standards on 5,200 miles of railroad track to assure safe movement of people and commodities; 5) enforcement of safety and service standards for railroad clearance variances, agency changes, spur track removal, crossing safety and construction or closing of crossings; 6) provision of information and technical assistance to approximately 100 rail users who face loss of service through abandonment in the next 5 years, and participation in ICC abandonment proceedings to assure rail users of equitable treatment; 7) maintenance of a comprehensive rail and water transportation planning process which identifies the major needs and issues and provides a sound basis for prioritizing the needs of shippers and receivers; 8) administration of the Rail Banking Program to preserve valuable abandoned rail rights of way for future use as a commercial transportation corridor.

**ACTIVITY STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Signals installed	132	120	100	100
Crossing surfaces installed	60	60	40	40
Crossing funds used (\$ millions)	\$7.0	\$5.0	\$5.0	\$5.0
Rehabilitation projects done	2	2	2	2
Rail miles inspected	4,600	4,600	4,400	4,400
Construction agreements with railroad required by trunk highway program	24	25	25	25
Miles of line banked	6	100	30	30
Policy analysis/committee participation				
Railroads	13	17	20	19
Waterways	21	22	25	25

**CHANGE REQUESTS:**

	F.Y. 1988	F.Y. 1989	Type
Severance Pay	\$ 4.0	\$ 0	Agency Wide
Seaway Port Authority of Duluth Study	60.0	0	Activity Specific
North Shore Truck Movement Study	11.0	11.0	Activity Specific
Tourist Train Feasibility Study	10.0	10.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: RAILROADS & WATERWAYS

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	828.1	908.3	1,128.5	1,008.2	85.0	1,093.2	1,008.2	1,005.9	21.0	1,026.9	1,005.9
LOCAL ASSISTANCE	10.0	10.0									
AIDS TO INDS.											
TOTAL EXPENDITURES	838.1	918.3	1,128.5	1,008.2	85.0	1,093.2	1,008.2	1,005.9	21.0	1,026.9	1,005.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	764.4	814.1	992.4	871.6	4.0	875.6	871.6	869.3		869.3	869.3
EXPENSES & CONTRAC. SERV	62.0	75.3	125.1	126.6	81.0	207.6	126.6	126.6	21.0	147.6	126.6
SUPPLIES & MATERIALS	1.7	2.9	7.5	6.5		6.5	6.5	6.5		6.5	6.5
EQUIPMENT		16.0									
OTHER EXPENSE ITEMS			3.5	3.5		3.5	3.5	3.5		3.5	3.5
TOTAL STATE OPERATIONS	828.1	908.3	1,128.5	1,008.2	85.0	1,093.2	1,008.2	1,005.9	21.0	1,026.9	1,005.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	207.5	215.5	230.8	233.6	70.0	303.6	233.6	233.3	10.0	243.3	233.3
TRUNK HIGHWAY	577.9	619.9	663.4	674.6	15.0	689.6	674.6	672.6	11.0	683.6	672.6
DEDICATED APPROPRIATIONS:											
FEDERAL	52.7	82.9	234.3	100.0		100.0	100.0	100.0		100.0	100.0
TOTAL FINANCING	838.1	918.3	1,128.5	1,008.2	85.0	1,093.2	1,008.2	1,005.9	21.0	1,026.9	1,005.9
POSITIONS BY FUND											
GENERAL	6.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TRUNK HIGHWAY	16.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0
FEDERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	23.0	22.0	22.0	22.0		22.0	22.0	22.0		22.0	22.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: RAILROADS AND WATERWAYS  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Seaway Port Authority of Duluth Study				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 60.0	0	\$ -0-	0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to hire an engineering consultant to determine ship loading and cargo handling volumes and frequencies and equipment needs for the Seaway Port Authority of Duluth (SPAD) through the year 2020.

DESCRIPTION/BACKGROUND:

Duluth and SPAD provide efficient, low cost transportation services to the state's agricultural and mining economies. Cargo volumes and mixes along with vessel sizes and designs are constantly changing.

RATIONALE:

All previous capital investments have been made on a response basis. This proposed planning effort will design an effective long range plan for terminal access and loading facility improvement. By providing funding for consultant services to complete this plan Mn/DOT can help assure the continuation of that service to the agricultural and mining economies.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Other spending priorities preclude funding this item.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: RAILROADS AND WATERWAYS  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: North Shore Truck Movement Study				
Agency Request				
Trunk Highway Fund	\$ 11.0	0	\$ 11.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to fund the second half of a study which has, so far, shown that a transfer of cargo to ships is the most effective way to reduce dangerous, heavy truck traffic on the North Shore. This half of the study will include a consultant contract to determine the most effective vessel/cargo arrangement.

DESCRIPTION/BACKGROUND:

The study's first part proved that a transfer of truck freight to ships would reduce truck traffic on Trunk Highway 61 along the North Shore by over 50% during the heavy auto traffic tourist season.

RATIONALE:

Truck and auto conflicts on Trunk Highway 61 have long been a problem which has generated significant negative citizen response. Upgrading construction work on the highway will not be completed for 20 years. This study will produce an immediate response to the dangerous problem of heavy truck traffic mixing with heavy auto traffic during tourist season.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: RAILROADS & WATERWAYS  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Tourist Train Feasibility Study				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 10.0	0	\$ 10.0	0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to obtain consultant services for tourist train feasibility/shortline passenger studies. Objective would be to participate (on a matching basis) with local interests, in funding such studies.

DESCRIPTION/BACKGROUND:

There are 3 new freight shortlines operating in Minnesota and more will be formed as major railroads divest themselves of less profitable lines. In addition to these, 3 areas, Brainerd, Duluth and Remer are attempting to form tourist oriented excursion trains.

RATIONALE:

Shortlines, particularly those aimed at tourists, require different analyses than other rail operations. Jointly funded studies, utilizing specialized expertise, are needed to establish feasibility and guide local or state investment.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding this request. Other spending priorities preclude funding this item.

ACTIVITY: TRANSIT ADMINISTRATION  
 Program: PROGRAM MANAGEMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

**OBJECTIVE:**

1. Ensure that the public benefits from efficient and productive transit service delivery investments.
2. Assist recipient transit programs in the improvement of service performance.
3. Ensure the provision of low cost transportation alternatives, through rideshare efforts and through a statewide vanpool service contract that establishes local rideshare programs statewide.
4. Manage and administer those transit activities described in the Non Metropolitan Transit Assistance activity.
5. Provide assistance to the Regional Transit Board.
6. Manage the federal transit programs in such a way as to maximize the federal dollar investment in Minnesota's transit systems and to ensure recipient compliance with pertinent federal regulations.

EFFECTIVENESS MEASURES:	C.Y. 1986	C.Y. 1987	C.Y. 1988	C.Y. 1989
Cost/Revenue mile	\$2.30	\$2.39	\$2.49	\$2.59
Passenger/Revenue mile	1.35	1.36	1.37	1.38
Statewide Rideshare vehicle miles travelled reduction (thousands)	112,820.8	115,077.2	116,228.0	117,390.2
Contracts Administered/Technical Assistance	70	64	66	70

**DESCRIPTION:**

The transit administration activity exists to plan, manage, coordinate and evaluate a statewide public transit assistance program. This activity includes: 1) developing and maintaining a comprehensive transit program plan; 2) developing policies; 3) examining and approving applications for transit assistance funds; 4) negotiating and executing transit contracts; 5) coordinating federal, state, and local transit program funds; 6) providing technical/professional management assistance to recipients of program funds; 7) monitoring and evaluating transit systems costs, and service delivery performance; 8) approving and initiating contract payments to transit contractors; 9) evaluating overall program performance; and 10) managing federal transit programs including Section 18, Section 16(b)(2), and Section 8 (both as a direct recipient and administrator of metropolitan planning organization funds). Also, ensuring recipient compliance with federal/state regulations.

Office of Transit staff are responsible for administering the state's \$5+ million share of \$14+ million annual transit program servicing more than 440 communities and 1.7 million people.

Federal funding will be used to offset state costs of the transit technical studies and evaluation efforts. The Urban Mass Transit Administration Section 8 program currently provides about \$140,000 annually, of which \$60,000 is used to support technical studies and evaluation. The balance is "pass-through" funds to area planning agencies for similar efforts.

Current Section 8 activities include a marketing assistant effort and an insurance study. A 20% local matching requirement is satisfied using "in-kind" staff costs.

The following efforts have been accomplished by the Transit Administration activity in the past year:

- . 66 contracts completed for Transit Service in C.Y. 85 and C.Y. 86.
- . Completed efforts required to facilitate the Regional Transit Board's take over of metropolitan area transit activities.
- . Finalized a capital investment strategy for vehicle rehabilitation/replacement.
- . Established a system to monitor local objective attainment for all systems.
- . Completed a state management plan for handling federal transit program dollars.
- . Established and monitored statewide Disadvantaged Business' and Women Owned Business Enterprises' goals.
- . Developed a statewide Transit Fact Book.
- . Established system performance objectives at the system level.

**GRANTS AND AIDS:**

UMTA - Section 8 Program Grants

Statutory Ref: M.S. 4.07

This is an UMTA planning and technical studies program for Metropolitan Planning Organization (MPO). The agency, as requested by UMTA and with MPO and Governor's concurrence, is responsible for pass-through of these funds to the designated MPO's.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total operating costs (millions)	\$14,736.1	\$15,369.8	\$16,003.4	\$16,637.1
Total revenues (millions)	5,341.0	5,564.9	5,788.7	6,012.5
Passengers carried (millions)	8,645.5	8,732.0	8,819.3	8,907.5
Revenue miles (millions)	6,411.2	6,418.7	6,426.2	6,433.7

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$127.5	\$80.0	\$80.0	\$80.0
Total	\$127.5	\$80.0	\$80.0	\$80.0

**Metro Rideshare**

Statutory Ref: M.S. 4.07

This program provide federal air primary (FAP) funding to the Regional Transit Board for carpool and vanpool activities in the 7 county metropolitan area.

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$216.3	\$450.0	\$450.0	\$450.0
Total	\$216.3	\$450.0	\$450.0	\$450.0

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Position Transfer	0	0	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRANSIT ADMINISTRATION

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	706.5	657.7	876.7	873.6		873.6	873.6	875.1		875.1	758.2
LOCAL ASSISTANCE		343.8	530.0	530.0		530.0	530.0	530.0		530.0	530.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>706.5</b>	<b>1,001.5</b>	<b>1,406.7</b>	<b>1,403.6</b>		<b>1,403.6</b>	<b>1,403.6</b>	<b>1,405.1</b>		<b>1,405.1</b>	<b>1,288.2</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES	517.9	530.6	634.7	640.2		640.2	640.2	640.0		640.0	525.1
EXPENSES & CONTRAC. SERV	187.6	125.8	217.4	208.4		208.4	208.4	209.5		209.5	207.5
SUPPLIES & MATERIALS	1.0	1.3	21.9	22.2		22.2	22.2	22.7		22.7	22.7
EQUIPMENT											
OTHER EXPENSE ITEMS			2.7	2.8		2.8	2.8	2.9		2.9	2.9
<b>TOTAL STATE OPERATIONS</b>	<b>706.5</b>	<b>657.7</b>	<b>876.7</b>	<b>873.6</b>		<b>873.6</b>	<b>873.6</b>	<b>875.1</b>		<b>875.1</b>	<b>758.2</b>
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	334.0	338.1	376.1	379.1		379.1	379.1	378.6		378.6	261.7
TRUNK HIGHWAY	178.7	182.3	222.0	214.9		214.9	214.9	214.8		214.8	214.8
<b>DEDICATED APPROPRIATIONS:</b>											
FEDERAL	193.8	481.1	808.6	809.6		809.6	809.6	811.7		811.7	811.7
<b>TOTAL FINANCING</b>	<b>706.5</b>	<b>1,001.5</b>	<b>1,406.7</b>	<b>1,403.6</b>		<b>1,403.6</b>	<b>1,403.6</b>	<b>1,405.1</b>		<b>1,405.1</b>	<b>1,288.2</b>
<b>POSITIONS BY FUND</b>											
GENERAL	11.0	10.0	10.0	10.0	1.0-	9.0	9.0	10.0	1.0-	9.0	6.0
TRUNK HIGHWAY	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
FEDERAL	2.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
<b>TOTAL POSITIONS</b>	<b>18.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>1.0-</b>	<b>16.0</b>	<b>16.0</b>	<b>17.0</b>	<b>1.0-</b>	<b>16.0</b>	<b>13.0</b>



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRANSIT ADMINISTRATION  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$(116.9)	(3.0)
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

As a result of the transfer of metropolitan transit responsibilities to the Regional Transit Board and the Governor's recommendation for reduced state subsidies for out-state transit, the Governor recommends a reduction of 3.0 positions and associated funding in F.Y. 1989. No reduction is recommended for F.Y. 1988 due to the need to provide technical assistance to the outstate transit system during the transition period.

ACTIVITY: TRANSPORTATION INFORMATION & SUPPORT  
 Program: PROGRAM MANAGEMENT  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

1. Develop and manage rail and roadway information systems of physical and operating data.
2. Research truck, commodity, traffic, and cost issues for department policy, and forecast traffic for highway designers.
3. Develop information and department policy positions for Minnesota's congressional delegation and national organizations.
4. Provide administrative and support services for the Program Management Division.
5. Manage work programs that involve other divisions in the department and outside contracts; such programs include the Highway Planning and Research Program and the Safety Program.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average turnaround time for forecasts (months)	4	3	3	3

DESCRIPTION:

1. Manages data systems describing physical and operational characteristics of transportation systems. There is steadily growing use of these systems by Minnesota Department of Transportation (Mn/DOT) districts and divisions and by counties and municipalities in prioritizing and designing rail and highway improvements, bridge design, and traffic management. Key products include:
  - . computerized data files of 130,000 miles of road, 19,000 bridges, 6,800 railroad crossings, 6,000 miles of railroads and 5 years of traffic and accident data.
  - . traffic flow maps for the state, districts, 87 counties and 109 cities.
  - . regular monitoring of traffic characteristics by automatic traffic volume recorders by truck weighing, vehicle classification counts and 24 hour volume counts.
  - . photolog of 12,100 miles of trunk highways for use in design, safety improvements, and legal documentation for tort claims.
2. Forecasts traffic and commodity movements for use by Mn/DOT divisions and districts, counties and municipalities in design of highway resurfacing, reconstruction, and construction projects. Key products include:
  - . operation of automated weigh-in-motion facilities to collect truck weight and vehicle class data.
  - . approximately 40 project level traffic studies annually for highway design which require 20 year forecasts of traffic and truck movement data for geometric and pavement design.
  - . operation and update of the metropolitan highway simulation model and 4 urban area highway simulation models.

3. Influences federal transportation legislation and regulations by developing information and Mn/DOT policy positions for Minnesota's congressional delegation. Key products include:
  - . congressional newsletters to Minnesota's congressional delegation.
  - . testimony on specific bills such as interstate substitution and user fees.
  - . bi-weekly updates of the status of congressional legislation for department staff.
4. Provides budgeting, accounting and personnel services for the program management division so that human and fiscal resources are efficiently managed. Key products include:
  - . payroll processing for 160 personnel of the division.
  - . \$700,000 equipment and supply inventory.
  - . financial accounting for office budgets totalling about \$6,000,000.
5. Manages work programs for Mn/DOT planning and research activities and for projects to reduce the number and severity of highway accidents so that Minnesota receives federal funding for these activities. Participants in these work programs include other Mn/DOT divisions and others outside of Mn/DOT, such as the historical society, cities and counties. Key products include:
  - . The annual Highway Planning and Research (HPR) Work Program (Section 307, Title 23, U.S. Code)
  - . The annual 402 Highway Safety Plan (Section 402, Title 23, U.S. Code)

GRANTS AND AIDS:

Federal/State Safety Program Grants

Statutory Ref: M.S. 4.07

Purpose: Provide funding to support inventory of in-place and deficient signage in cities, counties and townships. Smaller road authorities may be grouped to accommodate efficient contract procedures. Approximately 15 road authorities can be supported at the 100% level of participation.

GRANTS AND AIDS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$ 0	\$38.0	\$10.0	\$10.0
Total	0	38.0	10.0	10.0

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Information System Inquiries per Month	1300	1400	1500	1600
Project Forecasts Made	35	35	35	35

ACTIVITY: TRANSPORTATION INFORMATION & SUPPORT  
(Continuation)  
Program: PROGRAM MANAGEMENT  
Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

CHANGE REQUESTS:

Severance pay

<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>Type</u>
\$8.0	\$8.0	Agency Wide
60.0	60.0	Activity Specific

Metro Area Travel Model

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRANS DATA, RESRCH & ANALYS

PROGRAM: PROGRAM MANAGEMENT

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,757.4	3,016.6	3,622.8	3,402.7	68.0	3,470.7	3,402.7	3,416.0	68.0	3,484.0	3,416.0
LOCAL ASSISTANCE			38.0	10.0		10.0	10.0	10.0		10.0	10.0
AIDS TO INDS.											
TOTAL EXPENDITURES	2,757.4	3,016.6	3,660.8	3,412.7	68.0	3,480.7	3,412.7	3,426.0	68.0	3,494.0	3,426.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,236.6	2,243.2	2,693.4	2,498.2	8.0	2,506.2	2,498.2	2,490.0	8.0	2,498.0	2,490.0
EXPENSES & CONTRAC. SERV	404.7	635.9	765.5	801.5	60.0	861.5	801.5	823.0	60.0	883.0	823.0
SUPPLIES & MATERIALS	82.7	83.1	108.9	85.3		85.3	85.3	85.3		85.3	85.3
EQUIPMENT	33.4	54.4	55.0	17.7		17.7	17.7	17.7		17.7	17.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,757.4	3,016.6	3,622.8	3,402.7	68.0	3,470.7	3,402.7	3,416.0	68.0	3,484.0	3,416.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	2,521.6	2,665.8	2,842.3	2,976.8	68.0	3,044.8	2,976.8	2,990.4	68.0	3,058.4	2,990.4
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	235.8	350.8	767.5	235.9		235.9	235.9	235.6		235.6	235.6
FEDERAL			51.0	200.0		200.0	200.0	200.0		200.0	200.0
TOTAL FINANCING	2,757.4	3,016.6	3,660.8	3,412.7	68.0	3,480.7	3,412.7	3,426.0	68.0	3,494.0	3,426.0
POSITIONS BY FUND											
TRUNK HIGHWAY	59.0	60.0	60.0	60.0		60.0	60.0	60.0		60.0	60.0
TOTAL POSITIONS	59.0	60.0	60.0	60.0		60.0	60.0	60.0		60.0	60.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRANSPORTATION DATA, RESEARCH AND ANALYSIS  
 PROGRAM: PROGRAM MANAGEMENT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Metro Area Travel Model	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 60.0	0	\$ 60.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for a consultant to refine and improve the metro area travel model. These improvements were recommended by a committee of the Institute of Transportation Engineers. The committee members represented all major areas of public and private interest in metropolitan traffic forecasts.

DESCRIPTION/BACKGROUND:

The Institute of Transportation Engineers initiated a review of problems and shortcomings of the metro travel model and forecasting process. A report in 1985 gave detailed recommendations to Mn/DOT and the Metro Council of what is necessary to restore the credibility and usability of the forecasts. A small study has been initiated to begin the changes, but a much larger effort is necessary.

RATIONALE:

The travel model is the basis for planning and design of hundreds of millions of dollars in construction and reconstruction of highways and planning for transit alternatives. Professional consultants with national reputations must be brought to bear on the problem. The need is urgent!

PROGRAM: GENERAL SUPPORT SERVICES  
Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

The general support program establishes an administrative foundation for the operation of the Minnesota Department of Transportation (Mn/DOT) by ensuring that appropriate administrative/management controls exist where needed throughout the department, and by providing management planning, forecasting, coordination, direction, and improved processes/methods/techniques/tools for productivity improvement and sound resource allocation and utilization. Through this program, Mn/DOT promotes uniformity in meeting federal, statutory, or other state requirements to ensure continued federal funding participation and continuing fiscal, legal, and public accountability. All department activities are supported in meeting their goals through provision of the financial management, personnel, business, legal, and information services and programs necessary to meet Mn/DOT's mission. Projections of transportation resource availability and needs contribute to the efficient management of transportation programs for the citizens of the state.

OPERATION:

The general support program includes 4 budget activities: finance and administration, equipment, general services, and legal services.

1. Finance and administration provides human and fiscal resource allocation and control; administrative, management, and information services; public and internal communication.
2. The general services activity provides for necessary supplies, building leases and services and executive decision making and audit functions through the Office of the Commissioner. Data processing development funds, utilized for programming and testing and for systems design under contractual arrangements, are also included.
3. The equipment activity meets employee needs for road, scientific, electronic communications, office, data processing, and shop equipment to enable them to perform their work efficiently and meet appropriate quality standards.
4. Legal services are provided by the Office of the Attorney General, with the budget appropriated through Mn/DOT budget.

The major goal of this program is to plan for, identify, allocate, and manage department resources so that their limitations, the effects of inflation, and other factors do not severely diminish the level or quality of service provided to the public. Management and productivity improvements will continue to be emphasized. Inflationary pressures will be contained through budgetary and accounting control, anticipatory strategic and contingency planning, careful personnel management, responsive internal/external communication services, prudent inventory, fixed asset, equipment utilization, and cost-effective automation of departmental activities.

Department clientele rely on this program's support activities for the provision of resources needed to accomplish their goals. For district engineers, office directors, and business and office managers, this program's services have a noticeable impact on performance of their assigned functions. In addition, program clientele include the public, television stations, radio stations, newspapers, and other special publications served by the communications operation.

EXPLANATION OF BUDGET REQUEST:

This program has as its part of 1 agency wide CHANGE, \$81.0 in F.Y. 1988 and \$72.2 in F.Y. 1989 for severance pay for workers leaving this division during the biennium. At the program level, the data processing development CHANGE is \$686.9 in F.Y. 1988 and \$510.9 in F.Y. 1989 and the data processing equipment CHANGE is \$2,044.2 in F.Y. 1988 and a negative CHANGE of (\$675.6) in F.Y. 1989.

In the Finance & Administration activity, 7 major CHANGE items are as follows: CHANGE of \$55.6 in F.Y. 1988 and \$55.4 in F.Y. 1989 and 2 positions for federal single audit requirements. CHANGE of \$23.9 in F.Y. 1988 and \$23.9 in F.Y. 1989 for a Mn/DOT employee suggestion system. CHANGE of \$33.8 in F.Y. 1988 and \$33.8 in F.Y. 1989 and 1 position for expanded audio/visual program services. CHANGE of \$16.7 in F.Y. 1988 and \$16.5 in F.Y. 1989 and 1 position for enhanced information services. CHANGE of \$28.7 in F.Y. 1988 and \$28.6 in F.Y. 1989 and 1 position to provide safety services to metro area employees. CHANGE of \$34.7 in F.Y. 1988 and \$34.6 in F.Y. 1989 and 1 position to provide for better information management within Mn/DOT. CHANGE of \$27.8 in F.Y. 1988 and \$27.7 in F.Y. 1989 and 1 position to coordinate the research of new computer technologies.

In the General Services activity, 4 major CHANGE items are as follows: CHANGE of \$204.6 in F.Y. 1988 and \$203.9 in F.Y. 1989 and 7 positions to increase the complement of engineer trainees in preparation of future retirements. CHANGE of \$28.3 in F.Y. 1988 and \$28.2 in F.Y. 1989 and 1 position to audit state aid agreements. CHANGE of \$36.6 in F.Y. 1988 and \$36.5 in F.Y. 1989 and 1 position to facilitate highway program implementation. CHANGE of \$200.0 in F.Y. 1988 and \$200.0 in F.Y. 1989 for modifications to the Transportation Building.

In the Equipment activity, 6 major CHANGE items are as follows: CHANGE of \$3,575.3 in F.Y. 1988 and \$2,918.0 in F.Y. 1989 for new and replacement road equipment. CHANGE of \$429.5 in F.Y. 1988 and \$239.3 in F.Y. 1989 for new and replacement scientific equipment including testing equipment. CHANGE of \$55.1 in F.Y. 1988 and \$25.9 in F.Y. 1989 for electronic communications equipment including a radio repeater facility in Dakota County. CHANGE of \$82.7 in F.Y. 1988 and \$82.7 in F.Y. 1989 for shop equipment. CHANGE of \$856.8 in F.Y. 1988 and \$456.5 in F.Y. 1989 for office equipment. CHANGE of \$272.0 in F.Y. 1988 and \$136.0 in F.Y. 1989 for local area network in the Transportation Building.

PROGRAM: GENERAL SUPPORT SERVICES  
(Continuation)

1987-89 Biennial Budget

Agency: TRANSPORTATION, DEPARTMENT OF

In the Legal Services activity there is a CHANGE of \$84.8 in F.Y. 1988 and \$135.8 in F.Y. 1989 for an increase in legal services costs.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for these requests except the state airports fund requests. The Governor will consider making funding recommendations in March after revenues available to the Trunk Highway Fund are known.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: GENERAL SUPPORT SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
FINANCE & ADMINISTRATION	6,872.3	7,766.0	8,276.9	8,556.6	302.2	8,858.8	8,556.6	8,530.5	292.7	8,823.2	8,530.5
GENERAL SERVICES	8,858.1	9,494.4	6,156.0	7,355.1	831.8	8,186.9	7,355.1	7,425.1	654.9	8,080.0	7,425.1
EQUIPMENT	8,004.4	13,014.0	9,170.4	9,987.5	7,315.6	17,303.1	9,972.5	9,987.6	3,182.8	13,170.4	9,963.8
LEGAL SERVICES	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
TOTAL	24,609.4	31,400.5	24,591.5	26,887.4	8,534.4	35,421.8	26,872.4	26,931.4	4,266.2	31,197.6	26,907.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	24,609.4	31,400.5	24,591.5	26,887.4	8,534.4	35,421.8	26,872.4	26,931.4	4,266.2	31,197.6	26,907.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	24,609.4	31,400.5	24,591.5	26,887.4	8,534.4	35,421.8	26,872.4	26,931.4	4,266.2	31,197.6	26,907.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	58.4	39.4	47.4	43.6	15.7	59.3	43.6	46.3	13.5	59.8	46.3
STATE AIRPORTS	60.4	206.8	77.8	159.5	15.0-	144.5	144.5	163.8	23.8-	140.0	140.0
TRUNK HIGHWAY	22,307.9	28,479.0	24,174.1	26,384.3	8,533.7	34,918.0	26,384.3	26,421.3	4,276.5	30,697.8	26,421.3
DEDICATED APPROPRIATIONS:											
STATE AIRPORTS	55.8	58.9									
TRUNK HIGHWAY	2,001.6	2,298.1	292.2	300.0		300.0	300.0	300.0		300.0	300.0
HGHWY USER TAX DISTR	125.3	318.3									
TOTAL FINANCING	24,609.4	31,400.5	24,591.5	26,887.4	8,534.4	35,421.8	26,872.4	26,931.4	4,266.2	31,197.6	26,907.6
POSITIONS BY FUND:											
TRUNK HIGHWAY	242.0	246.0	254.0	254.0	16.0	270.0	254.0	254.0	16.0	270.0	254.0
TOTAL POSITIONS	242.0	246.0	254.0	254.0	16.0	270.0	254.0	254.0	16.0	270.0	254.0



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY:  
PROGRAM: GENERAL SUPPORT SERVICES  
AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Data Processing Development and Equipment				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
State Airports Fund	\$ (20.0)	0	\$ (21.0)	0
Trunk Highway Fund	2,426.5	0	(468.3)	0
Governor's Recommendation				
State Airports Fund	\$ (20.0)	-0-	\$ (21.0)	-0-
Trunk Highway Fund	-0-	-0-	-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The use of updated and rapidly changing technology has become instrumental in effectively carrying out the mission of the agency. All of the agency's programs make significant use of computer technology in carrying out their activities. These uses include automated design, networking, mapping, project management, maintenance management, information management, and office support systems. In addition, the agency recognizes the need for computer maintenance and data processing training, as well as operations costs and lease costs. These are provided for in separate activity budget requests. The overall objective of this request is to acquire information resources enabling the development of systems and acquisition of equipment which result in productivity improvement and sound resource allocation and utilization. In addition a major objective is to continue to search for ways to use available and emerging technology to support Mn/DOT's programs.

DESCRIPTION/BACKGROUND:

Currently, technology in the data processing field provides new opportunities for automation and for improving decision making. In addition, this technology permits the consideration of many more alternatives in decision making, whether regarding alternate funding scenarios, different design alternatives, or other types of decisions. The agency has taken advantage of these opportunities and needs to continue to do so to make them available to increasing numbers of employees, who will then be able to do their jobs more effectively and productively.

This request includes funds for replacing some existing leased equipment and a minor amount of other equipment that has become obsolete. The major portion of the request is for funds to continue initiatives begun in the previous biennium in automated design, networking, mapping, project management, maintenance management, and office support systems. In addition, funding is requested to continue developing information management capabilities, an effort that has received emphasis over several bienniums.

This change item includes \$548.6 for development for the department as a whole and includes \$1,368.6 for equipment for the programs as follows:

	F.Y. 1988	F.Y. 1989
Development	\$362.3	\$186.3
Equipment by Division:		
Operations	\$1,335.5	\$(545.5)
Technical Services	361.7	20.6
Program Management	14.0	(36.2)
General Support Services	353.0	(93.5)
Aeronautics	(20.0)	(21.0)
Total	\$2,406.5	\$(489.3)

RATIONALE:

Mn/DOT's efforts in data processing have been focused in automated design, networking, mapping, project management, maintenance management, information management, and office support systems. In addition some initiatives are proposed which support more than one of the above items.

Automated design technology enhances the delivery of Mn/DOT's highway development program by increasing productivity of personnel involved with highway design tasks, and by allowing the consideration of many more alternatives in the design process through the expanded use of computer technology. Funds requested would lead to approximately 75% of design personnel having access to computer technology.

Networking permits the sharing of data, equipment and resources among a variety of users. Funds are requested to permit efficient management of networks, and to expand the networks available in district office locations and individual offices at the central headquarters building.

Computer mapping involves generating graphical representations of data such as traffic, accidents, land surveys, and right of way. A significant portion of Mn/DOT's data can be effectively portrayed using computer mapping technology. Requested funds will especially benefit those involved with traffic forecasting and highway programming, and will provide additional utility to data in Mn/DOT's transportation information system.

Project management has been a high priority for Mn/DOT for many years and a major investment was made in new software during the F.Y. 1986-87 biennium. Funds are needed in the following biennium to support full implementation of this software for pre-construction and construction tasks, and to begin utilization for other projects (e.g., building construction, computer systems projects).

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity  
(Continuation)

ACTIVITY: GENERAL SUPPORT SERVICES  
PROGRAM: TRANSPORTATION, DEPARTMENT OF  
AGENCY:

Funds are needed to continue development of a maintenance management system which all levels of management can use for decision making on maintenance issues. In addition, the new system would provide a statewide standardized automated system for recording work accomplishments and a management tool for analysis of maintenance operation.

Information management funding is needed to continue to maintain the effectiveness of existing systems (e.g., transportation information system), develop new systems, and to develop a more structured approach to managing Mn/DOT's valuable information resource.

Office support systems funding is needed to support and expand existing office support systems (e.g., cost accounting, inventory) as well as electronic messaging and text processing by applying new technology to the process.

Funds are also requested for hardware and technical support services that support more than one of the above mentioned areas of emphasis. These are needed to permit effective development of tools and techniques in these areas and to permit continued exploration of uses of new and emerging technology in ways that will benefit Mn/DOT in future bienniums.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

ACTIVITY: FINANCE AND ADMINISTRATION  
 Program: GENERAL SUPPORT SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

**OBJECTIVE:**

To provide necessary financial and administrative support in a professional manner to all programs in the department through services such as the following:

1. Budget development and management, accounting, and financial management.
2. Personnel placement and labor relations.
3. Purchasing, inventory management, printing and word processing, space management and management studies.
4. Computer systems development and management.
5. Employee development, internal communications services, and information services.

**EFFECTIVENESS MEASURES:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percentage of invoices paid within 30 days	95	97	98	99
Number of personnel transactions	4,240	4,346	4,454	4,565
Number of new work stations installed	100	100	100	100

**DESCRIPTION:**

The finance and administration activity exists to support the agency in the accomplishment of its mission statewide through human and fiscal resource allocation and control; administrative, management, and information services; organization development services; and the office of the Commissioner of Transportation (including audit functions), as follows:

1. Financial management services ensure the proper and efficient use of fiscal resources through financial planning and dedicated funds forecasting; budget development, maintenance, and control; investments; accounting and billing for federal aids and state aids for local governments; preparation of financial reports and statements for department use, for external financial community use, and for federal government use; and liaison with the Department of Finance, State Treasurer, and State Board of Investment.
2. Personnel services ensure the most effective and efficient use of human resources through recruitment, selection, and placement of new employees; labor relations, employee safety, and health services; affirmative action programs; employee record transactions; and liaison with the Department of Employee Relations.
3. Support services include: a) administrative services for department activities statewide through mail and supplies distribution, photo services, purchasing, graphics, records management and storage, and consumable and fixed asset inventory; for the central office through copier, blueprint, and word processing services and space management; and through providing for sale of county, municipal, and special maps to the public and specifications books to construction contractors; b) development and documentation of administrative procedures through

- docket control activities for all department rule changes and contested cases, support services for consultant contracts management, and format maintenance and distribution of policy manuals; c) management services through the promotion of improved operations by means of analysis and correction of administrative, workload, or procedural problems or functions; audit of performance against policy, procedure, or objectives; and analysis of potential cost reductions throughout the department; and d) liaison with the Department of Administration.
4. System services provides long range information strategic planning and manages data processing tools and information processing systems, including maintenance of current computer systems and analysis of future needs; systems design with heavy emphasis on user developed and maintained systems; production liaison with the Department of Administration and other service providers; computer systems audit; data base administration; and data processing equipment administration.
5. Employee and organization development services provide: a) consultation and support in improving management and work practices involving management planning and leadership processes, organization design and activity analysis, employee participative involvement techniques; b) information services in a variety of formats, including the acquisition and timely distribution of professional and technical journals and audio/visual materials, access to and assistance with print and on-line automated information resource systems, and identification and tracking of technical and managerial issues; c) preparing and distributing special publications and brochures, audio and video program production, and internal management/employee communication services and consultation (e.g., monthly Mn/DOT magazine, weekly newsletter, telephone hotlines); and d) employee training and development programs and activities.

**ACTIVITY STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Time Sharing Option (TSO) users	600	700	800	800
Number of users trained on data base programs	50	100	150	200
Number of users trained on spreadsheet programs	180	100	100	100
Number of photo work orders	300	320	330	330
Average number of documents per week (word processing)	1,202	1,228	1,254	1,282

**CHANGE REQUESTS:**

	F.Y. 1988	F.Y. 1989	Type
Severance Pay	81.0	72.2	Agency Wide
Federal Single Audit	55.6	55.4	Activity Specific
Employee Suggestion System	23.9	23.9	Activity Specific

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: FINANCE & ADMINISTRATION**

**PROGRAM: GENERAL SUPPORT SERVICES**

**AGENCY: TRANSPORTATION, DPT OF**

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	6,872.3	7,766.0	8,276.9	8,556.6	302.2	8,858.8	8,556.6	8,530.5	292.7	8,823.2	8,530.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>6,872.3</b>	<b>7,766.0</b>	<b>8,276.9</b>	<b>8,556.6</b>	<b>302.2</b>	<b>8,858.8</b>	<b>8,556.6</b>	<b>8,530.5</b>	<b>292.7</b>	<b>8,823.2</b>	<b>8,530.5</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES	6,018.2	6,548.9	7,121.0	7,209.6	269.8	7,479.4	7,209.6	7,185.6	260.3	7,445.9	7,185.6
EXPENSES & CONTRAC. SERV	632.5	1,022.7	941.4	1,093.3	32.4	1,125.7	1,093.3	1,100.4	32.4	1,132.8	1,100.4
SUPPLIES & MATERIALS	221.6	194.4	214.5	253.7		253.7	253.7	244.5		244.5	244.5
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>6,872.3</b>	<b>7,766.0</b>	<b>8,276.9</b>	<b>8,556.6</b>	<b>302.2</b>	<b>8,858.8</b>	<b>8,556.6</b>	<b>8,530.5</b>	<b>292.7</b>	<b>8,823.2</b>	<b>8,530.5</b>
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
TRUNK HIGHWAY	6,872.3	7,766.0	8,276.9	8,556.6	302.2	8,858.8	8,556.6	8,530.5	292.7	8,823.2	8,530.5
<b>DEDICATED APPROPRIATIONS:</b>											
<b>TOTAL FINANCING</b>	<b>6,872.3</b>	<b>7,766.0</b>	<b>8,276.9</b>	<b>8,556.6</b>	<b>302.2</b>	<b>8,858.8</b>	<b>8,556.6</b>	<b>8,530.5</b>	<b>292.7</b>	<b>8,823.2</b>	<b>8,530.5</b>
<b>POSITIONS BY FUND</b>											
TRUNK HIGHWAY	201.0	206.0	207.0	207.0	7.0	214.0	207.0	207.0	7.0	214.0	207.0
<b>TOTAL POSITIONS</b>	<b>201.0</b>	<b>206.0</b>	<b>207.0</b>	<b>207.0</b>	<b>7.0</b>	<b>214.0</b>	<b>207.0</b>	<b>207.0</b>	<b>7.0</b>	<b>214.0</b>	<b>207.0</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Federal Single Audit				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 55.6	2.0	\$ 55.4	2.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

Failure to perform this activity could ultimately result in suspension of federal assistance at the recipient and/or subrecipient level if adequate audit coverage and follow-up is not maintained.

RATIONALE:  
 Because of these additional responsibilities, new personnel are necessary to adequately coordinate this activity. Currently the agency is unable to fulfill its responsibility.

GOVERNOR'S RECOMMENDATION:  
 The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway fund are known.

STATEMENT OF REQUEST/OBJECTIVE:  
 The agency requests 2 positions to fulfill its responsibility of ensuring local units of government or non-profit organizations, which are granted federal funds through state agencies, request audits by the State Auditor or CPA firms to report on how those funds were expended. The objective is to establish and monitor a system for promptly resolving and correcting deficiencies in subrecipient single audit reports.

DESCRIPTION/BACKGROUND:  
 The Federal Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-128, "Audit Requirements for State and Local Governments," provide that state governments are responsible for requiring audits of subrecipients to whom they provide federal assistance.

The specific responsibilities agreed to in the Memorandum of Understanding between the United States Department of Agriculture, Minnesota Department of Finance, Minnesota Office of the Legislative Auditor, and Minnesota Office of the State Auditor, requires that state agencies establish and maintain a system for promptly resolving and correcting deficiencies contained in the recipient and subrecipient audit reports.

The Minnesota Department of Finance has designated Mn/DOT as cognizant state agency for certain subrecipients to resolve general findings that may affect Mn/DOT and other state agencies with similar federal programs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

Mn/DOT has both an active employee involvement program and a cost improvement program. The employee suggestion system has traditionally been an integral part of the 2 programs. Now that the state employee suggestion system has been cancelled due to the F.Y. 1986 General Fund cutbacks, the Department of Administration is encouraging individual state agencies that were active in generating cost improvement and productivity improvement suggestions to initiate their own agency program. Mn/DOT intends to aggressively pursue this program and reap the cost savings benefits that result from the 10:1 cost benefit savings ratios that historically have been achieved. Mn/DOT is committed to continuing its employee involvement program and our past experience has shown the employee suggestion system is a fundamental tool for achieving improved productivity. We anticipate that the employee suggestion system will generate improvements with a savings value in excess of \$125,000 a year.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Employee Suggestion System				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 23.9	0	\$ 23.9	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to initiate an employee suggestion system to replace the state suggestion system cancelled due to general fund cutbacks within the Department of Administration in F.Y. 1986. By creating an employee suggestion system in Mn/DOT, it will enable us to maintain and foster one of the strongest productivity improvement programs in state service today and general cost savings that traditionally run at a 10:1 ratio and higher.

DESCRIPTION/BACKGROUND:

The State of Minnesota has been a national leader for at least 25 years in fostering one of the basic employee involvement programs - the employee suggestion system. The Mn/DOT has been the leading advocate and supporter of the program as every year, Mn/DOT generated between 40-50% of all suggestions submitted. The figures for F.Y. 1985 show Mn/DOT employees contributed 152 suggestions, 49 which were accepted and costs savings of over \$118,000 were anticipated.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	1986	1987	1988	1989
Total audio/visual requests	35	40	60	70
Audio/visual productions developed	21	25	35	45

RATIONALE:

It is essential that we obtain a professional full time assistant to the unit manager for the following reasons:

1. The unit manager is the only person on staff who has the skills, knowledges and abilities to plan and produce a video program. His only assistants for the last 2 years have been a student worker and then 2 mobility assignments of highway maintenance workers who have an interest in video work. By the time the unit manager invests the time to get these people up to being productive, they are gone.
2. At the rate we are getting video program requests, by the end of another 2 years, we will be fully 2 years behind in back logged work load requests. This will make us truly unresponsive to our clients' needs.
3. If for any reason, the unit manager left the department, without a trained assistant, the whole video program would come to a dead halt.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Expanded Audio/Visual Program Services	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 33.8	1.0	\$ 33.8	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to expand the audio/visual program to enable the department to meet user needs in the safety program area and training skills area. As of September 1986, there is a backlog of approximately 15 audio/visual requests resulting in a 12-18 month delay of meeting user needs. In addition, the training and development task force which evaluated Mn/DOT's employee development needs has recommended that in the future, more training programs should be developed through using our internal Audio/Visual Services Unit staff. The task force stated there is a need to make innovative use of available and evolving technology such as video and telecommunications to improve the efficient delivery of training to a work force geographically spread across 400 plus work locations throughout the state. This will reduce participant and instructor travel time and expense by effectively moving the training closer to the recipients.

DESCRIPTION/BACKGROUND:

The audio/visual program was originally started in 1977 in response to meeting safety program needs. This enabled the department to develop in-house audio/visual productions at approximately one-half the cost of using professional external sources so that the department's work force could be trained in improved safety practices. As an example, state and county field forces were shown productions on traffic control in short term work zones to learn new/better safety practices in an effort to reduce worker injuries and vehicular accidents in highway construction zones.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Enhanced Information Services				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 16.7	1.0	\$ 16.5	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds and position to provide for an information resources specialist position within the Information Services Section. The objective is to provide our clientele with the quality, professional information services that they require in order to keep abreast of research in other states, avoid duplication of effort, and carry out the work of the agency in the most productive and cost-effective manner. The Information Services Center is the one central point where these needs can be served most efficiently for the agency. We have access to not only our own resources, but also to those of other agencies and libraries nationwide through national on-line databases and cooperative networks.

DESCRIPTION/BACKGROUND:

Mn/DOT employees need to have access to a wide range of information and to be aware of newly produced research and information resources in areas of interest to the agency. Other clientele include employees of other state agencies, legislators, and county and municipal officials. To provide these resources, the Information Services Center researches and acquires resources in response to specific requests, acquires newly published resources in anticipation of employees' needs, organizes them in order to make them accessible, and publicizes their availability through distribution lists. We also participate in cooperative networks with other libraries and information centers from whom we can obtain items that are not in our own collection. The volume and complexity of these activities is steadily increasing, especially as we join other libraries and information centers nationwide in using sophisticated computer databases and related software for better service.

RATIONALE:

Information Services staff must be proficient in searching several different on-line systems with over 200 individual databases available. We have made increasing use over the past 2 years of a computerized cataloging system to index and organize our collections. An automation plan for state agency libraries that was recently requested by the legislature recommends that all catalog records be converted to computer-readable form for loading into a statewide database. This would facilitate sharing among state libraries and help to eliminate unnecessary duplication. Mn/DOT will need to catalog about 5,000 older items for loading into that system in addition to the approximately 2,500 items we acquire yearly through purchase, gift or exchange. Our current amount of sharing within our cooperative networks is already rising, with a 21% increase in the second quarter of calendar year 1986. Our overall request for information will continue to increase as we promote our services under Agency Action Opportunity VIB, "Information Outreach," the objective being better informed employees and better informed citizens. These activities have been performed in the past by a succession of senior paraprofessional student workers. The responsibilities of the position have increased such that a student worker can no longer fulfill them.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: FINANCE & ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Metro Area Safety Services				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 28.7	1.0	\$ 28.6	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests one position for the purpose of providing safety services to 1,405 Mn/DOT employees located in the Central Office, Administrative Truck Center (South St. Paul), Electrical Services Unit, Central Shop, Water Quality Control Unit, all housed at the Fort Snelling building. These employees are currently without the services of a safety officer. This position would also be responsible for the Workers' Compensation Return to Work Program.

DESCRIPTION/BACKGROUND:

Historically, safety was considered one of those programs that was not critical to the successful functioning of an organization. Workers' compensation was considered an uncontrollable cost of doing business.

In recent years with the advent of OSHA laws and the passage of the "Right to Know Law", the role of safety has become critical. Mn/DOT currently has a safety director and 9 safety officers (1 in each district headquarters). The 1,450 employees previously mentioned are without the services of a safety officer. This position would perform the day-to-day monitoring of safety activities in the central office and satellite facilities in the metropolitan area. With the recent changes in workers' compensation laws, it is necessary that we return injured workers to their jobs as soon as possible so as to eliminate additional expenses imposed (two tiered system). Mn/DOT's workers' compensation has risen at an alarming rate; currently costs over \$2 million.

RATIONALE:

Safety activities are becoming increasingly complex. OSHA requirements dictate that we provide training for the handling of hazardous materials and industrial waste as well as the "Right to Know" to all employees on an ongoing basis. Therefore, we are requesting an additional safety officer to inspect and monitor fire preparedness and prevention, occupational safety, employee health and wellness for the Mn/DOT metropolitan facilities which do not have a safety officer.

This position also would coordinate with supervisor, business or office manager, Personnel Office, DOER, Labor and Industry, physician, etc. to see that everything possible is being done to return the employees to productive employment. A similar position has been established at the University of Minnesota. The University of Minnesota and the University Hospital System have a return to work coordinator. They have found that an internal person, familiar with the organization and the jobs available, is more effective and less costly than hiring an outside qualified rehabilitation specialist.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Information Management				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 34.7	1.0	\$ 34.6	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount and position to support the planning for and implementation of a computer based data administration system which will protect the department's data resources, enable better data access, and allow for data integration and sharing.

DESCRIPTION/BACKGROUND:

The department has developed a conceptual approach to structuring the data which is used to support Mn/DOT functions. This approach, when completed, will identify business activities, their interaction, and the data used and needed by the department. Planning for this activity and verification of data collected will be completed in the 1986-87 biennium. The technical implementation of the data base activities is needed in the following biennium. Research into technical alternatives will be needed prior to actual implementation and consultation and coordination with other state agencies will be needed on a technical level.

RATIONALE:

In order to accomplish the implementation of data base technologies and coordinate the technical level computer design and programming of this activity, the agency requests 1 full time position.

**CHANGE REQUEST**

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY: FINANCE AND ADMINISTRATION  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

In order to research new computer technologies, coordinate research completed by other Mn/DOT personnel and review research carried on by other organizations, the agency requests one full time position.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: New Technology Research				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 27.8	1.0	\$ 27.7	1.0
 <b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency request the above amount and position to support the investigation and research of the use of new and emerging computer technology for increased productivity within departmental functions.

DESCRIPTION/BACKGROUND:

The department has effectively implemented computer technology in many areas. The expansion of technology in areas such as graphics, data collection, robotics and other areas of computer usage necessitates ongoing research into new areas where technology can be applied and into new technologies which are developing. While some have continued to research these areas, coordination is needed.

Many areas of technology need to be used by the department in delivery of its program to the citizenry. The improved usage of new computer technologies is essential. The type of technologies for automatic monitoring of conditions from weather to road surfaces, from data collection to public dissemination of information, and from the use of robotics in maintenance activities to effective decision support systems is ever increasing in this information age. Coordination of research in these areas needs to be undertaken along with documentation standards to assure that the most appropriate technologies for increased productivity and safety are implemented.

ACTIVITY: GENERAL SERVICES  
 Program: GENERAL SUPPORT SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

OBJECTIVE:

1. Provide efficient, safe working quarters for all department central office staff.
2. Provide office supplies necessary to facilitate the department's activities.
3. Design, develop and support all planned data processing systems.
4. Establish service contracts for buildings, data processing and other office equipment.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Data processing systems developed and maintained				
. Active systems supported and enhanced	8	8	10	10
. Major systems completed	4	2	3	3
. Small to medium active systems completed	4	5	5	5
. Other systems developed	1	2	2	2

DESCRIPTION:

The general services activity exists to: 1) provide leased work space and attendant housekeeping services for Minnesota Department of Transportation (Mn/DOT) central office personnel, whether working in the transportation building or housed elsewhere; 2) purchase central office storeroom supplies which furnish Mn/DOT employees statewide with necessary forms, office supplies and materials, and printed materials; 3) provide for equipment lease and service contracts; 4) secure Department of Administration Information Service Bureau or consultant services needed to develop data processing systems that enhance the productivity of department employees; 5) provide for the printing of the state transportation map; 6) provide blueprinting and reproduction services for Mn/DOT; 7) provide executive decision making and audit functions through the Office of the Commissioner; and 8) perform other administrative services for department management.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Leases maintained	5	5	5	5
Square footage leased	71,615	51,100	51,100	51,100
Office supply orders/items provided within 48 hours	27,100	27,600	28,100	28,600
Number of computer inventory entries processed	27,500	28,500	29,000	29,500

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Data Processing Development and Equipment	362.3	186.3	Program Wide
Engineer Rotation Training Program	204.6	203.9	Activity Specific
State Aid Agreement Audits	28.3	28.2	Activity Specific
Highway Program Implementation Staff	36.6	36.5	Activity Specific
Transportation Building Modifications	200.0	200.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GENERAL SERVICES

PROGRAM: GENERAL SUPPORT SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,858.1	9,494.4	6,156.0	7,355.1	831.8	8,186.9	7,355.1	7,425.1	654.9	8,080.0	7,425.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>8,858.1</b>	<b>9,494.4</b>	<b>6,156.0</b>	<b>7,355.1</b>	<b>831.8</b>	<b>8,186.9</b>	<b>7,355.1</b>	<b>7,425.1</b>	<b>654.9</b>	<b>8,080.0</b>	<b>7,425.1</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,521.1	1,726.1	1,625.2	1,705.2	266.3	1,971.5	1,705.2	1,699.7	265.4	1,965.1	1,699.7
EXPENSES & CONTRAC. SERV	4,765.4	4,141.1	4,293.9	5,138.4	565.3	5,703.7	5,138.4	5,198.2	389.3	5,587.5	5,198.2
SUPPLIES & MATERIALS	386.0	532.8	82.9	511.5	.2	511.7	511.5	527.2	.2	527.4	527.2
EQUIPMENT	2.9	419.1	154.0								
OTHER EXPENSE ITEMS	2,182.7	2,675.3									
<b>TOTAL STATE OPERATIONS</b>	<b>8,858.1</b>	<b>9,494.4</b>	<b>6,156.0</b>	<b>7,355.1</b>	<b>831.8</b>	<b>8,186.9</b>	<b>7,355.1</b>	<b>7,425.1</b>	<b>654.9</b>	<b>8,080.0</b>	<b>7,425.1</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	37.9	38.5	39.0	38.9		38.9	38.9	41.6		41.6	41.6
STATE AIRPORTS	58.6	60.3	60.9	78.8		78.8	78.8	83.1		83.1	83.1
TRUNK HIGHWAY	6,578.9	6,720.3	6,056.1	7,237.4	831.8	8,069.2	7,237.4	7,300.4	654.9	7,955.3	7,300.4
DEDICATED APPROPRIATIONS:											
STATE AIRPORTS	55.8	58.9									
TRUNK HIGHWAY	2,001.6	2,298.1									
HGHMY USER TAX DISTR	125.3	318.3									
<b>TOTAL FINANCING</b>	<b>8,858.1</b>	<b>9,494.4</b>	<b>6,156.0</b>	<b>7,355.1</b>	<b>831.8</b>	<b>8,186.9</b>	<b>7,355.1</b>	<b>7,425.1</b>	<b>654.9</b>	<b>8,080.0</b>	<b>7,425.1</b>
POSITIONS BY FUND											
TRUNK HIGHWAY	41.0	40.0	47.0	47.0	9.0	56.0	47.0	47.0	9.0	56.0	47.0
<b>TOTAL POSITIONS</b>	<b>41.0</b>	<b>40.0</b>	<b>47.0</b>	<b>47.0</b>	<b>9.0</b>	<b>56.0</b>	<b>47.0</b>	<b>47.0</b>	<b>9.0</b>	<b>56.0</b>	<b>47.0</b>

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL SERVICES  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

The Minnesota State Board of Registration requires 4 years of engineering experience prior to registration. It takes a minimum of 5 years for an engineer in Mn/DOT to be fully functional as a project leader. Engineers hired in F.Y. 1988 will need until at least F.Y. 1993 to become fully competent. Therefore, we must begin immediately to replace our engineering talent for the future.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Engineer Rotation Training Program	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 204.6	7.0	\$ 203.9	7.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds and positions be added to the graduate engineer rotation training account. These positions will help to build engineering talent in preparation for a high retirement rate in the next 5 years.

DESCRIPTION/BACKGROUND:

The Mn/DOT graduate engineer rotation training program is designed to train and develop graduating engineers so they have a working knowledge of several Mn/DOT disciplines (e.g. design, construction, computer aided engineering). All employees entering Mn/DOT at the graduate engineer level have a 24 month developmental plan. During the rotation program, the graduate engineers are required to spend time in the districts and in different areas of central office. In addition, they receive technical training such as Federal Highway Administration courses.

There are currently 18 complement positions on the graduate engineer rotation training account. These positions are occupied for approximately 2 years until the incumbent is ready for a permanent assignment. A new engineer is then put into the position. Since there is a very high potential attrition rate (50%) for engineers in Mn/DOT within the next 5 years due primarily to retirement, there is a replacement need of approximately 25 engineers each year. We anticipate some of these positions could be filled at the graduate engineer II or senior engineer level, however, the majority will be filled at the entry level. The additional 7 positions would enable us to put approximately 16 new engineers on the training account in F.Y. 1988. (Since there is a 2 year rotation, we now have approximately 9 new positions available each year.)

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: GENERAL SERVICES  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: State Aid Agreement Audits				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 28.3	1.0	\$ 28.2	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Mn/DOT Audit Section has the responsibility of auditing all state aid agreements which includes their consultants. Currently, a temporary position is handling this responsibility. The objective is to provide a full time position and associated expenses to perform these duties.

DESCRIPTION/BACKGROUND:

The Office of State Aid has approximately 40 to 50 agreements with counties/municipalities that are subject to audit. The majority of these also include consultants. The total value of the agreements ranges from \$14 to \$20 million.

RATIONALE:

Previously, the force account work was performed by the state aid accountant in the Accounting and Finance Section. The Federal Highway Administration indicated that this was a conflict of interest and was no longer an acceptable practice. The workload was moved to the Audit Section and a temporary position was established to handle some of the workload.

The purpose of this position is to ensure continual federal funding for state aid agreements and to require accountability for state aid funds.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: GENERAL SERVICES  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Highway Program Implementation Staff				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 36.6	1.0	\$ 36.5	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE:

In 1986, this agency adopted a "statewide comprehensive reconstruction and maintenance strategy" to minimize disruptions to motorists, businesses, and neighborhoods as a result of reconstruction and continuing maintenance of important highway corridors. This was done in response to an identified need to maintain reasonable access and traffic flows at all times. A major contributor to congestion is lack of coordination between state, county and municipal agencies performing construction and maintenance activities. Such activities are frequently scheduled concurrently on parallel routes thereby effectively diminishing the options available to drivers. The scope and magnitude of effort needed to identify, coordinate, and integrate the construction and maintenance activities of the various parties is such that an increase in complement will contribute to a more timely and effective implementation.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests a complement increase of 1 senior engineer to facilitate highway program implementation. The objective is to coordinate/integrate activities between Mn/DOT divisions and districts and local agencies such as Hennepin and Ramsey counties in producing a strategic construction programming process and to evaluate program delivery effectiveness. Integrating construction program delivery will minimize adverse effects and inconveniences to the highway user.

DESCRIPTION/BACKGROUND:

Our large construction program has caused local access restriction and congestion problems for the traveling public, particularly in the metropolitan area. This situation is compounded by a parallel increase in construction activity by cities and counties. To address this issue, a special assistant to the commissioner is now charged with assuring that we produce and manage a strategic program implementation process to maintain access for people and commerce to all parts of the state during the construction season. To date, these activities have been accomplished through reassignment and/or increased responsibilities for current staff.



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL SERVICES  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Transportation Building Modifications				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 200.0	0	\$ 200.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

Approval of this request will provide additional funds for modifications to the transportation building in order to make more efficient use of space in the building. The objective is to accommodate additional space needs for offices headquartered in the building without renting additional outside space.

DESCRIPTION/BACKGROUND:

The transportation building was designed and constructed over 30 years ago for the Minnesota Department of Highways. In the time that has elapsed, many organizational, functional, technological, and social changes have occurred making the original space layouts obsolete. Unfortunately, Mn/DOT is still living with many of these original layout constraints. This makes for very inefficient use of space and an ever increasing demand for additional costly rental space. Mn/DOT is currently renting nearly 48,000 square feet of rental space outside the transportation building at an annual cost of nearly \$250,000. We do not wish to add to this annual expense.

RATIONALE:

More efficient use of space can be accomplished through use of modern equipment and materials which were not available when the building was designed over 30 years ago. Employee productivity can be enhanced by providing a work environment more suitable to today's office functions. Long term savings can be generated by avoiding additional space rental costs through more efficient use of existing space. This cannot be accomplished without a significant expenditure for remodeling and modifications.

ACTIVITY: EQUIPMENT  
 Program: GENERAL SUPPORT SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

The equipment activity provides in a timely manner the tools, equipment and work environment for department employees to accomplish their activities through a careful selection and distribution of the most appropriate and cost effective equipment. Specifically:

1. Purchase new or used road equipment which will satisfy one or more of the following criteria:
  - a. increase efficiency and productivity,
  - b. provide more economical operations,
  - c. compensate for changes in workloads, and
  - d. standardize the fleet, thereby simplifying parts inventory, repair procedures and interchangeability.
2. Insure provision of equipment to continue various specialized programs in testing, research, surveying and mapping.
3. Upgrade existing communications equipment and place equipment to satisfy immediate communication needs, enhance employee safety, and more effectively deploy personnel.
4. Insure availability of equipment to perform required maintenance on the department's equipment, buildings, bridges and rights of way.
5. Provide office furniture, machines, and drafting and mobile graphic/audio visual equipment.

DESCRIPTION:

This activity provides equipment which enables the department to continue to provide a high level of service to the public. Equipment purchased by this activity falls into 6 categories: 1) road equipment consisting of motorized propelled and non-propelled units, non-motorized equipment and miscellaneous equipment used by field operations activities; 2) scientific equipment, consisting of lab, safety, and surveying equipment used for testing, research and project monitoring conducted by the department; 3) electronic communications equipment, consisting of mobile radios, portable radios, base/repeater stations, and remote consoles used in support of the electronic communications activity; 4) shop equipment, consisting of the tools necessary for servicing and maintaining the department's equipment, buildings, and bridges; 5) office equipment, including office machines, engineering and drafting equipment, photographic and audio visual equipment and office furniture; and 6) data processing equipment, including mini and micro computers, desk top work stations, automated road design work stations, and data entry terminals.

Purchases are made when: 1) it has been determined it is more cost effective to purchase equipment in lieu of maintaining existing equipment; or 2) it is necessary to introduce new, more productive types of equipment to offset increases in workloads or meet required standards. When appropriate, a purchase vs. rental analysis is made prior to purchase to determine the most cost effective method of equipment acquisition. Achieving the best return with the resources expended, in terms of both individual pieces and overall classes of equipment, is the primary function of such an evaluation.

The following criteria are used to evaluate potential equipment purchases:

1. Age of existing equipment - is it at a point in its economic life when replacement is required?
2. Usage - for a given age, does equipment warrant replacement on the basis of utilization?
3. Condition - what is the physical and mechanical condition of the equipment scheduled for replacement?
4. Economics - what are the replacement costs vs. cost of continued ownership for another 12 months, based on the above 3 criteria?

An additional consideration that applies most directly to data processing equipment is as follows:

5. Obsolescence - is there a need to upgrade to match the current technology in order to enable increased productivity?

The department has experienced an average annual increase in road equipment costs of approximately 11% since 1974.

ACTIVITY STATISTICS:

Road Equipment  
Current Fleet Size and Composition

DESCRIPTION	PRESENT NUMBER OF UNITS	ESTIMATED REPLACEMENT COST AT 1986 PRICES
Passenger Cars & Stationwagons	336	\$ 2,802,000
Light Trucks, Pickups, Panel, Etc.	1,110	10,368,000
Med. Trucks, Stake 1½ - 3 tons	301	6,932,000
Single Axle Dump Truck	592	21,786,000
Tandem Axle Dump Truck	213	11,182,000
Heavy Trucks, 4-10 tons & Snowgo	44	5,880,000
Motor Graders	100	9,800,000
Tractors, Loaders, Shovels	438	14,832,000
Snow & Ice Control--Plows, Sanders	3,057	9,311,000
Power Brooms, Joint Cleaning & Sealing	454	6,183,000
Mowers & Vegetation Control	1,963	8,655,000
Boilers, Tanks, Bituminous Appl.	752	4,417,000
Gravel Handling, Soil & Core Testing	110	3,170,000
Traffic Marking & Concrete Equipment	486	2,603,000
Roller, Self-Propelled and Pull Compactor	131	1,643,000
Trailers	699	2,730,000
Miscellaneous Equipment	190	2,178,000
	10,979	\$ 125,019,000

ACTIVITY: EQUIPMENT  
(Continuation)

1987-89 Biennial Budget

Program: GENERAL SUPPORT SERVICES  
Agency: TRANSPORTATION, DEPARTMENT OF

<u>Data Processing Equipment:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Desk top work stations-total	300	400	500	600
Automated Road Design work stations-total	30	36	45	55

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Data Processing Equipment	\$ 2,044.2	\$ (675.6)	Program Wide
Road Equipment	3,575.3	2,918.0	Activity Specific
Scientific Equipment	429.5	293.3	Activity Specific
Electronic Communications Equipment	55.1	25.9	Activity Specific
Shop Equipment	82.7	82.7	Activity Specific
Office Equipment	856.8	456.5	Activity Specific
Building Local Area Network	272.0	136.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EQUIPMENT

PROGRAM: GENERAL SUPPORT SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	8,004.4	13,014.0	9,170.4	9,987.5	7,315.6	17,303.1	9,972.5	9,987.6	3,182.8	13,170.4	9,963.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>8,004.4</b>	<b>13,014.0</b>	<b>9,170.4</b>	<b>9,987.5</b>	<b>7,315.6</b>	<b>17,303.1</b>	<b>9,972.5</b>	<b>9,987.6</b>	<b>3,182.8</b>	<b>13,170.4</b>	<b>9,963.8</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	55.2	569.3			272.0	272.0			136.0	136.0	
SUPPLIES & MATERIALS	216.7	491.1									
EQUIPMENT	7,732.5	11,868.3	9,170.4	9,987.5	7,043.6	17,031.1	9,972.5	9,987.6	3,046.8	13,034.4	9,963.8
OTHER EXPENSE ITEMS		85.3									
<b>TOTAL STATE OPERATIONS</b>	<b>8,004.4</b>	<b>13,014.0</b>	<b>9,170.4</b>	<b>9,987.5</b>	<b>7,315.6</b>	<b>17,303.1</b>	<b>9,972.5</b>	<b>9,987.6</b>	<b>3,182.8</b>	<b>13,170.4</b>	<b>9,963.8</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	20.5	.9	8.4	4.7	15.7	20.4	4.7	4.7	13.5	18.2	4.7
STATE AIRPORTS	1.8	146.5	16.9	80.7	15.0-	65.7	65.7	80.7	23.8-	56.9	56.9
TRUNK HIGHWAY	7,982.1	12,866.6	8,852.9	9,602.1	7,314.9	16,917.0	9,602.1	9,602.2	3,193.1	12,795.3	9,602.2
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY			292.2	300.0		300.0	300.0	300.0		300.0	300.0
<b>TOTAL FINANCING</b>	<b>8,004.4</b>	<b>13,014.0</b>	<b>9,170.4</b>	<b>9,987.5</b>	<b>7,315.6</b>	<b>17,303.1</b>	<b>9,972.5</b>	<b>9,987.6</b>	<b>3,182.8</b>	<b>13,170.4</b>	<b>9,963.8</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Road Equipment				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Trunk Highway Fund	\$ 3,575.3	0	\$ 2,918.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to modernize its equipment fleet. The objective is to re-establish an adequate equipment replacement program to allow the agency to accomplish its activities with modern, productive, efficient equipment.

DESCRIPTION/BACKGROUND:

Mn/DOT owns and operates approximately 11,000 pieces of equipment. The agency has established replacement criteria based on economic life expectancy (examples in Table 2). As a result of funding priorities in the past bienniums, the agency has not been able to maintain an adequate replacement or upgrading program. Consequently, the agency's fleet has rapidly aged, becoming less efficient/productive with greater frequency of repairs and breakdowns as equipment has been kept well beyond its economical life. This request is the first step toward re-establishing a sound replacement program over the next few bienniums to support the agency's commitment to increased efficiency and productivity of its maintenance, construction and planning activities. The funding level requested will provide the agency with a partial catch up for several years of under funding this activity.

Inflation increases in equipment costs have greatly reduced the purchasing power of the funds previously allocated for equipment replacements. Table 1 shows various equipment cost comparisons over the past 12 years.

The agency has experienced an average annual increase in its equipment replacement costs of over 11% per year since mid-1974 while the funding of this activity has increased on an average of 2% per year during the same time period. As a result the agency has not been able to adequately replace needed equipment and this has reduced the agency's productivity and efficiency.

STATISTICS:

Table 1

ROAD EQUIPMENT  
 COST (\*) COMPARISON FOR MAJOR TYPES OF EQUIPMENT  
 1974-1986

CLASS	DESCRIPTION	COST 1974	COST 1978	COST 1982	COST 1986	AVERAGE ANNUAL % INCREASE IN COST
13	Station Wagon	\$ 3,198	\$ 5,061	\$ 7,500	\$ 9,960	17.6
15	Van - Econoline	4,125	5,697	9,200	13,400	18.7
18	1/2 Ton Pickup - Reg.	2,695	4,173	6,570	7,400	14.5
19	6 Passenger Pickup	3,850	5,370	8,715	12,050	17.7
33	Single Axle Dump	17,515	27,181	40,800	46,210	13.7
35	Tandem Axle Dump	24,296	37,159	52,000	60,700	12.5
62	Motor Grader	42,193	0	70,500	72,600	6.0
76	F.W.D. Loaders (2 cy)	0	32,670	44,900	45,100	4.8
83	Single Stage Snow Blower	10,450	17,340	26,900	36,200	20.5
90	Tailgate Sander	594	708	0	940	4.9
98	Pickup Sweeper	0	39,612	55,800	67,400	8.8
AVERAGE						11.3

(\* Gross prices before trade in)

Table 2

AGENCY'S FLEET AGE STATUS

DESCRIPTION	REPLACEMENT CRITERIA (YRS)	NO. OF UNITS OLDER THAN CRITERIA AFTER F.Y. 1987 (% OF UNITS)	NO. OF UNITS OLDER THAN CRITERIA AFTER F.Y. 1989 (% OF UNITS)
Passenger Cars	6	155 (45%)	112 (33%)
Survey Trucks	8	24 (41%)	28 (50%)
Pickup Trucks	8	305 (40%)	202 (25%)
Motor Graders	20	25 (25%)	38 (37%)
Snowplow Trucks-Single Axle	12	112 (20%)	111 (20%)
-Tandem	12	19 (9%)	35 (17%)
Loaders	12	25 (30%)	36 (43%)
Forklifts	15	14 (78%)	14 (78%)
Centerline Stripers	15	7 (58%)	3 (25%)
Tractor Mowers	20	32 (10%)	94 (28%)

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Table 3

PROPOSED DISTRIBUTION OF REPLACEMENT DOLLARS

CATEGORY	COST	PERCENTAGE
Passenger Vehicles	\$ 915,800	5.1
Light Duty Trucks	2,607,700	14.6
Medium Duty Trucks	819,400	4.6
Snowplow Trucks	6,490,000	36.3
Motor Graders	980,000	5.5
Material Handling	1,535,400	8.6
Aerial Equipment	521,800	2.9
Snow and Ice Auxiliary	786,000	4.4
Material Spreading	273,700	1.5
Bituminous Equipment	184,300	1.0
Concrete Equipment	59,400	0.3
Joint Equipment	176,200	1.0
Compaction Equipment	146,400	0.8
Testing Equipment	253,800	1.4
Traffic Control Equipment	628,680	3.5
Sweep and Debris Equipment	302,500	1.7
Mowing Equipment	577,000	3.2
Agricultural & Landscape Equipment	129,400	0.7
Air Compressors	192,000	1.1
Trailers	218,000	1.2
Miscellaneous Equipment	99,200	0.6
	<u>\$17,896,680</u>	<u>100.0%</u>

RATIONALE:

Of the \$19.5 million request, \$17.9 million is for replacement equipment as shown in Table 3. The remaining \$1.6 million is to upgrade existing equipment or purchase additional under new initiatives. This request is necessary to start a phased equipment replacement program over the next several bienniums.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The materials engineering area is developing small testing laboratories in 4 remote districts; Bemidji, Duluth, Willmar and Mankato. This will reduce peak workloads at the main St. Paul lab and reduce shipping expenditures.

RATIONALE:

The major emphasis in the scientific equipment area is on replacement of aging equipment, utilization of new technology equipment, and decentralization of materials testing. All of these areas will keep costs low by less down time, less equipment maintenance expenditures, fewer materials shipments to the St. Paul lab, or replacement of labor intensive systems with automation.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Scientific Equipment

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Trunk Highway Fund	\$ 429.5	0	\$ 239.3	0
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

- The agency requests the above amount for the following areas:
- . testing equipment for concrete compression, asphalt, air entrainment and monitors for noise and carbon monoxide levels
  - . decentralization of testing in the materials engineering area
  - . automated data collection equipment to implement system-wide monitoring program of truck types and axle weights
  - . portable traffic counters for the traffic engineering area
  - . replacement equipment for materials testing and electronic distance measuring devices in the surveys area

DESCRIPTION/BACKGROUND:

A recently completed study has identified a process and locations for monitoring vehicles utilizing automated classifiers and weigh-in-motion. Testing of automated classifiers and weigh-in-motion has proven them to be both accurate and reliable. The agency intends to begin the implementation of a system-wide use of automated equipment to replace the current programs which were limited in scope by high labor costs.

The agency wishes to focus on a major replacement program for aging scientific equipment. Repairs and down time are increasing and becoming a serious problem to district personnel. This is particularly evident in the land survey area where costly electronic distance measuring devices need to be replaced; automatic levels and theodolites. The existing falling weight deflectometer in the materials engineering area, has serious maintenance problems resulting in 50% down time during F.Y. 1986.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Road construction has increased in the metropolitan districts and the Rochester district. Further, winter construction activity has expanded. Maintenance vehicle radios that are being transferred to construction vehicles during the summer construction season cannot be used for winter construction activities as they are required in snow removal operations. Additional mobile radios are required by additional construction personnel and for winter construction activities.

The increased use of modern synthesized radio equipment has obsoleted many of the older servicing testing procedures. Spectrum monitors are required for measurements and tuning procedures on new type design mobile radio equipment. They are also needed for tracking radio interference under increased frequency congestive conditions. Spectrum monitors are presently assigned on a regional basis. This has become extremely inefficient due to the increased use. Additional spectrum monitors are requested to equip all radio shops and to replace one obsolete unit.

RATIONALE:

The justification for additional department electronic equipment is summed up as follows:

An additional radio repeater is required to improve marginal radio communications in southern Dakota County. The population and activity has greatly expanded in this area. The safety of personnel and efficiency of maintenance operations are affected by unreliable radio communications. The State Patrol are experiencing similar problems. A joint site will result in substantial savings by the state.

Additional mobile radios are required for the increased road construction activity in the metro and Rochester districts. Construction personnel are inefficient without radio communications from their vehicle. There presently are inspectors responsible for 5-8 construction projects at the same time. Radio communications are essential for coordination of multiple projects by one inspector.

Spectrum monitors are now required to efficiently and effectively service modern digitized synthesized mobile radio equipment. The present method of assigning spectrum monitors on a regional basis, rather than to each radio repair service shop, is inefficient, unproductive and not cost effective.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Electronic Communications Equipment	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 55.1	-0-	\$ 25.9	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

- The agency requests the above dollars to fund 3 major areas:
- to construct a repeater facility in southern Dakota County
  - to purchase additional mobile radios required for expanded road construction activity in the Oakdale, Golden Valley and Rochester districts;
  - to purchase spectrum monitors to equip all Mn/DOT radio repair facilities.

DESCRIPTION/BACKGROUND:

The radio coverage of the Mn/DOT radio communication system and the State Patrol radio system in southern Dakota County is marginal and unreliable. Mn/DOT is proposing to construct an additional radio repeater facility in this area to improve communications. It is intended that this site will be shared by the State Patrol radio system.

Due to the rapid increase in population and traffic in southern Dakota County over the past few years, maintenance and construction activities have increased. Unreliable radio communications can no longer be tolerated. Communications are generally unusable under adverse weather conditions. Maintenance activities, such as storm clean-up and snow removal operations, are heaviest during adverse weather.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

The agency has experienced significant increases in needs for the purchase of shop equipment to adequately support its employees. With an expenditure of \$204.0 in F.Y. 1986, the agency had identified another \$160.0 of shop equipment which should have been purchased which is carried over into F.Y. 1987. Without increased funding, employee efficiency and productivity will be reduced, resulting in lower levels of service provided to the public.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title: Shop Equipment				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 82.7	0	\$ 82.7	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUESTS/OBJECTIVE:

The agency requests the above amount to purchase shop equipment, including hand tools used in the maintenance of pavements, bridges and drainage structures, buildings and road equipment.

DESCRIPTION/BACKGROUND:

The agency is committed to improving its efficiency and service to the public. As a result of the maintenance action committee and agency's employee involvement programs, equipment is needed to support recommendations for operational improvements. Many of the recommendations for operational improvements identified significant increases in the purchase of small efficient hand tools to make the agency's employees productive in the maintenance of pavements, bridges and drainage structures, buildings, and road equipment.

Listed are the total shop equipment expenditures for F.Y. 1986-89.

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Shop Expenditures (\$ thousands)	\$204.0	\$193.0	\$267.3	\$267.3

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Office Equipment				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 836.1	0	\$ 445.8	0
State Airports Fund	5.0	0	(2.8)	0
General Fund	15.7	0	13.5	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
State Airports Fund	5.0	-0-	(2.8)	-0-
General Fund	-0-	-0-	-0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

- The agency requests the above amount for the following:
- . to replace obsolete cafeteria equipment and furniture at the Mn/DOT and Civil Defense Training Center located in Arden Hills, and to install projection equipment.
  - . to purchase the keyed telephones, in Mn/DOT's Central Office Building and new telephone systems for Bemidji and Detroit Lakes district headquarters.
  - . to purchase a replacement blueprinter for a current 26 year old machine.
  - . to purchase new office furniture or equipment for new buildings or additions at Duluth and Bemidji and for new travel and information centers at St. Cloud and Worthington.
  - . to provide modular furniture and ergonomic furniture for central office and new technology work stations statewide.

The objective is to replace obsolete equipment and to provide adequate furniture and equipment to allow department employees to effectively perform their duties.

DESCRIPTION/BACKGROUND:

The agency will complete construction of a new headquarters building in Bemidji, and a new addition to the Duluth headquarters building. Two travel and information centers, St. Cloud and Worthington, will be completed in F.Y. 1989. The information centers will need new equipment for staff and visitors, while the other new facilities will need a substantial amount of new or replacement equipment, however some existing equipment will be utilized.

Also the agency has some obsolete equipment and furniture at the Mn/DOT and Civil Defense Training Center which makes the most efficient and effective use of the facility a difficult goal to attain. Many items of equipment have no replacement parts available on the market. Another obsolete item of equipment is a 26 year old blueprinter, the replacement of which would decrease maintenance expenditures and permit higher speed blueprinting.

Also the agency plans to purchase electronic key system telephones, in the central office, currently leased from Northwestern Bell. The initial purchase price will be paid back in less than 2 years by the savings from the current leasing agreement. The resultant Mn/DOT owned system will more readily conform to the building wiring system and be more versatile.

Also, the agency is planning to utilize more modular furniture in the central office and to use ergonomic furniture for new technology work stations statewide. Modular furniture and work stations provide for more effective and efficient use of office space.

RATIONALE:

The request provides for replacement of obsolete equipment that hinders the most efficient use of resources. It also provides for new or replacement furniture or equipment for new work facilities.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for the State Airports Fund. No additional funding is recommended from the General Fund. The Governor will consider making additional Trunk Highway Fund recommendations in March when available revenues are known.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: EQUIPMENT  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

- Allows quicker and broadened access to information needed for decision-making
- Provides easily managed wiring plant characterized by modularity, fire code compliance, and accommodation of future requirements
- Allows simplified compliance with provisions of the Data Practices Act through improved and secure data base management
- Enables more effective utilization of existing and future data processing hardware and software
- Permits ready access to external networks and broader resource bases.

Request Title: Transportation Building Local Area Network				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 272.0	0	\$ 136.0	0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests one-half of the projected cost of installing a local area network within the Transportation Building over a 4 year time period. It includes funds for network interface equipment, as well as standardized wiring throughout the building to support the network. The local area network will provide Mn/DOT with the ability to interconnect most computing and video devices within the building.

DESCRIPTION/BACKGROUND:

A pilot local area network system was initiated during the current biennium in response to the proliferation of computer cabling requirements, rising device installation and relocation costs, and increasing difficulties associated with a distributed, multi-vendor computing environment.

RATIONALE:

Local area networking essentially consists of specialized cable for transporting data communications and network hardware, firmware, and software necessary to manage the accurate and timely transmission of data within the network. Working together in a managed environment, it permits full communication between all data processing devices in the network. In general, networking does the following:

- Reduces installation/relocation costs
- Allows expanded and shared use of peripheral equipment, such as printers
- Lowers application software costs

ACTIVITY: LEGAL SERVICES  
 Program: GENERAL SUPPORT SERVICES  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

To provide legal counsel so that the department is represented in all routine legal matters.

DESCRIPTION:

The legal services activity exists so that legal counsel may be purchased by the Minnesota Department of Transportation (Mn/DOT) from the Attorney General through assignment of a Deputy Attorney General and staff. This staff is housed within the Transportation Building and represents Mn/DOT in legal matters by:

1. Providing competent representation in litigation; litigation is conducted in a manner that will result in the fair and reasonable enforcement of the law.
2. Providing representation in administrative proceedings, title searches, contract reviews, eminent domain proceedings and filing of legal documents.
3. Rendering day-to-day legal advice involving statutory interpretation.
4. Conducting tort liability investigation and defense.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
New parcels in condemnation	339	350	350	300
Commissioner's awards filed	194	225	225	200
Appeals to district court	32	45	45	40
Settlements	44	50	50	45
Jury verdicts	21	25	25	20
Damage case collection (\$ thousands)	\$ 122.7	\$ 125.0	\$ 125.0	\$ 125.0
Settlement savings from contractor claims (\$ thousands)	\$ 2,852.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Legal Services Cost Increase	\$ 84.8	\$ 135.8	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LEGAL SERVICES

PROGRAM: GENERAL SUPPORT SERVICES

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	864.2	1,108.6	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
SUPPLIES & MATERIALS	10.4	17.5									
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	874.6	1,126.1	988.2	988.2	84.8	1,073.0	988.2	988.2	135.8	1,124.0	988.2
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: LEGAL SERVICES  
 PROGRAM: GENERAL SUPPORT SERVICES  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Legal Services Cost Increase				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 84.8	0	\$ 135.8	0
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to reimburse the general fund for costs of attorney general services performed for the Department of Transportation. Greater activity related to construction contracts and agreements, litigation and tort liability defense has caused increased usage of services from the Attorney General's Office.

DESCRIPTION/BACKGROUND:

All legal services required by the Department of Transportation are provided by or through the Office of the Attorney General. Since the Attorney General's staff is paid from the general fund, reimbursement of legal costs attributable to trunk highway activities is made from the trunk highway fund to the general fund from this budget.

RATIONALE:

The additional funding will allow full reimbursement to the general fund for the increased cost of services provided by the Attorney General for trunk highway activities.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

PROGRAM: AERONAUTICS  
Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

The aeronautics program exists to ensure the safety, utility and availability of air transportation and related facilities for all present and potential users. This program provides educational, technical and financial assistance to the municipalities owning and operating 141 public airports, over 6,000 aircraft owners, approximately 15,000 pilots, over 10 million persons using scheduled air service in Minnesota each year and the Civil Air Patrol. This program also provides air transportation service to state officials and employees, thereby improving productivity.

OPERATION:

This program is professionally administered to utilize federal and state funding programs in the most cost-effective manner as a system of air transportation is developed and maintained. The aeronautics program is accomplished through 4 activities: aeronautics operations, airport development and assistance, air transportation services, and the Civil Air Patrol

1. The aeronautics operations activity provides service and enhances the safety of air travel in Minnesota through aircraft registration, licensing and inspection, safety education, aerospace film library and searching for downed aircraft. The safety, utility and availability of air transportation is ensured through enforcement of departmental rules pertaining to the operation of aircraft, the operation of airports, and other aviation related activities; promotion of aviation safety and aerospace education; and efforts to protect the navigable airspace.
2. The airport development and assistance activity provides technical and financial assistance for development and maintenance of airport facilities and navigational aids. This activity also ensures adequate air service to Minnesota by major air carriers as well as by scheduled commuter service to smaller cities. Financial assistance for airports and navigational aids is provided from the state airports fund and from federal airport improvement funds. This assistance is provided to all aspects of aviation and aeronautical development which is:
  - . preceded by sound, comprehensive planning
  - . included in the state's aviation development guide
  - . well designed in accordance with current state and federal standards
  - . adequately protected by airport land-use and safety zoning
  - . properly operated and maintained.
3. The air transportation services activity increases the productivity of state officials and employees by providing safe air transportation on state owned aircraft and by arranging for commercial air travel accommodations for department personnel.
4. The Civil Air Patrol activity provides funding to that organization to assist in supporting their programs of aviation education, transportation of blood and organs, and aerial support during emergency situations such as forest fires, floods, lost persons, and missing aircraft.

EXPLANATION OF BUDGET REQUEST:

The level of funding requested for this program is based on full utilization of anticipated revenues to the State Airports Fund available for each fiscal year. Federal aid for airport capital improvements is estimated at \$20.9 million in F.Y. 1988 and \$21.8 million in F.Y. 1989; which is contingent on congressional appropriations.

Major CHANGE items are requested for the program as follows: CHANGE \$57.0 in F.Y. 1988 and \$99.0 in F.Y. 1989 for Aeronautics Operations to disseminate aviation weather information. For Airport Development and Assistance, a CHANGE of \$65.0 in F.Y. 1988 for a grant to the Minnesota Historical Society; CHANGE of \$96.0 in F.Y. 1988 and \$96.0 in F.Y. 1989 for increasing maintenance grants; CHANGE of \$278.5 in F.Y. 1988 and \$270.6 in F.Y. 1989 for disseminating live color weather radar information; and CHANGE of \$550.0 in F.Y. 1988 and \$550.0 in F.Y. 1989 for supporting installation of precision landing systems. CHANGE in F.Y. 1988 for 2 additional pilot positions in Air Transportation Services. CHANGE of (\$740.0) in F.Y. 1988 and \$120.3 in F.Y. 1989 in airport construction grants to balance the total budget request for the Aeronautics program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$65.0 for a Historical Society grant, \$16.0 for the Civil Air Patrol, and \$25.1 for Severance Pay.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: AERONAUTICS

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
AERONAUTICS OPERATIONS	492.2	1,001.8	1,015.6	1,037.6	72.5	1,110.1	1,110.1	1,037.7	140.5	1,178.2	1,178.2
AIRPORT DVLPMNT & ASSISTNC	20,558.4	32,380.3	31,083.9	31,001.1	456.4	31,457.5	31,378.0	31,835.9	1,143.2	32,979.1	32,968.5
AIR TRANSPORTATION SVCS	610.0	1,039.8	497.1	638.1	12.1	650.2	650.2	588.0	12.1	600.1	600.1
CIVIL AIR PATROL	45.0	65.0	65.0	65.0	6.0	71.0	65.0	65.0	10.0	75.0	65.0
<b>TOTAL</b>	<b>21,705.6</b>	<b>34,486.9</b>	<b>32,661.6</b>	<b>32,741.8</b>	<b>547.0</b>	<b>33,288.8</b>	<b>33,203.3</b>	<b>33,526.6</b>	<b>1,305.8</b>	<b>34,832.4</b>	<b>34,811.8</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	3,991.9	4,589.8	4,716.5	4,538.4	1,120.0	5,658.4	5,643.9	4,486.0	1,079.5	5,565.5	5,554.9
LOCAL ASSISTANCE	17,713.7	25,952.0	27,945.1	28,203.4	573.0-	27,630.4	27,559.4	29,040.6	226.3	29,266.9	29,256.9
AIDS TO INDS.		3,945.1									
<b>TOTAL EXPENDITURES</b>	<b>21,705.6</b>	<b>34,486.9</b>	<b>32,661.6</b>	<b>32,741.8</b>	<b>547.0</b>	<b>33,288.8</b>	<b>33,203.3</b>	<b>33,526.6</b>	<b>1,305.8</b>	<b>34,832.4</b>	<b>34,811.8</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
STATE AIRPORTS	9,655.3	10,750.7	10,667.0	10,284.1	547.0	10,831.1	10,745.6	10,281.8	1,305.8	11,587.6	11,567.0
<b>DEDICATED APPROPRIATIONS:</b>											
STATE AIRPORTS	1,071.3	761.9	1,672.6	1,528.1		1,528.1	1,528.1	1,478.0		1,478.0	1,478.0
GIFTS AND DEPOSITS			2.0								
FEDERAL	10,979.0	22,974.3	20,320.0	20,929.6		20,929.6	20,929.6	21,766.8		21,766.8	21,766.8
<b>TOTAL FINANCING</b>	<b>21,705.6</b>	<b>34,486.9</b>	<b>32,661.6</b>	<b>32,741.8</b>	<b>547.0</b>	<b>33,288.8</b>	<b>33,203.3</b>	<b>33,526.6</b>	<b>1,305.8</b>	<b>34,832.4</b>	<b>34,811.8</b>
<b>POSITIONS BY FUND:</b>											
STATE AIRPORTS	37.0	37.0	37.0	37.0	3.0	40.0	40.0	37.0	3.0	40.0	40.0
<b>TOTAL POSITIONS</b>	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>3.0</b>	<b>40.0</b>	<b>40.0</b>	<b>37.0</b>	<b>3.0</b>	<b>40.0</b>	<b>40.0</b>



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE, AERONAUTICS OPERATIONS  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Data Processing Production/Maintenance				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 25.5	0	\$ 0.4	0
Governor's Recommendation				
State Airports Fund	\$ 25.5	-0-	\$ 0.4	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE:

Without this request, the division will not be able to complete its systems development. Completing the system development is necessary if the division is to maximize the use of its data processing equipment.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amounts to support the production/maintenance costs for data processing throughout the division.

DESCRIPTION/BACKGROUND:

During the current biennium, a need arose for assistance with the division's data processing systems. This assistance was supplied thru contract services from outside the agency. To accomplish this, funding was used from several budgets. To better manage this activity in the future, budgeting for service for the entire division will be consolidated in the Airport Development and Assistance budget in the next biennium. Assistance will continue to be needed to expand the application of the data processing system. Heaviest emphasis occurs in the first year.

The requested change is split as follows:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Aeronautics Operations	\$(4.5)	\$(4.5)
Airport Development and Assistance	30.0	4.9
Net Change	<u>\$25.5</u>	<u>\$0.4</u>

ACTIVITY: AERONAUTICS OPERATIONS  
 Program: AERONAUTICS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 18.3	\$ 15.2	\$ 16.4	\$ 16.6	\$ 16.6

OBJECTIVE:

1. Provide service to and enhance the safety of the air traveling public in Minnesota.
2. Generate revenue to help support the state's aviation programs.
3. Ensure safe operations by inspecting and licensing airports and for-hire commercial operations.
4. Promote aviation and air safety through aerospace education programs and safety seminars and the aerospace film library.
5. Provide more and better weather information to pilots.
6. Perform pilot duty for passenger air transportation services.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Airports inspected				
public	148	150	150	150
private	8	10	15	15
Pilot safety seminars/participants	32/2,583	30/2,500	35/3,000	35/3,200
Aerospace teacher programs/participants	3/58	3/60	3/60	3/60
Number of weather inquiries on computer terminals	466,000	500,000	515,000	550,000
Number of weather observations	25,428	26,500	27,300	39,000

DESCRIPTION:

The aeronautics operations activity provides service to and enhances the safety of the air traveling public by: 1) registering all general aviation aircraft, collecting the annual registration fees, and maintaining records of aircraft owned by Minnesota residents; 2) inspecting and licensing public, private, and personal use airports and commercial operations in accordance with standards set forth in state statutes and rules; 3) conducting pilot safety seminars, aviation and aerospace education programs for schools, and maintaining an audio-visual library of aviation materials; 4) approving and licensing schools for flight training; 5) supplementing the weather information gathered by the National Weather Service by supporting a weather observer program and disseminating weather information to pilots through a computer weather terminal program; 6) participating in searches for missing aircraft and activated emergency locator transmitter (ELT) signals; and 7) performing pilot duty to assist with staffing the air transportation services program.

GRANTS AND AIDS:

Aviation Weather Observer Program Grants

Statutory Ref: M.S. 360.015 - 016

Purpose: To gather weather information to fill in some of the gaps between observation points in the National Weather Service (NWS) network, thereby providing more accurate weather reports and forecasts for pilots and the public. Weather information is collected by certified observers and transmitted to the NWS by way of the Federal Aviation Administration (FAA). The FAA pays 33% of the cost, the municipality pays 25%, and the department pays 42%.

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State Airports	\$19.5	\$23.0	\$23.0	\$23.0
Federal	16.9	20.0	20.6	21.4
Total	\$36.4	\$43.0	\$43.6	\$44.4

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Aircraft registered	5,937	6,125	6,175	6,225
Aircraft registration fees collected	\$1,285.8	\$1,600.0	\$1,700.0	\$1,750.0
Public airports licensed	152	152	154	154
Private and personal use airports licensed	138	145	145	145
Airport licenses denied	5	5	5	5
Commercial operations licenses issues/revoked/denied	385/1/5	390/1/5	395/1/5	395/1/5
Missing aircraft searches	0	1	1	1
Searches for activated ELT's	8	10	10	10

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Data processing production/maintenance	(\$4.5)	(\$4.5)	Program Wide
Aircraft maintenance	\$20.0	\$46.0	Activity Specific
Disseminate aviation weather information	\$57.0	\$99.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AERONAUTICS OPERATIONS

PROGRAM: AERONAUTICS

AGENCY: TRANSPORTATION, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	476.9	965.4	972.6	994.0	72.5	1,066.5	1,066.5	993.3	140.5	1,133.8	1,133.8
LOCAL ASSISTANCE	15.3	36.4	43.0	43.6		43.6	43.6	44.4		44.4	44.4
AIDS TO INDS.											
TOTAL EXPENDITURES	492.2	1,001.8	1,015.6	1,037.6	72.5	1,110.1	1,110.1	1,037.7	140.5	1,178.2	1,178.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	351.9	399.0	396.9	418.3		418.3	418.3	417.6		417.6	417.6
EXPENSES & CONTRAC. SERV	96.5	511.1	543.4	543.4	72.5	615.9	615.9	543.4	118.5	661.9	683.9
SUPPLIES & MATERIALS	21.8	30.1	32.3	32.3		32.3	32.3	32.3		32.3	32.3
EQUIPMENT	6.7	7.8							22.0	22.0	
OTHER EXPENSE ITEMS		17.4									
TOTAL STATE OPERATIONS	476.9	965.4	972.6	994.0	72.5	1,066.5	1,066.5	993.3	140.5	1,133.8	1,133.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
STATE AIRPORTS	476.9	984.9	995.6	1,017.0	72.5	1,089.5	1,089.5	1,016.3	140.5	1,156.8	1,156.8
DEDICATED APPROPRIATIONS:											
FEDERAL	15.3	16.9	20.0	20.6		20.6	20.6	21.4		21.4	21.4
TOTAL FINANCING	492.2	1,001.8	1,015.6	1,037.6	72.5	1,110.1	1,110.1	1,037.7	140.5	1,178.2	1,178.2
POSITIONS BY FUND											
STATE AIRPORTS	10.0	10.0	10.0	10.0		10.0	10.0	10.0		10.0	10.0
TOTAL POSITIONS	10.0	10.0	10.0	10.0		10.0	10.0	10.0		10.0	10.0

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 Program: AERONAUTICS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

6. This activity also provides for the budgeting, accounting, personnel records, and office management support services for the entire division.

GRANTS AND AIDS:

1. Airport Development Grants

Statutory Ref: M.S. 360.011 - 074, 360.301 - 389

Purpose: To assist municipalities with all phases of airport improvements ranging from planning to construction. Any municipality that owns an airport is eligible for a grant providing their airport is zoned or they are making a good faith effort to zone. Grants are typically for 2/3 of the project cost and the municipality is responsible for 1/3. Also includes \$12.0 (F.Y. 1986) for Navigational Aids and \$10.0 (F.Y. 1986) and \$65.0 (F.Y. 1988) for the Aviation History Book.

GRANTS	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State Airports Fund	\$5,355.7	\$5,568.8	\$4,893.8	\$5,689.1

2. Airport Maintenance Grants

Statutory Ref: M.S. 360.011 - 074, 360.301 - 389

Purpose: To assist municipalities with the cost of operating their airport by reimbursing a portion of their expenditures for operations and maintenance. Any municipality that has zoned its airport or is making a good faith effort to zone is eligible for reimbursement. Reimbursement is based on a table of criteria. Rates are generally for 2/3 state share of the eligible expenses up to a maximum total amount which is based on the type of airport.

GRANTS BY FUND	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State Airports Fund	\$1,482.6	\$1,617.0	\$1,713.0	\$1,713.0

3. Federal Airport Improvement Program Grants

Statutory Ref: M.S. 360.011, 360.015, 360.016, 360.039

Purpose: To assist municipalities with airport improvements ranging from planning to construction. Airports listed in the Federal Aviation Administration's "National Plan of Integrated Airport Systems" are eligible for Airport Improvement Program (AIP) grants. AIP grants typically cover 90% of the cost of the eligible items. F.Y. 1986 includes the carry forward of prior year grants in the amount of \$5,837.2.

GRANTS	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal AIP	\$22,957.4	\$20,300.0	\$20,909.0	\$21,745.4

GRANTS BY FUND - SUMMARY:

State Airports Fund	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
	\$ 6,838.3	\$ 7,185.8	\$ 6,606.8	\$ 7,402.1
Federal AIP grants	22,957.4	20,300.0	20,909.0	21,745.4
Total	\$29,795.7	\$27,485.8	\$27,515.8	\$29,147.5

OBJECTIVE:

The airport development and assistance activity:

- Assists municipalities through financial and technical programs to develop and maintain their airports, to maintain existing or gain improved scheduled air service, and to develop and improve their airport electrical systems.
- Develops and maintains electronic facilities to provide navigation and weather information to pilots.
- Loans funds to municipalities to meet the needs for airplane hangars on their airports.
- Supports the maintenance and operation of the Piney-Pine Creek Border Airport.
- Provides administrative support services for the entire aeronautics division.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Satisfied requests for assistance				
Project development	86	85	85	85
Airport improvement grants	78	72	75	80
Maintenance Agreements	126	129	130	130
Electrical improvements	21	25	25	25
Electronic Navaid improvements	21	30	24	22
New hangar spaces provided by loans	31	35	35	35
Scheduled air service issues responded to	8	7	10	10

DESCRIPTION:

- The airport development and assistance activity provides both technical and financial assistance to Minnesota municipalities owning 141 public airports for planning, zoning, project development, programming, design, land acquisition, construction, construction inspection and airport maintenance. These activities are coordinated to ensure that all municipal airport development is consistent with each airport master plan, the state aviation development guide, and local and regional plans. Assistance is provided in direct response to requests but careful control of project scope is exercised to make optimum use of available state, federal and local funds.
- Efforts are made to ensure that the scheduled air service provided to smaller Minnesota cities is adequate by intervening and/or participating in the proceedings of federal agencies in concert with the affected city. Accurate and reliable data and statistical information is developed, maintained and disseminated thru products such as quarterly technical bulletins and aeronautical charts.
- Assistance is provided to municipalities in developing and improving airport electrical systems and navigational aids (navaids); assistance ranges from providing advice through total design and installation.
- Loans are provided to municipalities for constructing aircraft hangars which are consistent with the airport development plans and provide feasible amortization of costs.
- Support is provided for the maintenance and operation of Piney-Pine Creek Border Airport, which is jointly owned and operated by the State of Minnesota and the local government district of Piney, Manitoba under international agreement.

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 (Continuation)  
 Program: AERONAUTICS  
 Agency: TRANSPORTATION, DEPARTMENT OF

1987-89 Biennial Budget

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Severance Pay	\$ 14.5	\$ 10.6	Agency Wide
Data Processing Production/Maintenance	30.0	4.9	Program Wide
Publish and Mail Aeronautical Chart	44.3	0	Activity Specific
Specialized Services for Scheduled Air Transportation	8.5	8.6	Activity Specific
Airport Construction Grants	(740.0)	120.3	Activity Specific
Airport Maintenance Grants	96.0	96.0	Activity Specific
Minnesota Historical Society Grant	65.0	0	Activity Specific
Precision Instrument Landing Systems	550.0	550.0	Activity Specific
Dissemination of Live Color Weather Radar	278.5	270.6	Activity Specific
Paint Striper	17.5	0	Activity Specific
Administrative Services	120.9	120.9	Activity Specific
Full Time Clerical Position	4.4	4.4	Activity Specific
Air/Ground Communication	(37.8)	(47.9)	Activity Specific
Increased Travel Expense	4.6	4.8	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AIRPORT DVLPMT & ASSISTNC

PROGRAM: AERONAUTICS

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,905.0	2,584.6	3,246.8	2,906.3	1,035.4	3,941.7	3,927.2	2,904.7	926.9	3,831.6	3,821.0
LOCAL ASSISTANCE	17,653.4	25,850.6	27,837.1	28,094.8	579.0-	27,515.8	27,450.8	28,931.2	216.3	29,147.5	29,147.5
AIDS TO INDS.		3,945.1									
TOTAL EXPENDITURES	20,558.4	32,380.3	31,083.9	31,001.1	456.4	31,457.5	31,378.0	31,835.9	1,143.2	32,979.1	32,968.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	951.3	952.9	1,036.7	1,053.1	18.9	1,072.0	1,057.5	1,051.5	15.0	1,066.5	1,055.9
EXPENSES & CONTRAC. SERV	954.9	989.9	825.5	763.6	228.1	991.7	991.7	763.6	141.0	904.6	904.6
SUPPLIES & MATERIALS	90.4	139.1	85.3	85.3		85.3	85.3	85.3		85.3	85.3
EQUIPMENT	132.7	149.9	87.3	87.3	667.5	754.8	754.8	87.3	650.0	737.3	737.3
OTHER EXPENSE ITEMS	775.7	352.8	1,212.0	917.0	120.9	1,037.9	1,037.9	917.0	120.9	1,037.9	1,037.9
TOTAL STATE OPERATIONS	2,905.0	2,584.6	3,246.8	2,906.3	1,035.4	3,941.7	3,927.2	2,904.7	926.9	3,831.6	3,821.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
STATE AIRPORTS	8,819.0	9,070.1	9,569.9	9,175.1	456.4	9,631.5	9,552.0	9,173.5	1,143.2	10,316.7	10,306.1
DEDICATED APPROPRIATIONS:											
STATE AIRPORTS	775.7	352.8	1,212.0	917.0		917.0	917.0	917.0		917.0	917.0
GIFTS AND DEPOSITS			2.0								
FEDERAL	10,963.7	22,957.4	20,300.0	20,909.0		20,909.0	20,909.0	21,745.4		21,745.4	21,745.4
TOTAL FINANCING	20,558.4	32,380.3	31,083.9	31,001.1	456.4	31,457.5	31,378.0	31,835.9	1,143.2	32,979.1	32,968.5
POSITIONS BY FUND											
STATE AIRPORTS	23.0	23.0	23.0	23.0	1.0	24.0	24.0	23.0	1.0	24.0	24.0
TOTAL POSITIONS	23.0	23.0	23.0	23.0	1.0	24.0	24.0	23.0	1.0	24.0	24.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AERONAUTICS OPERATIONS  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Aircraft Maintenance	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
State Airports Fund	\$ 20.0	0	\$ 46.0	0
Governor's Recommendation				
State Airports Fund	\$ 20.0	-0-	\$ 46.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to perform required maintenance and to install equipment necessary to meet program needs in the Aeronautics Division's 2 single-engine aircraft.

DESCRIPTION/BACKGROUND:

Both aircraft are 1978 models. 16MN was painted in F.Y. 1986. 14MN will need to be painted, and its engine will have reached its maximum allowable time and will need to be replaced in F.Y. 1988. Both aircraft will need new interiors in F.Y. 1989. Installation of a microwave landing system receiver is proposed for 16MN in F.Y. 1989.

RATIONALE:

Aircraft must be properly maintained for safety reasons, to protect the investment, and to insure the aircraft's continued utility. The Microwave Landing System receiver should be installed in 16MN to both utilize the precision approach capability of, and to monitor the performance of the ground stations to be installed under our State Microwave Landing System program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: AERONAUTICS OPERATIONS  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

RATIONALE:

This request is necessary to provide for the increasing communication costs related to this program and to respond to the requests for additional weather terminals.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
<b>Request Title: Disseminate Aviation Weather Information</b>				
<b>Agency Request</b>				
State Airports Fund	\$ 57.0	0	\$ 99.0	0
<b>Governor's Recommendation</b>				
State Airports Fund	\$ 57.0	-0-	\$ 99.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to provide for increase in the communications cost related to the computer weather terminal program and to add 6 terminals to the system each fiscal year.

DESCRIPTION/BACKGROUND:

Communication costs for this program are increasing due to the rapidly increasing costs for telephone service. Since much of this system depends on use of leased telephone lines, communication costs for this program are anticipated to increase significantly.

Currently, the division has 57 computer weather terminals in place at airports throughout the state. This system provides prompt delivery of weather information to pilots so that they have accurate information to make their decisions, thereby improving aviation safety. The division continues to receive requests for additional locations that need a terminal. Adding 6 terminals each fiscal year will help meet the growing demand for accurate weather information.



CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Publish and Mail Aeronautical Chart				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 44.3	0	\$ -0-	0
<b>Governor's Recommendation</b>				
State Airports Fund	\$ 44.3	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for publishing and mailing the aeronautical chart to pilots and aircraft owners.

DESCRIPTION/BACKGROUND:

The Minnesota aeronautical chart is an aeronautical map of the state that shows airports, navigational aids and airways. It is published in the interest of aviation safety to help navigate the airspace in Minnesota. The chart is published every other year and distributed to Minnesota pilots and aircraft owners, and also to aircraft owners in neighboring states as a tourism promotion. Requested funding will pay for the printing, mailing service and postage for this effort. Because the chart is published only in the first year of the biennium, the expenses are therefore not reflected in the spending plan nor in the base for the budget each biennium, and must therefore be requested in F.Y. 1988.

RATIONALE:

The Minnesota aeronautical chart is published in the interest of aviation safety to assist pilots in flight planning. In addition, it is a useful document for portraying the state's airport and airway system to potential business and tourism interests.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: Specialized Services for Scheduled Air Transportation				
Agency Request				
State Airports Fund	\$ 8.5	0	\$ 8.6	0
Governor's Recommendation				
State Airports Fund	\$ 8.5	-0-	\$ 8.6	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for the purpose of securing the service of an expert in scheduled air transportation to provide advice and assistance to the agency in carrying out its responsibility of fostering air service in Minnesota.

DESCRIPTION/BACKGROUND:

This specialized expert in air service will advise and assist the agency in the essential air service program and in complex international route matters on an "as needed" basis. Deregulation of the airline industry and reassignment of the Civil Aeronautics Board responsibilities to other federal agencies has significantly changed air service proceedings. This specialized expertise will be used to provide advice and to prepare legislation and other documents. Because of the complexities of the problems, this special expertise is critical to the agency in its efforts to assist Minnesota cities maintain existing or to gain improved scheduled air service.

RATIONALE:

Deregulation of the airline industry has caused considerable change and is continuing to cause rapid change within the industry. Reassignment of responsibilities for air service matters at the federal level has also added to the complexity. With the rapid changes combined with the increased complexity, it is impossible to maintain the necessary level of expertise on the agency staff particularly when the agency's involvement in air service matters is intermittent. Consequently, securing this specialized expertise on an "as needed" basis is most cost effective.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Airport Construction Grants	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
State Airports Fund	\$ (740.0)	0	\$ 120.3	0
Governor's Recommendation				
State Airports Fund	\$(740.0)	-0-	\$ 120.3	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above changes to reflect the funding available for airport construction grants.

DESCRIPTION/BACKGROUND:

A decrease is requested the first year and an increase is requested in the second year of the biennium. The requested amounts are sufficient to balance the total budget request for the aeronautics program with the anticipated revenue to the state airports fund.

RATIONALE:

The aeronautics program budget request is predicated on equalling the anticipated revenue to the state airports fund each year of the biennium. The above change levels are necessary so that the budget request balances with the anticipated income.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Airport Maintenance Grants				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 96.0	0	\$ 96.0	0
Governor's Recommendation				
State Airports Fund	\$ 96.0	-0-	\$ 96.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to increase the amount of reimbursement to municipalities to help offset their airport maintenance costs.

DESCRIPTION/BACKGROUND:

Funding is requested to increase the maintenance reimbursement to municipalities to assist them with their airport maintenance expenses. The department typically reimburses the municipality for 2/3 of their airport maintenance costs up to a set maximum which is dependent upon the type of airport.

RATIONALE:

Increased funding for airport maintenance grants is requested so that the reimbursements to the municipalities can be increased. The increase provides additional funding to assist with the cost of operating and maintaining automated weather reporting stations.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Minnesota Historical Society Grant				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 65.0	0	\$ -0-	0
Governor's Recommendation				
State Airports Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for a grant to the Minnesota Historical Society (MHS) to support writing an aviation history publication.

DESCRIPTION/OBJECTIVE:

Funding is requested for a grant to the MHS to support the research for and writing of an aviation history book. This grant will be administered by the MHS and the research and writing effort is under the guidance of a steering committee.

RATIONALE:

Minnesota has a wealth of aviation history which has never been recorded. This grant to the MHS will continue the research and writing of a manuscript which was begun under a \$10,000 grant to the MHS in F.Y. 1986. Because of difficulty raising sufficient additional funds to complete the work, the steering committee requested that the agency provide a second grant to complete the task. The MHS will fund the publishing and sale of the book after the manuscript is written.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Private contributions should be sought to complete this work.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
<b>Request Title: Precision Instrument Landing Systems</b>				
<b>Agency Request</b>				
State Airports Fund	\$ 550.0	0	\$ 550.0	0
<b>Governor's Recommendation</b>				
State Airports Fund	\$ 550.0	-0-	\$ 550.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amounts to support the installation of precision instrument landing systems at selected airports.

DESCRIPTION/BACKGROUND:

Several Minnesota airports have need for precision instrument landing systems to make them more usable in a broader range of weather conditions. The Federal Aviation Administration (FAA) funding levels are such that it will be many years before these systems would be installed by the FAA. Also, the department has three Interim Standard Microwave Landing Systems (ISMLS) which have a limited number of users, and consequently should be replaced.

RATIONALE:

Funding this request will allow the department to install equipment which will complete partial systems which are in place or to install Microwave Landing Systems (MLS). MLS is the FAA's current standard for precision instrument landing systems. Either completing partial systems or installing MLS will permit these airports to be safely used in poorer weather conditions and will be usable for more sophisticated aircraft.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: Dissemination of Live Color Weather Radar				
Agency Request				
State Airports Fund	\$ 278.5	0	\$ 270.6	0
Governor's Recommendation				
State Airports Fund	\$ 278.5	-0-	\$ 270.6	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to support continuing the dissemination of live color weather radar within the twin cities metro area and to expand dissemination for pilots in outstate Minnesota.

DESCRIPTION/BACKGROUND:

Programming for the live color weather radar in the metro area is transmitted from a vendor located at Minneapolis/St. Paul International Airport to the transmitter of a public television station via satellite. This technology makes the programming available in Minnesota. However, special equipment is needed to receive the signal on a television set. This request will provide the necessary equipment to outstate communities so that the live color weather radar will be available for pilots in their area.

RATIONALE:

Weather information is critical to safe operation of aircraft. Live color radar shows the pilot the existence and location of severe weather systems. By showing all of the radars that cover Minnesota and a sequence of several hours of historical information, pilots can determine the size, location, direction and speed of severe weather systems. Supporting this request will continue this valuable safety information in the metro area as well as expanding the service to serve pilots in outstate areas.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Paint Striper				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 17.5	0	\$ -0-	0
Governor's Recommendation				
State Airports Fund	\$ 17.5	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for purchase of equipment for marking the pavements at airports.

DESCRIPTION/BACKGROUND:

The Aeronautics Division operates a program for applying the paint markings on airport pavement surfaces. A small paint striper made especially for use on airports is used. The current equipment is old and experiences frequent breakdowns. The equipment has served its useful life and is clearly in need of replacement.

RATIONALE:

Equipment breakdowns are costly in two ways; repairs and loss of production time. The paint striper needs to be replaced in order to minimize costs due to breakdowns. This is necessary if the program is to be efficient in the future.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Administrative Services				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$120.9	0	\$120.9	0
Governor's Recommendation				
State Airports Fund	\$120.9	-0-	\$120.9	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for payment of services provided to the Aeronautics Division by other divisions in the department.

DESCRIPTION/BACKGROUND:

The Aeronautics Division receives services from other divisions for office supplies, photo and blueprint services, repairs to equipment and motor vehicles, survey work, field inspections by technical experts, etc. These services are paid for from the individual operating budgets which are supported by the Trunk Highway Fund. This request will provide funds to reimburse the Trunk Highway Fund for services used for aeronautics programs.

RATIONALE:

Currently some of the services provided to the Aeronautics Division are supported by the Trunk Highway Fund. This request is necessary to provide the resources to reimburse the Trunk Highway Fund for these services.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

Request Title: Full Time Clerical Position				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 4.4	1.0	\$ 4.4	1.0
Governor's Recommendation				
State Airports Fund	\$ 4.4	1.0	\$ 4.4	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars and position to convert a part time clerical position to a full time position and to offset the difference in salaries and fringe benefits.

DESCRIPTION/BACKGROUND:

Due to increased program activity, the division found it necessary to hire a part time employee to assist with processing bills for payment and the associated record keeping. The workload has grown to the point that it is apparent that a full time clerical position is needed to support this effort.

RATIONALE:

This position will assist with encumbering funds and paying invoices for the entire division. Without the requested position, the division will find it difficult, if not impossible, to pay outstanding bills within the 30 day period established by the legislature so as to avoid payment of interest to the vendor.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: Air/Ground Communication				
Agency Request				
State Airports Fund	\$(37.8)	0	\$(47.9)	0
Governor's Recommendation				
State Airports Fund	\$(37.8)	-0-	\$(47.9)	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above reductions in funding for telephone charges required for the air/ground communication service provided on their radio navigational aids.

DESCRIPTION/BACKGROUND:

The Federal Aviation Administration (FAA) is in the process of consolidating their flight service stations into a single automated flight service station at Princeton. As part of this change, the FAA will assume responsibility for air/ground communication service. At the request of the FAA, the department will assist in the installation of radio communication links which will be operated and maintained by the FAA as part of their system.

RATIONALE:

With the FAA's assumption of air/ground communication service currently provided by the department, telephone service required by the department's navigational aids will be reduced. Consequently, funding for this purpose should be reduced.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

GOVERNOR'S RECOMMENDATION:

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Increased Travel Expenses				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 4.6	0	\$ 4.8	0
Governor's Recommendation				
State Airports Fund	\$ 4.6	-0-	\$ 4.8	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to support the travel expenses for division personnel public affairs activity, participation in Transportation Research Board activity, and work on scheduled air service problems.

DESCRIPTION/BACKGROUND:

The division recently assigned a person to carry out the public affairs responsibilities for the division. This employee will be expected to travel within the state representing the division and to assist in promoting aviation. Another division employee has been appointed to serve on a Transportation Research Board committee studying current air transportation issues. Results of this committee's efforts are expected to influence future aviation policies. Meetings are typically held in Washington, D.C. Also, the impacts of airline deregulations are affecting the scheduled air service in more Minnesota cities. Additional travel to Washington, D.C. is anticipated because of scheduled air transportation issues.

RATIONALE:

This request is necessary to support the division's efforts in coordinating public contact, promoting aviation, influencing future national aviation policy, and supporting Minnesota cities in providing adequate scheduled air service to their communities.

ACTIVITY: AIR TRANSPORTATION SERVICES  
 Program: AERONAUTICS  
 Agency: TRANSPORTATION, DEPARTMENT

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

1. Reduce the unproductive travel time of elected state officials and state employees.
2. Reduce the cost of commercial air travel for the department and other state agencies.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Annual savings in travel time (passenger hours) (Mn/DOT A/C)	16,800	17,000	17,000	17,000
Annual savings in commercial ticket costs vs. normal coach fares	\$72,567	\$74,000	\$76,000	\$78,000

DESCRIPTION:

The air transportation services activity reduces the unproductive travel time of elected state officials and state employees by providing air transportation on department-owned, chartered, and/or leased aircraft, thereby reducing the time consumed in travel for official state business. Destinations are both within and outside the state. The individual offices and agencies reimburse the department for the costs of each trip.

This activity also reduces the cost of commercial air travel by having a knowledgeable person deal with the travel agencies and airlines on all commercial air travel arrangements for official department business. Expertise in travel arranging does not have to be maintained in the department's individual offices.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Trips flown-Total	498	668	706	755
By chartered aircraft	135	150	166	185
By department aircraft	363	518	540	570
Passengers flown (Mn/DOT A/C)	1,860	2,200	2,450	2,550
Average passenger load per trip				
Chartered Aircraft	5.2	5.5	5.7	5.8
King Air 70 MN	6.5	6.7	6.8	6.9
55 MN	3.8	3.9	4.0	4.1
Requests that could not be accommodated	22	0	0	0
Trips cancelled due to weather	85	60	60	60
Commercial flights arranged	423	440	480	505

CHANGE REQUEST:

	F.Y. 1988	F.Y. 1989	Type
Pilot Positions (Funded from Revolving Account)	0	0	Activity Specific
Part Time Clerical Support	12.1	12.1	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AIR TRANSPORTATION SVCS

PROGRAM: AERONAUTICS

AGENCY: TRANSPORTATION,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	610.0	1,039.8	497.1	638.1	12.1	650.2	650.2	588.0	12.1	600.1	600.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	610.0	1,039.8	497.1	638.1	12.1	650.2	650.2	588.0	12.1	600.1	600.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	154.3	165.7	159.3	257.9	12.1	270.0	270.0	242.8	12.1	254.9	254.9
EXPENSES & CONTRAC. SERV	365.6	781.6	224.0	195.0		195.0	195.0	192.0		192.0	192.0
SUPPLIES & MATERIALS	90.1	92.0	104.1	79.5		79.5	79.5	79.5		79.5	79.5
EQUIPMENT		.5	9.7	105.7		105.7	105.7	73.7		73.7	73.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	610.0	1,039.8	497.1	638.1	12.1	650.2	650.2	588.0	12.1	600.1	600.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
STATE AIRPORTS	314.4	630.7	36.5	27.0	12.1	39.1	39.1	27.0	12.1	39.1	39.1
DEDICATED APPROPRIATIONS:											
STATE AIRPORTS	295.6	409.1	460.6	611.1		611.1	611.1	561.0		561.0	561.0
TOTAL FINANCING	610.0	1,039.8	497.1	638.1	12.1	650.2	650.2	588.0	12.1	600.1	600.1
POSITIONS BY FUND											
STATE AIRPORTS	4.0	4.0	4.0	4.0	2.0	6.0	6.0	4.0	2.0	6.0	6.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0	2.0	6.0	6.0	4.0	2.0	6.0	6.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIR TRANSPORTATION SERVICE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: Pilot Positions				
Agency Request				
State Airports Fund	\$ -0-	2.0	\$ -0-	2.0
 Governor's Recommendation				
State Airports Fund	\$ -0-	2.0	\$ -0-	2.0
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests 2 additional pilot positions for the air transportation service function.

DESCRIPTION/BACKGROUND:

In F.Y. 1986 the division replaced a Baron aircraft flown by a single pilot with a King Air aircraft needing 2 pilots. The 1985 legislature did not approve the request for additional pilots with the appropriation for the aircraft. During the current biennium, the division has utilized aviation representatives assigned to Enforcement, Inspection and Safety on a part-time basis to assist in staffing the pilot needs in air transportation. The work load in Enforcement, Inspection, and Safety has also increased due to increased activity in aerospace education and heliport licensing. Consequently, the work load in Enforcement, Inspection, and Safety is falling further and further behind. Funding to support these positions will come from the anticipated receipts to the air transportation revolving account.

RATIONALE:

With the increase in work load in both areas it is impossible to adequately carry out the responsibilities of both Air Transportation and Enforcement, Inspection, and Safety with the current staff. This request provides for 2 additional pilots to staff the Air Transportation function.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AIR TRANSPORTATION SERVICE  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Part Time Clerical Support				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
State Airports Fund	\$ 12.1	0	\$ 12.1	0
Governor's Recommendation				
State Airports Fund	\$ 12.1	-0-	\$ 12.1	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars to support a half-time, non-complement position to assist with the air transportation dispatching activities.

DESCRIPTION/BACKGROUND:

Since purchasing the second all weather King Air aircraft, the number of requests for air transportation services has increased substantially. Currently, more passengers are carried on Mn/DOT aircraft and more aircraft are being chartered to carry the overload. This increase in activity directly impacts the work load of the Air Transportation Dispatcher. The work load has reached the level that callers often encounter delays in receiving information and scheduling the air transportation service they need.

RATIONALE:

Providing this request will provide assistance for the Air Transportation Dispatcher so that the air traveling needs of the Governor, the legislature, and state agency personnel will be served more effectively.



ACTIVITY: CIVIL AIR PATROL  
 Program: AERONAUTICS  
 Agency: TRANSPORTATION, DEPARTMENT

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE:

The Civil Air Patrol (C.A.P.) provides programs of youth development, emergency search and rescue (SAR) services and aerospace training.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Accident-free hours flown	3,400	3,400	3,400	3,400
SAR sorties flown	200	200	200	200
SAR person hours	5,500	5,500	5,500	5,500
SAR finds and saves	30	30	30	30

DESCRIPTION:

This is an activity in which the Division of Aeronautics provides appropriated funding to the C.A.P. as reimbursement for expenses incurred by the organization. The C.A.P. is an auxiliary organization of the U.S. Air Force which supports a portion of their program through contributions of excess Department of Defense equipment and funds for gas and oil.

The C.A.P. informs the general public about aviation, provides members with aviation education, maintains a nationwide radio network, and provides aerial assistance during emergency conditions. It provides assistance to the Department of Transportation for emergency locator transmitter searches, the Department of Natural Resources for aerial fire watches, the Division of Emergency Services for flood control, the State Patrol, the American Red Cross, the Salvation Army, the Federal Aviation Agency and other public and private emergency services or disaster relief agencies. The activity trains and retains a volunteer group of cadets (ages 13-17) and seniors (age 18 over) to participate in search and rescue missions and render assistance to civilian and military missing aircraft, missing sportsmen, and lost children and adults when requested by the local law enforcement agencies. There is no paid staff. Out of a fleet of 17 aircraft, all are on 24 hour notice to provide emergency assistance in the transfer of blood and organ transplants when requested by the American Red Cross. The state is divided into 4 areas with approximately 6 squadrons in each area.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of cadet members	500	500	500	500
Number of senior members	700	700	700	700
Number of seniors completing C.A.P. education	525	525	525	525
Number of members completing emergency services training	1,100	1,100	1,100	1,100
Number of cadets attending Minnesota solo flight encampment	16	16	16	16
Number of base radio stations	100	100	100	100
Number of mobile radio stations	350	350	350	350

CHANGE REQUEST:

Civil Air Patrol Increase

	F.Y. 1988	F.Y. 1989	Type
	\$6.0	\$10.0	Activity Specific

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: CIVIL AIR PATROL

PROGRAM: AERONAUTICS

AGENCY: TRANSPORTATION,DPT OF

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	45.0	65.0	65.0	65.0	6.0	71.0	65.0	65.0	10.0	75.0	65.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>45.0</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>	<b>6.0</b>	<b>71.0</b>	<b>65.0</b>	<b>65.0</b>	<b>10.0</b>	<b>75.0</b>	<b>65.0</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
STATE AIRPORTS	45.0	65.0	65.0	65.0	6.0	71.0	65.0	65.0	10.0	75.0	65.0
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>45.0</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>	<b>6.0</b>	<b>71.0</b>	<b>65.0</b>	<b>65.0</b>	<b>10.0</b>	<b>75.0</b>	<b>65.0</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CIVIL AIR PATROL  
 PROGRAM: AERONAUTICS  
 AGENCY: TRANSPORTATION, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: Civil Air Patrol Increase				
Agency Request				
State Airports Fund	\$ 6.0	0	\$ 10.0	0
Governor's Recommendation				
State Airports Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to support the programs of the Civil Air Patrol (C.A.P.).

DESCRIPTION/BACKGROUND:

The C.A.P. is an auxiliary organization of the U.S. Air Force which supports a portion of their program. State government also provides some of their financial resources to supplement that raised by membership fees. The C.A.P. provides valuable service to the citizens of the state by providing aerial search and rescue missions when they are needed. The U.S. Air Force requires that the C.A.P. fly each aircraft a minimum of 100 hours annually and to perform the necessary maintenance to retain the aircraft. Funding from the agency is used to assist with the costs of maintaining and upgrading their aircraft and support equipment.

RATIONALE:

This increase is necessary so that the C.A.P. can maintain its effectiveness in accomplishing its search and rescue responsibilities. In addition to routine maintenance the added funds will be used for engine overhauls and upgrading their vehicular fleet used for ground transportation of personnel.

AGENCY PURPOSE:

The 1984 Minnesota Legislature created the Regional Transit Board (RTB) to: (1) provide a basic level of mobility for all people in the metropolitan area, (2) arrange for the provision of a comprehensive set of transit and paratransit services to meet the needs of all people in the metropolitan area, (3) cooperate with private and public transit providers to assure the most efficient and coordinated use of existing and planned transit resources, and (4) maintain public mobility in the event of emergencies or energy shortages.

OPERATION AND CLIENTELE:

The RTB has responsibility for development, coordination, and short to mid-range planning for transit in the 7 county metropolitan area. Activities include: budget preparation and distribution of transit funds through contracts with providers including MTC fixed route, private bus operations, metro mobility, and small urban and rural systems operating within the metro area. Additionally, the RTB is responsible for metro area rideshare activities and the replacement service program "Opt-out". Details of the RTB's operations are provided on the activity pages which follow.

BUDGET ISSUE:

Specific transit issues relating to this budget are presented below. Costs of implementing any activities described below are not included in the budget request, but are presented for discussion purposes.

- A. Motor Vehicle Excise Tax - Funds generated by the motor vehicle excise tax will be required, in addition to dollars from the general fund, to meet the F.Y. 1988-89 needs as reflected in the biennial budget.
- B. Transit Service Needs Assessment (TSNA) - Recently completed by the RTB, the TSNA provides a comprehensive evaluation of short to mid-range transit needs and services in the twin cities metropolitan area. The results of this process provide the basis for the RTB to make informed decisions on the need for transit services, and identify opportunities, as well as inefficiencies, in the system in order to create a more equitable, cost-effective and efficient metropolitan transit system. The implementation plan, which represents the RTB's 5-year programming or "business plan," is based on the framework established by the TSNA. The implementation plan establishes the priorities and timing for the service strategies identified in the TSNA. The RTB will also be considering for action in the near future many of the policy implications which emerge from different aspects of the TSNA. The TSNA was adopted by the RTB on October 27, 1986. The implementation plan is scheduled to be adopted by the RTB and submitted to the Metropolitan Council on November 3, 1986. The implementation plan details the transit services to be provided and identifies key transit service and facility improvements and demonstration projects. Transit funding needs for the metropolitan area over the next 5 years are presented in the implementation plan.
- C. Light Rail Transit - In early 1985, the RTB adopted a position regarding transit improvements on the University Avenue, Southwest and Hiawatha corridors. This position, later adopted by the Metropolitan Council, provided a framework for the

board to resolve unanswered questions and proceed with the technical work that would be required to implement improvements in these corridors. Elements of the position are:

- . University Avenue through the 2 downtowns should be selected as the primary corridor for transit improvements;
- . Light rail transit should be selected as the preferred fixed guideway alternative in the 3 corridors;
- . The final decision on implementation of light rail transit should be made after preliminary engineering, additional development planning, regional needs assessment and financial resource analyses are completed;
- . A work program, including selected preliminary engineering activities and service needs assessments in other major transit corridors, was adopted;
- . A final decision on implementation of light rail transit and selection of priority corridors for final decisions in other corridors should be made by December, 1986, and;
- . A specific proposal should be submitted to the 1987 Legislature describing the proposed transit improvements.

In early 1985, the RTB developed a Request for Proposal (RFP) for these preliminary engineering activities, but this RFP was never bid out. Rather, the RTB, in response to legislative mandate, suspended its work on the activities described above and focused its efforts on the completion of the regional transit service needs assessment. The TSNA is now complete. Findings from the study affirm the need for transit improvements in the University Avenue corridor. Recommendations for proceeding with preliminary engineering activities are included in the implementation plan to be submitted to the Metropolitan Council for approval in November.

- D. Federal Funds - Continuing decreases in federal operating and capital assistance have a direct dollar-for-dollar impact on state budget requests.
- E. Metro Mobility - The regional public transportation service for disabled persons underwent major changes beginning October 4, 1986, in an effort to make its services more cost-effective and responsive to user needs. As a result of these changes, the average subsidy per passenger is expected to decline by approximately 20 percent. The projected savings will provide some of the funds necessary to expand Metro Mobility service throughout the metropolitan area. Financial participation of private and public agencies whose clients use Metro Mobility are also being sought to offset the growing costs of Metro Mobility. Even given these projected savings and potential new sources of revenue, additional funding for the Metro Mobility program may be required for the following reasons:
  - . The number of eligible participants for Metro Mobility service continues to increase by over 15 percent annually. This trend is expected to continue based on the increasing percentage of the population that is over the age of 65.
  - . Metro Mobility ridership has been constrained by the limited budget available to the program. Evidence suggests that there is considerably more demand for the service than has been able to be served.
  - . There is strong resistance to participate financially on the part of the agencies that serve disabled people. Although the RTB plans to aggressively pursue the financial involvement of these agencies, a variety of barriers may prevent the RTB from successful accomplishment of this task.

F. Capital Improvement - Funding for the capital needs of non-MTC transit providers has been provided only on a very limited basis. The RTB intends to initiate and develop a program of capital improvement for transit providers consisting of equipment acquisitions, rehabilitation, service facilities and other related transit service improvements. As a first step, the RTB is currently involved in a capital planning effort that will document existing facilities and rolling stock of all transit providers of public transit service and identify the capital needs of these public and private transit operators. Transit providers have indicated the need for some kind of capital funding support in order to maintain viable transit services.

INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
SAME Level Request	\$ 38,286.4	\$ 38,286.4	
Agency CHANGE Request Transit Provider Asst.	<u>17,204.4</u>	<u>( 2,911.6)</u>	8
Agency Total	\$ 55,490.8	\$ 35,374.8	

GOVERNOR'S RECOMMENDATION:

The Governor recommends repeal of the law that transfers revenues generated by the motor vehicle excise tax from the General Fund to the Highway Users Tax Distribution Fund and to the Transit Assistance Fund. The Governor further recommends the elimination of the Transit Assistance Fund. Therefore, no increases financed by the Transit Assistance Fund have been recommended. The Governor recommends that all transit subsidies be financed through the General Fund.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: REGIONAL TRANSIT BOARD

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM: REGIONAL TRANSIT BOARD	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
TOTAL	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
EXPENDITURES BY CATEGORY: STATE OPERATIONS LOCAL ASSISTANCE AIDS TO INDS.	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
TOTAL EXPENDITURES	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL TRANSIT ASSISTANCE	15,771.8 89.1	16,792.6 5,372.0	14,143.2 5,000.0	14,143.2 5,000.0	8,027.0- 16,745.6	6,116.2 21,745.6	17,687.4	14,143.2 5,000.0	10,266.2- 18,752.0	3,877.0 23,752.0	17,687.4
DEDICATED APPROPRIATIONS:  TOTAL FINANCING	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
POSITIONS BY FUND:  TOTAL POSITIONS											

ACTIVITY: METRO TRANSIT ASSISTANCE  
 Program:  
 Agency: REGIONAL TRANSIT BOARD

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	0	0	0	0	0

OBJECTIVE:

1. Provide a basic level of mobility for all persons in the 7 county metropolitan area.
2. Arrange for a comprehensive, coordinated set of transit and paratransit services to meet the needs of all people in the metropolitan area.
3. Cooperate with private and public providers to assure the most efficient and coordinated use of existing and planned transit resources.
4. Maintain public mobility in the event of emergencies or energy shortages.

DESCRIPTION:

1. Metro Mobility Program. Statutory Ref: M.S. 473.386  
 The Metro Mobility program provides special transportation services for disabled persons in the metropolitan area. Demand-responsive, door-through-door service is now provided within Minneapolis, St. Paul and most first-ring suburbs. On January 1, 1987, service will be expanded to northern Ramsey, southern Anoka, and northern and western Hennepin counties, and on January 1, 1988, service will be expanded to western Washington, northern Dakota, northern Scott and northern Carver counties. Metro Mobility underwent major changes on October 4, 1986, to improve the cost-effectiveness and quality of service and expand the geographic service area. Users now have the opportunity to select the provider of their choice. Twenty-one private providers are participating in the program. The RTB will undertake a major effort to encourage financial participation of private and public agencies serving disabled persons. Fares for the service have been increased to \$1.00 for trips to 8 miles; additional mileage costs up to \$1.00 per mile will be charged for trips longer than 8 miles, although user fares will never exceed a total amount of \$3.75 for any trip.

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total State Assistance	\$5,306.9	\$5,693.1	\$6,000.0	\$6,500.0

Service Effectiveness Measures:

Cost/Passenger	\$10.96	\$10.21	\$10.00	\$10.01
Subsidy/Passenger	10.20	8.96	8.54	8.54
Revenue/Cost	6.90%	12.27%	14.61%	14.69%

2. Regular Route Program. Statutory Ref: M.S. 473.384

. Metropolitan Transit Commission

The MTC activity provides state financial assistance to the Metropolitan Transit Commission and augments revenues received from the federal government, fare revenues and metropolitan property taxes. The MTC exists to provide safe and efficient transportation services for the movement of people by bus, vanpool, and carpool throughout the 7-county metro region. On the regular route bus system, MTC annually serves approximately 73.2 million passengers on 27.8 million service miles using a fleet of over 1,000 vehicles. Annually, over 3,800 metro area residents are organized into vanpools and carpools for

commuting purposes. Operating assistance from the state enables MTC to maximize service levels to meet consumer demand, yet maintain fares and property taxes below the actual cost of providing the service in conformance with state statutes and commission policies.

Private Operators

The Private Operators activity provides state financial assistance to Medicine Lake Lines and North Suburban Lines. Both provide regular route public transit within the Metropolitan Transit Taxing District. This assistance is intended to pay 100 percent of the operating deficit to supplement operating revenues and ensure continued viability of the private companies as an alternative to buy-out by the MTC and expansion of MTC services to the 2 market areas. Public funds are justified on the basis that private operators do not have access to federal capital assistance or local taxing authority, but provide service in a market place dominated by a public system which does receive this assistance.

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total State Assistance	\$13,096.6	\$11,676.8	\$15,757.3	\$16,685.1

Service Effectiveness Measures:

Cost/Passenger	\$1.31	\$1.32	\$1.32	\$1.32
Subsidy/Passenger	.81	.82	.82	.82
Cost/Hour	45.03	45.03	44.59	44.15
Cost/Mile	3.19	3.19	3.16	3.13
Revenue/Cost	38.33%	37.95%	37.95%	37.95%
Passengers/Hour	34.43	34.09	33.76	33.43
Passengers/Mile	2.44	2.41	2.39	2.37

3. Replacement Service Demonstration Activity. Statutory Ref: M.S. 473.388

Legislation allows eligible cities or a group of cities that filed with Mn/DOT by July 1, 1984 to replace their MTC service with an alternative transit service. Communities that elect to "opt-out" enter into a contract with the RTB. Funding for the new service is made available by the RTB to fund the replacement services. Currently, the cities of Shakopee and Plymouth are providing transit services to their communities as part of this program. Additionally, the cities of Chanhassen, Eden Prairie and Chaska will begin to provide opt-out transit services in December.

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total State Assistance	0	0	0	0

Service Effectiveness Measures:

Cost/Passenger	\$4.72	\$5.45	\$4.80	\$4.89
Subsidy/Passenger	3.78	4.45	3.81	3.90
Cost/Hour	39.71	51.26	46.65	48.04
Cost/Mile	1.80	2.36	2.16	2.23

ACTIVITY: METRO TRANSIT ASSISTANCE  
(Continuation)

1987-89 Biennial Budget

Program:  
Agency: REGIONAL TRANSIT BOARD

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Revenue/Cost	19.76%	18.21%	20.67%	20.27%
Passengers/Hour	8.42	9.41	9.73	9.82
Passengers/Mile	.38	.43	.45	.46

4. Rural and Small Urban Program. Statutory Ref: M.S. 473.384

This program provides state financial assistance, both operating and capital, to any legislatively established public transit commission or authority (except the MTC), any county or statutory or home rule charter city and any private operator of regular route transit (except private operators in the metro area) or any combination of the above when the local financial effort is inadequate to assure continuation of the public transit service. This activity provides funding for home-to-work, elderly and handicapped or general purpose travel.

RURAL	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total State Assistance:	\$412.4	\$508.9	\$529.2	\$550.4

Service Effectiveness Measures:

Cost/Passenger	\$4.83	\$4.97	\$5.12	\$5.27
Subsidy/Passenger	4.60	4.75	4.89	5.05
Cost/Hour	15.26	15.56	15.86	16.18
Cost/Mile	1.16	1.18	1.21	1.23
Revenue/Cost	4.70%	4.56%	4.43%	4.30%
Passengers/Hour	3.16	3.13	3.10	3.07
Passengers/Mile	.24	.24	.24	.23

SMALL URBAN	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total State Assistance:	\$146.7	\$179.4	\$186.6	\$194.0

Service Effectiveness Measures:

Cost/Passenger	\$3.13	\$3.22	\$3.32	\$3.42
Subsidy/Passenger	2.35	2.45	2.54	2.64
Cost/Hour	15.10	15.40	15.70	16.01
Cost/Mile	1.28	1.30	1.33	1.36
Revenue/Cost	24.83%	24.12%	23.42%	22.75%
Passengers/Hour	4.82	4.78	4.73	4.68
Passengers/Mile	.41	.40	.40	.40

5. Preliminary Engineering for Corridor Transit Improvements

Statutory Ref: M.S. 473.377

Preliminary engineering activities for transit improvements will be initiated in the University Avenue corridor. A Request for Proposal (RFP) for preliminary engineering activities will be issued, a consultant selection process will be conducted and a consultant contract for services will be negotiated. Preliminary engineering activities will be conducted in 1987 and 1988. These efforts will be coordinated with other corridor projects.

Total State Assistance	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
	0	0	\$2,750.0	\$750.0

6. Test Marketing Program

This program provides a structured environment to implement new service concepts, service delivery methods and other new or innovative approaches to transit. The test marketing will be done within a process which provides for an open, systematic, multi-step controlled approach to implementing, monitoring and evaluating the transit services. A wide variety and number of service strategies were developed in the Transit Service Needs Assessment to meet identified unsatisfied needs. Based upon a set of criteria, the initial test marketing program will consider the following services for further analysis:

- . Crosstown Services
  - Minneapolis CBD/Larpenteur
  - North Minneapolis/Robbinsdale
  - I-494/Bloomington/Edina/Richfield
- . Local Suburban Circulation Services
  - Rosedale
  - Maplewood/North St. Paul/Oakdale
- . Rural Alternative Day or Paratransit Services
  - Rural Anoka
  - Forest Lake
  - Lakeville/Farmington

Total State Assistance	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
	0	0	\$1,000.0	\$1,500.0

Service Effective Measures:

Cost/Passenger	0	0	\$2.45	\$2.33
Subsidy/Passenger	0	0	1.63	1.55
Cost/Hour	0	0	27.54	28.09
Cost/Mile	0	0	2.30	2.34
Revenue/Cost	0	0	33.33%	33.33%
Passengers/Hour	0	0	11.24	12.07
Passengers/Mile	0	0	.94	1.01



ACTIVITY: METRO TRANSIT ASSISTANCE  
(Continuation)

1987-89 Biennial Budget

Program:  
Agency: REGIONAL TRANSIT BOARD

7. Regional Transit Board: Transit Planning and Programs.  
Statutory Ref: M.S. 473.377

The RTB is involved in a variety of planning, program management and evaluation efforts. The RTB will be involved in many short and mid-range transit planning efforts that will build upon the efforts of the Transit Service Needs Assessment, participate in major corridor studies to ensure that transit issues are adequately addressed, conduct specific transit studies and activities related to planning and implementation of transit improvements, and carry out evaluation studies of existing transit programs to determine where improvements could result in more cost-effective services. The RTB has also initiated several activities that focus on making transit services more competitive. Based on results of the Transit Service Needs Assessment, an effort will be made to identify those services that can be more cost-effectively provided through competitive bidding. The RTB will establish a competitive bidding process for transit services in the metropolitan area. This process will allow the MTC and other public and private operators to compete for different types of services based on fully allocated costs.

Total State Assistance	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
	\$2,514.0	\$737.0	\$1,263.7	\$1,060.5

8. Regional Transit Board: Administration Statutory Ref: M.S. 473.375  
This activity exists to provide administrative support to the planning and program activities of the RTB. Specific responsibilities include:

- . certification of property tax levy
- . preparation of financial plans (budgets)
- . maintenance of financial management systems
- . review and approval of MTC budget
- . convene annual transit conference
- . appoint members to MTC
- . preparation of staffing plans
- . perform audits of provider contracts
- . provide office facilities to RTB and staff
- . prepare federal grant applications and required reimbursement reports
- . development of contract policies and procedures
- . provide public with information on current RTB activities
- . assist Metropolitan Council in the sale of bonds to support capital program

Expenses incurred in administrative support of the Board's programs such as financial services, personnel, contract administration and office services are allocated to those programs based upon a cost allocation system.

Total State Assistance	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
	\$316.0	\$348.0	\$375.0	\$389.0

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: METRO TRANSIT ASSISTANCE

PROGRAM: REGIONAL TRANSIT BOARD

AGENCY: REGIONAL TRANSIT BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	15,860.9	22,164.6	19,143.2	19,143.2	8,718.6	27,861.8	17,687.4	19,143.2	8,485.8	27,629.0	17,687.4
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>15,860.9</b>	<b>22,164.6</b>	<b>19,143.2</b>	<b>19,143.2</b>	<b>8,718.6</b>	<b>27,861.8</b>	<b>17,687.4</b>	<b>19,143.2</b>	<b>8,485.8</b>	<b>27,629.0</b>	<b>17,687.4</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	15,771.8	16,792.6	14,143.2	14,143.2	8,027.0-	6,116.2	17,687.4	14,143.2	10,266.2-	3,877.0	17,687.4
TRANSIT ASSISTANCE	89.1	5,372.0	5,000.0	5,000.0	16,745.6	21,745.6		5,000.0	18,752.0	23,752.0	
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>15,860.9</b>	<b>22,164.6</b>	<b>19,143.2</b>	<b>19,143.2</b>	<b>8,718.6</b>	<b>27,861.8</b>	<b>17,687.4</b>	<b>19,143.2</b>	<b>8,485.8</b>	<b>27,629.0</b>	<b>17,687.4</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: METRO TRANSIT ASSISTANCE  
 PROGRAM: METRO TRANSIT ASSISTANCE  
 AGENCY: REGIONAL TRANSIT BOARD

Request Title: TRANSIT PROVIDER ASSISTANCE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
<b>Agency Request</b>				
General Fund	\$5,477.8	-0-	\$4,260.0	-0-
Transit Assist. Fund	3,240.8	-0-	4,225.8	-0-
Total	<u>\$8,718.6</u>		<u>\$8,485.8</u>	
<b>Governor's Recommendation</b>				
General Fund	\$3,544.2	-0-	\$3,544.2	-0-
Transit Assist. Fund	(\$5,000.0)	-0-	(\$5,000.0)	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amounts to provide the same level of service for all metro area transit providers including the Metropolitan Transit Commission (MTC). Also included in the request are amounts to continue planning activities related to the RTB Implementation Plan.

DESCRIPTION/BACKGROUND:

Beginning in F.Y. 1985, a phased transfer was initiated of 25% of the motor vehicle excise tax revenues from the general fund to two funds: the highway users tax distribution fund (75%) and the transit assistance fund (25%)

Of those monies going to the transit assistance fund, 80% goes to the 7 county metro area and 20% to outstate Minnesota. In F.Y. 1985, monies transferred to the metro area represent an increase in appropriations beyond that made from the general fund. Beginning in F.Y. 1986, the agency anticipated that the transit assistance fund would be treated as replacement dollars rather than additional dollars, with supplemental general fund appropriations made to meet total program costs. As a result of recent legislation, the phased transfer of motor vehicle excise tax was suspended during the 1986-87 biennium. The agency assumes that the transfer will be reinstated for the 1988-89 budget period at the 50% level for each year. State dollars requested for all transit providers are based on a growth rate of 4% and SAME service levels, and maintaining the existing fare structure with the exception of the newly restructured metro mobility service.

RATIONALE:

In that the transit assistance fund is available for metro area transit needs, it is appropriate that less demand be placed on the general fund. CHANGE levels are necessary to provide SAME service levels for all systems including agency planning activities. These service levels should be considered minimum needs in terms of providing alternatives to the single occupant vehicle.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund appropriation increase of \$3,544.2 for F.Y. 1988 and \$3,544.2 for F.Y. 1989. The Governor also recommends the elimination of the Transit Assistance Fund. The Governor's recommendation is based on the following considerations:

1. The state subsidy for metro mobility should finance the same proportion of the operating expenses as it does for other transit programs that receive state subsidies. This amounts to 15% of F.Y. 1988 and F.Y. 1989 expenses as currently estimated.
2. The remainder of the agency's state subsidy should be at the same dollar level as during the 1985-87 biennium.
3. Any program expansion should be financed by a combination of cost reductions and increases in non-state revenues.

AGENCY PURPOSE: The Transportation Regulation Board exists to insure safe and efficient movement of goods and commodities, and to further insure fair and equitable rates for the public as well as the carriers.

OPERATION AND CLIENTELE: The board, acting as a court, has the authority in the determination of adequacy of transportation services, the reasonableness of rates, and the issuing of franchises to common carriers and all other categories of commercial haulers.

The Commissioner of Minnesota DOT supervises, investigates and enforces state regulation of the transportation industry while being free to function as an advocate for the best interests of the State. With the creation of the Board as a separate entity, the TRB has been able to concentrate their effort in dealing with the industries within their jurisdiction. This concentration has permitted more transportation expertise to be involved in the regulatory decision making with qualified members dealing totally with transportation issues, thereby providing a focus for the industry, minimizing administrative problems, duplications and eliminating confusion for the public.

The clientele of the TRB consists of: 1) the citizens of the state who use the products and services provided by the transportation industry and are protected by the regulatory actions of the board; 2) the motor carriers and railroads which operate within the state; 3) municipalities, counties and townships which may become involved in certain railroad regulatory matters; and 4), the shippers and users of transportation.

Activities of the Board include: 1) adjudicating proceedings which result in formal and informal rate orders for the 14 railroads, 31 regular route common carriers of property, 40 regular route common carriers of passengers and package express, 82 petroleum carriers, and approximately 3,600 permit carriers; 2) adjudicating formal and informal matters which involve motor carrier and bus operating authorities such as new authority, extension of existing authority, transfer of existing authority and modification of passenger schedules; and 3) adjudication of a combination of formal and informal railroad-related matters resulting in orders for the granting of clearance variances, establishment of new grade crossings, determination of the adequacy of grade crossing warning devices, removal of industrial trackage, and changes in agency service at railroad stations.

OBJECTIVES: The Transportation Regulation Board objective is to adjudicate rate related requests, operating authority applications, and railroad regulatory matters in a fair, comprehensive and timely manner.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 5.0	\$ 8.9	\$ 8.5	\$ 8.2	\$ 7.2

ACTIVITY STATISTICS:

Objective No.	F.Y.1985	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
1. Orders-Rate Matters	330	392	350	350	350
2. Orders-Authority Matters	756	655	700	725	725
3. Orders-Railroad Regulation	60	26	45	50	50

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request to achieve the 1987-89 objectives.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: TRAN REG BD - TRB

PROGRAM: TRANSP REGULATION BD

AGENCY: TRANSP REG BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	446.9	468.5	525.5	531.5		531.5	531.5	531.5		531.5	531.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>446.9</b>	<b>468.5</b>	<b>525.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	305.0	326.0	340.8	346.8		346.8	346.8	346.8		346.8	346.8
EXPENSES & CONTRAC. SERV	140.6	118.8	183.4	183.4		183.4	183.4	183.4		183.4	183.4
SUPPLIES & MATERIALS	1.3	13.9	1.3	1.3		1.3	1.3	1.3		1.3	1.3
EQUIPMENT		9.8									
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>446.9</b>	<b>468.5</b>	<b>525.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	446.9	468.5	525.5	531.5		531.5	531.5	531.5		531.5	531.5
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>446.9</b>	<b>468.5</b>	<b>525.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>	<b>531.5</b>		<b>531.5</b>	<b>531.5</b>
POSITIONS BY FUND											
TRUNK HIGHWAY	8.0	8.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
<b>TOTAL POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>		<b>8.0</b>	<b>8.0</b>	<b>8.0</b>		<b>8.0</b>	<b>8.0</b>

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

<u>PROGRAMS:</u>	<u>ACTIVITIES:</u>	<u>Section</u>	<u>Page</u>
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	• Information and Education		15
	• Public Safety Support		17
	• Planning and Analysis		20
• EMERGENCY SERVICES	• Emergency Management		24
	• Nuclear Plant Preparedness		29
• CRIMINAL APPREHENSION	• Criminal Justice Evidence Analysis		35
	• Criminal Justice Records and Communications		38
	• Criminal Investigation and Assistance		45
	• Peace Officers Training		48
	• Criminal Apprehension Support		50
• FIRE SAFETY	• Fire Prevention, Protection, and Investigation		58
• STATE PATROL	• Patrolling of Highways		63
	• Radio Communications		67
	• Air Patrolling		70
	• Commercial Vehicle Enforcement		72
	• State Patrol Training		75
	• Traffic Safety Education		77
	• State Patrol Support		79

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

<u>PROGRAMS:</u>	<u>ACTIVITIES:</u>	<u>Section</u>	<u>Page</u>
CAPITOL SECURITY	Capitol Complex Security	4	86
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DRIVER AND VEHICLE LICENSING	Vehicle Registration and Title		92
	Interstate Registration and Reciprocity		94
	Vehicle Dealer License		96
	License Plate Manufacturing		98
	Bicycle Registration		100
	Licensing Drivers		102
	No-Fault Insurance		106
	Accident Records		108
Driver Licensing Support		110	
LIQUOR CONTROL	Liquor Licensing		117
ANCILLARY SERVICES	Crime Victims Reparation		121
	Child Abuse Prevention		125
	Private Detective Board		129
	Hazardous Substance		127

POSITION RECONCILIATION		
Authority:	Current F.Y. 87	Requested For 6/30/89
<b>LEGISLATIVE COMPLEMENT</b>		
General Fund	354.2	399.7
Special Revenue	3.0	3.0
Trunk Highway Fund	1,059.3	1,076.8
Highway User Fund	177.6	173.6
Federal Fund	40.3	48.3
Internal Service	34.0	0.0
LAC Authorized Federal	8.0	
<b>Total Permanent Pos.</b>	<u>1,676.4</u>	<u>1,701.4</u>
<b>Other Complement (FTE)</b>	<u>107.35</u>	<u>106.85</u>
<b>Total Authorized Pos.</b>	<u>1,783.75</u>	<u>1,808.25</u>
<b>Employees on 6/30/86</b>	<u>1,750.0</u>	

DEPARTMENT OF PUBLIC SAFETY

Position Summary  
Current Positions 1676.4

Organization Chart  
Current as of 7/1/86

Office of the Comm.  
Current Positions 9.5  
(including)\*

Assist. to the Comm.  
Current Pos. 1.0

Assist. Comm.  
Current Pos. 1.0\*

Deputy Comm.  
Current Pos. 1.0\*

Assist. Comm.  
Current Pos.

Capitol Security  
Current Positions 40.0  
New Pos. Req. Gen. 1.0  
Internal Svc. Fund [34.0]  
General Fund 34.0  
Total 41.0

Off. of Public Info.  
Current Pos. 9.0

Audit Section  
Current Pos. 3.0

Off. of Fiscal & Adm. Svc.  
Current Pos. 30.0  
General Fund [0.5]  
Trunk Highway Fund 0.5  
Total 30.0

Off. of Plan. & Analys.  
Current Pos. 16.0

Off. of Personnel  
Current Pos. 10.8  
HUTD Fund [1.0]  
Trunk Hwy. Fund 1.0  
Total 10.8

Traffic Safety  
Current Pos. 11.0

Driver & Vehicle Lic.  
Current Pos. 640.5  
Pos. reduction [3.0]  
HUTD Fund  
Total 637.5

State Patrol  
Current Pos. 641.0  
New Pos. Req. 15.0  
Total 656.0

Crim. Apprehension  
Current Pos. 159.0  
New Pos. Req.  
General 3.0  
Trunk Hwy. 1.0  
Total 163.0

Fire Safety  
Current Pos. 49.0  
New Pos. 4.0  
Total 53.0

Emergency Serv.  
Current Pos. 31.6

Liquor Control  
Current Pos. 19.0  
New Pos.  
Reg.-Gen. 1.0  
Total 20.0

Child Abuse Council  
Current Pos. 2.0

Crime Victims Rep. Bd.  
Current Pos. 4.0  
New Pos. Req: 3.0  
Total 7.0

Private Detective Bd.  
Current Pos. 1.0



AGENCY PURPOSE: The mission of the department of public safety is the enhancement and maintenance of safety for all persons within the state of Minnesota through education, regulation, and enforcement.

OPERATION AND CLIENTELE: The department is comprised of 9 programs:

- |                       |                                     |
|-----------------------|-------------------------------------|
| State Patrol          | Fire Safety                         |
| Criminal apprehension | Driver and Vehicle Licensing        |
| Emergency Services    | Administration and Related Services |
| Liquor Control        | Ancillary Services                  |
| Capitol Security      |                                     |

Clientele are all citizens and visitors in Minnesota whose safety is enhanced and maintained by these programs including:

- 3.0 million licensed drivers
- owners of almost 4 million vehicles
- 148,000 registered bicycles
- 87 county sheriffs
- 855 municipal governments
- 500 police departments
- 6,000 full time peace officers
- 800 fire departments
- state's entire criminal justice system
- 1,000 health care facilities
- 5,000 hotel/motel/resort facilities
- 800 dry cleaning establishments
- over 300 theaters
- 25,000 liquor licensees

The department of public safety continues to emphasize enforcement of DWI laws and crime laws, fire prevention, and highway speed enforcement. New and expanded areas of responsibility include regulation of video gaming devices, fire prevention training and education, commercial vehicle safety enforcement, specialized criminal investigation efforts and hazardous materials accidents. The department carries out many of its safety and prevention objectives through assistance to state and local governments. Future fire prevention efforts are aimed at more intensive training for the local fire service in order to increase prevention capabilities at the local level. Public education efforts will be expanded to include safety and prevention for all age groups. Criminal investigation efforts involve local enforcement, social service, financial and other related agencies in a broad effort to address the many facets of crimes such as child abuse, illegal drugs and financial crimes. The department is the lead agency for commercial vehicle safety and enforcement activities. Efforts are coordinated between state agencies and the trucking industry in a public/private partnership to best serve public safety needs.

Details of the department's operations are provided on the program and activity pages that follow.

INDEX	Agency Request 1987-88 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
SAME LEVEL REQUESTS	\$177,824.2	\$177,824.2	
Agency-wide CHANGE requests:			
Department Consolidation and Move	4,816.9	-0-	7
Management Information Systems	793.5	-0-	9
Attorney General Fees	90.0	90.0	8
SUBTOTAL	5,700.4	90.0	
Program CHANGE requests:			
Fire Safety Training	348.8	-0-	54
Fire Code Update	10.0	10.0	55
Code Enforcement Course	21.8	-0-	56
Fire Safety Equipment/Supplies	61.5	10.0	57
Liquor Control Clerical Support	40.1	-0-	114
Liquor Control Automobile Purchase	18.0	-0-	115
Liquor Control Retirement Severance	50.0	-0-	116
SUBTOTAL	550.2	20.0	
Activity CHANGE requests:			
Change in Funding of Admin. Personnel	-0-	-0-	19
High Level Radioactive Waste Subsidy	40.0	40.0	28
Nuclear Plant Preparedness	250.0	250.0	32
Laboratory Crime Analyst Positions	245.1	-0-	37
Replace Disc. Drives/MAFIN	-0-	-0-	41
Criminal Justice Network Upgrade	430.0	430.0	42
MAFIN Maintenance Costs	39.4	39.4	43
Non-Criminal Justice Records Processing	43.8	43.8	44
Criminal Investigation Overtime	400.0	-0-	47
State Patrol Trooper Increase	1,083.5	-0-	65
Reduction in Expenditures for Gasoline	[200.0]	-0-	66
Radio System Consolidation and Modernization	365.0	-0-	69
Comm. Vehicle Enforcement Clerical Support	23.8	-0-	74
Funding of Cap. Complex Sec. From Gen. Fund	-0-	-0-	88
Security Guard Position	36.3	-0-	89
Governor's Res. Security Equip. Replacement	45.4	45.4	85
Driver License Exam Sta. Maint. Costs	69.0	-0-	105
Crime Victim Services	3,652.8	1,050.0	124
SUBTOTAL	6,524.1	1,898.6	
AGENCY TOTAL	\$190,598.9	\$179,832.8	

GOVERNOR'S RECOMMENDATION:

The Governor recommends repeal of the law that transfers revenues generated by the motor vehicle excise tax from the General Fund to the Highway Users Tax Distribution Fund and to the Transit Assistance Fund. No increases financed by the Trunk Highway Fund have been recommended. The Governor will make subsequent funding recommendations in March after revenues available to the Trunk Highway Fund are known.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY PROGRAM:</b>											
ADMIN & RELATED SVS	5,571.5	6,317.8	6,773.2	6,825.0	4,097.9	10,922.9	6,870.0	6,819.2	1,602.5	8,421.7	6,864.2
EMERGENCY SERVICES	3,318.8	2,454.3	3,210.0	2,736.0	145.0	2,881.0	2,881.0	2,974.6	145.0	3,119.6	3,119.6
CRIMINAL APPREHENSION	10,190.5	10,087.7	10,496.2	11,360.6	681.8	12,042.4	11,719.7	11,474.1	476.5	11,950.6	11,628.2
FIRE SAFETY	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
STATE PATROL	31,165.2	34,373.2	35,188.4	36,056.6	796.1	36,852.7	36,056.6	35,980.0	476.2	36,456.2	35,980.0
CAPITOL SECURITY	1,087.8	1,128.5	1,280.9	1,257.5	46.2	1,303.7	1,285.5	1,253.6	35.5	1,289.1	1,271.0
DRIVER VEH LICENSING	22,934.5	26,442.5	29,052.0	26,258.4	49.0	26,307.4	26,258.4	26,326.9	20.0	26,346.9	26,326.9
LIQUOR CONTROL	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
ANCILLIARY SERVICES	755.1	1,246.4	1,192.7	1,421.5	1,526.6	2,948.1	1,921.5	1,635.9	2,126.2	3,762.1	2,185.9
<b>TOTAL</b>	<b>77,279.5</b>	<b>84,459.8</b>	<b>89,844.3</b>	<b>88,640.2</b>	<b>7,587.2</b>	<b>96,227.4</b>	<b>89,727.3</b>	<b>89,184.0</b>	<b>5,187.5</b>	<b>94,371.5</b>	<b>90,105.5</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	73,123.9	80,910.8	85,614.6	84,945.0	7,573.2	92,518.2	86,018.1	85,248.8	5,168.5	90,417.3	86,151.3
LOCAL ASSISTANCE	4,150.2	3,545.3	4,229.7	3,695.2	14.0	3,709.2	3,709.2	3,935.2	19.0	3,954.2	3,954.2
AIDS TO INDS.	5.4	3.7									
<b>TOTAL EXPENDITURES</b>	<b>77,279.5</b>	<b>84,459.8</b>	<b>89,844.3</b>	<b>88,640.2</b>	<b>7,587.2</b>	<b>96,227.4</b>	<b>89,727.3</b>	<b>89,184.0</b>	<b>5,187.5</b>	<b>94,371.5</b>	<b>90,105.5</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	18,146.5	17,031.6	17,723.4	18,834.6	4,423.6	23,258.2	20,304.6	18,946.5	3,720.3	22,666.8	20,198.0
SPECIAL REVENUE					500.0	500.0	500.0		550.0	550.0	550.0
TRUNK HIGHWAY	44,742.5	49,006.0	50,975.9	52,363.1	3,033.8	55,396.9	52,517.2	52,302.5	1,712.2	54,014.7	52,456.4
HGHWY USER TAX DISTR	7,500.0	10,754.5	12,157.2	8,811.5	573.9	9,385.4	8,718.6	8,854.9	146.1	9,001.0	8,762.1
<b>DEDICATED APPROPRIATIONS:</b>											
GENERAL	62.1	51.0	25.0	254.9		254.9	254.9	254.9		254.9	254.9
SPECIAL REVENUE	440.0	516.8	645.1	627.6		627.6	627.6	627.6		627.6	627.6
TRUNK HIGHWAY	483.1	528.6	496.6	456.6		456.6	456.6	461.6		461.6	461.6
AGENCY	5.5	3.3	9.7	9.7		9.7	9.7	9.7		9.7	9.7
GIFTS AND DEPOSITS	34.2	27.1									
PLANT MANAGEMENT		851.5	970.8	944.1	944.1-			941.1	941.1-		
FEDERAL	5,865.6	5,689.4	6,840.6	6,338.1		6,338.1	6,338.1	6,785.2		6,785.2	6,785.2
<b>TOTAL FINANCING</b>	<b>77,279.5</b>	<b>84,459.8</b>	<b>89,844.3</b>	<b>88,640.2</b>	<b>7,587.2</b>	<b>96,227.4</b>	<b>89,727.3</b>	<b>89,184.0</b>	<b>5,187.5</b>	<b>94,371.5</b>	<b>90,105.5</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	390.3	355.2	354.2	354.2	45.5	399.7	388.7	354.2	45.5	399.7	388.7
SPECIAL REVENUE	1.0	1.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TRUNK HIGHWAY	1,038.3	1,059.3	1,059.3	1,059.3	13.5	1,072.8	1,060.8	1,059.3	17.5	1,076.8	1,060.8
HGHWY USER TAX DISTR	174.6	177.6	177.6	174.6	1.0-	173.6	173.6	174.6	1.0-	173.6	173.6
PLANT MANAGEMENT		34.0	34.0	34.0	34.0-			34.0	34.0-		
FEDERAL	46.2	45.3	48.3	48.3		48.3	48.3	48.3		48.3	48.3
<b>TOTAL POSITIONS</b>	<b>1,650.4</b>	<b>1,672.4</b>	<b>1,676.4</b>	<b>1,673.4</b>	<b>24.0</b>	<b>1,697.4</b>	<b>1,674.4</b>	<b>1,673.4</b>	<b>28.0</b>	<b>1,701.4</b>	<b>1,674.4</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM:

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Department Consolidation and Move				
Agency Request				
General Fund	\$1,382.4	-0-	\$ 287.3	-0-
Trunk Highway Fund	1,506.7	-0-	734.8	-0-
Highway User Fund	666.8	-0-	238.9	-0-
	<u>\$3,555.9</u>		<u>\$1,261.0</u>	
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Highway User Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to consolidate and move all divisions (except BCA), administrative offices and ancillary boards into a new facility. The department requests that any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

DESCRIPTION/BACKGROUND: The department of public safety was created in 1970 as a merger of divisions previously attached to other agencies or as independent agencies. There was not sufficient space in one central facility to relocate them. At that time they remained housed where they were located when attached to their previous agencies. Since then, many divisions have been moved around to different rental space, but are still not located all in one central facility.

The department currently has personnel located in the DOT building plus 5 different off-site buildings. This dispersal of operations & programs results in inefficiencies in communication, duplication of support services, unproductive but often necessary travel between offices, & confusion for members of the public seeking the services of this department.

Within the department of transportation (DOT) building there are serious space limitations causing overcrowding and problems in working conditions. Because of our occupancy in the DOT building, the DOT has problems in having to place some of its functions in other locations in St. Paul. It would be more efficient and effective

for both departments to have DOT fully occupy its facility and public safety to consolidate its functions in one building.

RATIONALE: The department of public safety is one of the more visible departments in state government. It interfaces with an overwhelming majority of citizens at some time in their lives. All divisions to a greater or lesser extent have public traffic. All of our locations have poor public parking facilities. This is especially true of the transportation building, where there is heavy public traffic for driver licensing and car registrations, but it is also true of the off-site locations downtown where parking is at a premium.

The department has identified space & equipment needs & developed extensive plans for moving into a new facility that would centrally locate the divisions of driver & vehicles services, state patrol, emergency services, fire marshal, liquor control, the departments administrative offices and the ancillary boards. This will contribute to department unity, enhance dept. public image, improve productivity & improve service to the public. The department would be able to function with greater efficiency. Since the department of public safety is not a primary staff agency, this proposal fits well with the Governor's plan to house secondary agencies outside the capitol complex.

GOVERNOR'S RECOMMENDATION:

The Governor makes no recommendation in the agency's operating budget request. Rather, all office space requests for the capitol complex area will be reviewed in the Capital Budget.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:  
PROGRAM:  
AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Attorney General Fees				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Trunk Highway	\$105.0	-0-	\$105.0	-0-
Highway User	(\$ 60.0)	-0-	(\$ 60.0)	-0-
Governor's Recommendation				
Trunk Highway	\$105.0	-0-	\$105.0	-0-
Highway User	(\$ 60.0)	-0-	(\$ 60.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Funding-trunk highway	\$408.8	\$600.0	\$625.0	\$625.0	\$625.0
Attorney general billings	515.5	726.3	730.0	730.0	730.0
Balance	[\$106.7]	[\$126.3]	[\$105.0]	[\$105.0]	[\$105.0]
Funding-highway user	\$136.8	\$125.0	\$150.0	\$150.0	\$150.0
Attorney general billings	85.2	69.3	90.0	90.0	90.0
Balance	\$ 51.6	\$ 55.7	\$60.0	\$ 60.0	\$ 60.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests a change in the level of funding in the trunk highway and highway user tax distribution funds for attorney general services provided to this agency.

DESCRIPTION/BACKGROUND:

The department is funded centrally for the payment of all legal services provided by the attorney general's office that are to be paid from the trunk highway and highway user tax distribution funds. The payments made by public safety for legal services rendered by the attorney general's office go to reimburse the general fund. The attorney general's office is funded from the general fund. The level of funding from the trunk highway fund is not adequate to cover projected expenditures for the 1988/89 biennium based on prior billings for implied consent and other driver license related cases. At the same time, the highway user tax distribution same level of funding in this activity is projected to be over stated for civil weight enforcement cases.

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY:  
PROGRAM:  
AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Management Information Systems				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Trunk Highway	\$ 497.0	-0-	\$ 296.5	-0-
Governor's Recommendation				
Trunk Highway	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts to improve its overall management and delivery of services, by coordinating and providing automated systems and associated procedures and training. The department requests that any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

DESCRIPTION/BACKGROUND:

This request is the culmination of 2 years of internal planning which resulted in a management information systems plan for the department. Each division has had substantial input into this effort and will benefit individually and jointly by the new technologies. Every unit of the department has identified applications utilizing office automation tools which will allow them to accomplish increased volumes of work and to offer new and innovative services to the public without an increase in complement.

The improvement of automated systems will reduce the time it takes to get information to and from employees and will allow the electronic rather than paper transfer of data. The use of computers will increase the accuracy of analysis and allow management to look at multiple possibilities. The increased use of automation in the office will reduce the time it takes to produce necessary documents and correspondence with an improved quality. Automation will also allow the capture and storage of larger amounts of data which can be used for future decision making.

RATIONALE:

State government as a whole is attempting to perform the same or even additional services without increasing the number of employees. The department of public safety's workload has been increasing without a proportional staff increase, and it is anticipated that this trend will continue. The Governor's blue ribbon committee on informational policies, in their final report, stated that properly managing information and computer technology is a key productivity issue, in terms of decreasing overall costs and increasing public service.

The benefits to the department of the acquisition of new automated tools are significant. The department is faced with ever increasing demands by the public for services that are provided in an effective manner. In addition, legislative mandates require that we gather specific kinds of information and statistics that need to be analyzed, evaluated and compared, to determine effectiveness of current programs and ensure appropriate planning for future needs. To meet the challenge of doing more with less, the department of public safety must find better ways to analyze and communicate and share information resources among units, and increase the capabilities of departmental employees.

The department has a large investment in existing systems. The changes that have been identified and are requested here are necessary to ensure the continued utility of those systems.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

PROGRAM PURPOSE:

The primary purpose of this program is to provide centralized and cost effective administration, fiscal, personnel, planning, information, and systems for all programs in the department. It also administers all federal traffic safety funds. In addition, administrative services are provided for the four ancillary activities: crime victims and witness advisory council, private detective board, child abuse council, and hazardous substance notification advisory committee.

OPERATION:

The organizational components of this program are made up of the commissioner's office, personnel, fiscal and administrative services, the office of public information, the office of planning and analysis and the office of traffic safety.

The commissioner's office provides management direction and establishes strategic planning and priorities for all departmental safety and enforcement services. It provides policy level administrative support, and long range planning required for carrying out the department's responsibilities.

The office of fiscal and administrative services is responsible for all fiscal transactions of the annual budget, which amounts close to \$85 million. This office prepares and monitors the department's biennial budget. It also provides accounting, warehousing, purchasing, and other fiscal resource management services to the department.

The personnel office evaluates all applicants for classified positions, processes all personnel related documents, and handles training for the department's 1,750 employees. It also participates in labor negotiations with employee unions, handles employee grievances, administers the department's affirmative action program, and coordinates the employee safety program.

The public information office provides safety information to the public through publications, public service announcements, news releases, and movie and slide presentations. It also serves as a communication consultant to the management of the department. The crime watch program is conducted within this activity. Public information and education efforts emphasize involving volunteers, local organizations, business firms, and employees around the state in safety education campaigns, particularly in traffic safety and crime prevention.

The office of planning and analysis assists in identifying, evaluating, and obtaining information needed by the management and operating programs, to assist in short and long range planning. The activity develops and maintains departmental computerized systems.

The office of traffic safety plans, administers and evaluates a comprehensive statewide traffic safety program. Its major purpose is to provide additional funding, data and direction to aid local units of government in reduction of traffic crashes, injuries and fatalities. This activity collects, analyzes, publishes and distributes traffic accident data annually.

EXPLANATION OF BUDGET REQUEST:

This program has 4 change requests. \$3,555.9 in F.Y. 1988 and \$1,261.0 in F.Y. 1989 to move the department of public safety to a new facility. \$497.0 in F.Y. 1988 and \$296.5 in F.Y. 1989 to fund a major management information system and office automation project. The third request is a funding conversion of 2 positions. The fourth request is for legal services of the attorney general's office, including \$105.0 in F.Y. 1988 and F.Y. 1989 in the trunk highway fund and a decrease of \$60.0 each year in the highway user fund.

Substantially all of the administration and related services program is funded by appropriations from the trunk highway fund since it has previously been determined that it is equitable to reimburse that fund for administration services provided to activities not related to the fund, the agency requests that the following amount be appropriated from the funds indicated for transfer to the trunk highway fund on January 1, 1988, and January 1, 1989 respectively:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General Fund:	890.0	983.7
Highway User Tax Distribution Fund:	310.8	349.7

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding except for a biennial Trunk Highway Fund increase of \$ 90.0 and 1.5 positions which reflects funding conversion from the General Fund and the Highway Users Fund. The agency's request to move the department to a new facility will be addressed in the Capital Budget along with other requested moves in the capitol complex.

The Governor will consider making other Trunk Highway Fund recommendations in March after revenues to the fund are known.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: ADMIN & RELATED SVS

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
TRAFFIC SAFETY&RESRC	1,975.2	2,148.1	2,133.4	2,138.2		2,138.2	2,138.2	2,133.5		2,133.5	2,133.5
INFORMATION&EDUC	900.5	895.8	945.5	952.7		952.7	952.7	954.1		954.1	954.1
PUBLIC SAF-SUPPORT	2,277.2	2,721.5	3,059.4	3,088.6	4,097.9	7,186.5	3,133.6	3,087.3	1,602.5	4,689.8	3,132.3
PLANNING & ANALYSIS	418.6	552.4	634.9	645.5		645.5	645.5	644.3		644.3	644.3
<b>TOTAL</b>	<b>5,571.5</b>	<b>6,317.8</b>	<b>6,773.2</b>	<b>6,825.0</b>	<b>4,097.9</b>	<b>10,922.9</b>	<b>6,870.0</b>	<b>6,819.2</b>	<b>1,602.5</b>	<b>8,421.7</b>	<b>6,864.2</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	4,104.4	4,736.0	5,210.6	5,262.4	4,097.9	9,360.3	5,307.4	5,256.6	1,602.5	6,859.1	5,301.6
LOCAL ASSISTANCE	1,467.1	1,581.8	1,562.6	1,562.6		1,562.6	1,562.6	1,562.6		1,562.6	1,562.6
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>5,571.5</b>	<b>6,317.8</b>	<b>6,773.2</b>	<b>6,825.0</b>	<b>4,097.9</b>	<b>10,922.9</b>	<b>6,870.0</b>	<b>6,819.2</b>	<b>1,602.5</b>	<b>8,421.7</b>	<b>6,864.2</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	99.5	73.2	68.5	68.7	1,366.2	1,434.9	52.5	68.6	271.2	339.8	52.5
TRUNK HIGHWAY	3,002.8	3,436.4	3,695.5	3,751.6	2,157.8	5,909.4	3,905.7	3,750.5	1,185.2	4,935.7	3,904.4
HGHWY USER TAX DISTR	85.2	75.6	181.1	182.9	573.9	756.8	90.0	182.8	146.1	328.9	90.0
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	351.6	373.8	340.3	340.5		340.5	340.5	340.5		340.5	340.5
GIFTS AND DEPOSITS	33.0	26.9									
FEDERAL	1,999.4	2,331.9	2,487.8	2,481.3		2,481.3	2,481.3	2,476.8		2,476.8	2,476.8
<b>TOTAL FINANCING</b>	<b>5,571.5</b>	<b>6,317.8</b>	<b>6,773.2</b>	<b>6,825.0</b>	<b>4,097.9</b>	<b>10,922.9</b>	<b>6,870.0</b>	<b>6,819.2</b>	<b>1,602.5</b>	<b>8,421.7</b>	<b>6,864.2</b>
<b>POSITIONS BY FUND:</b>											
GENERAL		.5	.5	.5		.5-		.5		.5-	
SPECIAL REVENUE	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TRUNK HIGHWAY	71.8	76.8	77.3	77.3	1.5	78.8	78.8	77.3	1.5	78.8	78.8
HGHWY USER TAX DISTR			1.0	1.0	1.0-			1.0	1.0-		
FEDERAL	10.0	9.5	9.5	9.5		9.5	9.5	9.5		9.5	9.5
<b>TOTAL POSITIONS</b>	<b>82.8</b>	<b>87.8</b>	<b>89.3</b>	<b>89.3</b>		<b>89.3</b>	<b>89.3</b>	<b>89.3</b>		<b>89.3</b>	<b>89.3</b>



ACTIVITY: TRAFFIC SAFETY  
 Program: ADMINISTRATION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The office of traffic safety exists to reduce crashes, injuries and deaths on Minnesota's streets and highways by planning, developing, managing and evaluating traffic safety activities statewide using federal, state and local resources, and by collecting, analyzing and distributing statistical information on motor vehicle accidents. The office of traffic safety administers programs involving four different traffic safety-related areas:

1. Federal Traffic Safety Program:

Statutory Reference: M.S. 4.075

The commissioner of public safety serves as the Governor's representative for highway safety, and is charged with the responsibility of administering the highway safety act of 1966 (P.L. 89-564). The purpose is to enable the commissioner to develop a statewide comprehensive program to reduce the number of crashes, deaths, and injuries occurring on Minnesota's roads. To accomplish this, federally funded highway safety projects are conducted at the state and local levels of government. An annual highway safety plan (HSP) is prepared for review and approval by the national highway traffic safety administration (NHTSA) and the federal highway administration (FHWA). The HSP includes a statistical analysis of traffic crash data (which identifies problem areas), a description of the projects to be conducted, and a detailed budget for each project. Grant recipients include counties, cities, university of Minnesota, Minnesota safety council, department of health, Minnesota supreme court, St. Cloud state university, department of transportation and the Minnesota county attorney's association.

Statistics: Budget by program area	F.Y. 1985*	F.Y. 1986*	F.Y. 1987*	F.Y. 1988*	F.Y. 1989*
Planning and administration	\$147,015	\$189,500	\$189,400	\$190,000	\$190,000
Occupant protection (seat belts)	281,500	338,100	288,000	292,000	297,000
Alcohol safety	654,800	731,800	888,200	890,000	890,000
Police traffic services	895,000	732,500	951,600	950,000	950,000
Traffic records	77,600	504,700	514,100	182,000	180,000
Emergency medical services	182,800	286,800	274,900	207,100	193,900
Safety construction and operational improvements	546,200	660,200	555,100	560,000	560,000
Public information and education	140,000	90,000	73,000	75,600	78,800
Special driver problems (driver education & bicycle)	274,900	0	0	0	0
Grand total	\$3,199,815	\$3,533,600	\$3,734,300	\$3,346,700	\$3,339,700
Number of projects	25	30	30	30	30
Administrative costs (% of total)	4.5	5.4	5.1	5.7	5.7
Local Benefit (% of total)	60	61	62	64	65

\*Federal fiscal year (October 1 to September 30)

2. Statistical Information:

Statutory Reference: M.S. 169.10

The office of traffic safety is responsible for the collection, analysis and publication of traffic crash data. An annual report (Minnesota Motor Vehicle Crash Facts) is distributed to approximately 2,100 organizations and individuals throughout the state. Recipients include police departments, schools, engineering firms and groups, insurance companies, and other agencies and organizations involved in traffic safety issues. In addition to the annual publication, special computer reports are generated in response to specific requests for data. This activity is particularly important in identifying accident problem areas and in developing effective countermeasures. Areas of special interest include drunk driving, occupant restraint usage, pedestrian/bicycle/school bus safety, and motorcycle safety.

ACTIVITY: TRAFFIC SAFETY

1987-89 Biennial Budget

(Continuation)  
 Program: ADMINISTRATION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

3. Motorcycle Safety:

Statutory Reference: Laws 1982, Chapter 583

Effective August 1, 1982, a surcharge of \$6 for a motorcycle endorsement on a driver's license and a \$4 surcharge for renewal if an endorsement was imposed. The proceeds, up to an annual maximum of \$300,000, are placed in a motorcycle safety fund. Any money in excess of that amount is credited to the trunk highway and general funds. The commissioner of public safety is responsible for the administration of the motorcycle safety fund, and has delegated this responsibility to the office of traffic safety. The monies may be used for motorcycle safety activities such as training motorcycle safety instructors, public information and education, rider training courses offered by schools and organizations, and testing motorcycle license applicants. Not more than five percent (\$15,000) may be expended for administrative costs.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Motorcycle safety funds	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Motorcycle crashes	2,748	2,800	2,800	2,800	2,800
Motorcyclist fatalities	77	70	67	63	60
Motorcyclist injuries	2,500	2,500	2,500	2,500	2,500
Licensed operators	272,317	280,000	285,000	290,000	295,000
Registered motorcycles	151,449	150,000	148,000	146,000	145,000

4. Bicycle Safety:

Statutory Reference: M.S. 168C.04

Prior to F.Y. 1986, Minnesota's bicycle safety projects were conducted with federal highway safety monies and communities could apply for grants for bicycle safety programs. NHTSA no longer allows federal funds to be used for bicycle safety activities. Anticipating this elimination of federal funding, in F.Y. 1985 the commissioner of public safety received an appropriation of \$99,500 for the support of community bicycle safety programs. This appropriation, however, was reduced in F.Y. 1986 to \$65,700 and to \$52,500 in F.Y. 1987. This reduction in funding has meant that the program's emphasis has shifted from a local grants-in-aid approach, with funding to communities for bicycle safety activities such as bike patrols and safety rodeos, to a statewide support approach, with a statewide coordination to assist (but not to fund) local bike safety efforts.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State bicycle safety funds	\$99,500	\$65,700	\$52,500	\$52,500	\$52,500
Federal highway safety funds	\$85,000	\$0	\$0	\$0	\$0
Bicycle accidents*	1,375	1,400	1,450	1,500	1,550
Bicyclist fatalities*	10	11	12	13	14
Bicyclist injuries*	1,342	1,370	1,420	1,470	1,520

\*Figures include only those accidents in which a bicycle and a motor vehicle were involved.

EFFECTIVENESS MEASURES:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Fatality rate (Per 100 million VMT)					
State	1.84	1.73	1.64	1.53	1.45
National	2.60	2.50	2.40	2.30	2.20
DWI arrests statewide (all police depts.)	35,383	36,000	37,000	38,000	39,000
Total crashes	107,675	105,000	107,000	109,000	110,000
Deaths	610	600	585	560	550
Injuries	45,205	45,000	44,000	43,000	42,000
Economic loss (thousands)	\$480,913.4	\$490,000.0	\$530,000.0	\$540,000.0	\$580,000.0
Vehicle miles of travel (billions)	33.1	34.6	35.5	36.6	37.7

CHANGE REQUESTS:

This activity requires no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRAFFIC SAFETY&RESRC

PROGRAM: ADMIN & RELATED SVS

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	508.1	576.1	570.8	575.6		575.6	575.6	570.9		570.9	570.9
LOCAL ASSISTANCE	1,467.1	1,572.0	1,562.6	1,562.6		1,562.6	1,562.6	1,562.6		1,562.6	1,562.6
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>1,975.2</b>	<b>2,148.1</b>	<b>2,133.4</b>	<b>2,138.2</b>		<b>2,138.2</b>	<b>2,138.2</b>	<b>2,133.5</b>		<b>2,133.5</b>	<b>2,133.5</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	305.0	364.8	367.7	372.1		372.1	372.1	366.7		366.7	366.7
EXPENSES & CONTRAC. SERV	131.1	150.3	194.4	194.8		194.8	194.8	195.0		195.0	195.0
SUPPLIES & MATERIALS	15.4	7.7	3.6	3.6		3.6	3.6	4.1		4.1	4.1
EQUIPMENT	52.9	53.3	5.1	5.1		5.1	5.1	5.1		5.1	5.1
OTHER EXPENSE ITEMS	3.7										
<b>TOTAL STATE OPERATIONS</b>	<b>508.1</b>	<b>576.1</b>	<b>570.8</b>	<b>575.6</b>		<b>575.6</b>	<b>575.6</b>	<b>570.9</b>		<b>570.9</b>	<b>570.9</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	99.5	63.7	52.5	52.5		52.5	52.5	52.5		52.5	52.5
TRUNK HIGHWAY	129.7	123.5	132.9	134.9		134.9	134.9	135.2		135.2	135.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	185.1	214.4	164.9	165.0		165.0	165.0	165.0		165.0	165.0
FEDERAL	1,560.9	1,746.5	1,783.1	1,785.8		1,785.8	1,785.8	1,780.8		1,780.8	1,780.8
<b>TOTAL FINANCING</b>	<b>1,975.2</b>	<b>2,148.1</b>	<b>2,133.4</b>	<b>2,138.2</b>		<b>2,138.2</b>	<b>2,138.2</b>	<b>2,133.5</b>		<b>2,133.5</b>	<b>2,133.5</b>
POSITIONS BY FUND											
SPECIAL REVENUE	.5	.5	.5	.5		.5	.5	.5		.5	.5
TRUNK HIGHWAY	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
FEDERAL	7.5	7.5	7.5	7.5		7.5	7.5	7.5		7.5	7.5
<b>TOTAL POSITIONS</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>		<b>11.0</b>	<b>11.0</b>	<b>11.0</b>		<b>11.0</b>	<b>11.0</b>

ACTIVITY: INFORMATION AND EDUCATION  
 Program: ADMINISTRATION AND RELATED SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION:

The mission of the office of public information is to facilitate the communication process and to ensure that all people within Minneaota are educated and informed on public safety issues.

This activity is responsible for the development of informational programs in all functional areas of the department. It provides assistance to the fire marshal division in educating the public on fire prevention and detection, explosive and other hazardous materials, smoke detectors, and wood burning stoves. The activity participates in nuclear power plant disaster exercises each year conducted by the division of emergency services, by developing procedures to provide the affected public with timely and accurate information in the event of an actual or potential nuclear accident.

In crime prevention and control, major emphasis is placed on operation identification. Material is also developed on the subjects of robbery, rape, assaults and motor vehicle theft for distribution to the public through local police departments. The department film library provides training and informational safety films to schools, civic groups, enforcement agencies and other public and private organizations. The films are viewed by more than 1.5 million Minnesotans annually.

Priority is placed on drunk driving, occupant restraints, 55 mph speed limit, motorcycle safety and bicycle/pedestrian/school bus safety. Assistance is provided to citizen support groups, and surveys are conducted of the driving public to determine level of knowledge, attitudes and opinions on various traffic safety issues. The results of these surveys are used as a basis for designing informational programs and determining effectiveness. This activity also coordinates the printing of the state driver manual, the motor vehicle traffic law book, and motorcycle handbook.

EFFECTIVENESS MEASURES:

With the passage of an occupant restraint law and with considerable public information efforts, adult seat belt usage has gone from 14.8 percent in Minnesota to 41 percent according to a recent survey. Our main publicity campaign in 1985 was motorcycle accidents involving another vehicle and we were successful in reducing these accidents in 1985. The state also received a national award from the motorcycle safety foundation for this campaign. Motorcycle accidents decreased 1 percent in 1985 and motorcycle injuries by 3 percent. Although fatalities increased, they were still 9 percent lower than the previous five year average. The number of traffic deaths per 100 million miles of travel has been below 3.0 for the past 5 years and below 2.0 the past 4 years and at 1.84 in 1985. Minnesota's 1985 fire death toll was the lowest in over 20 years. The number of deaths in 1985 was 54 compared to at least 72 fire deaths annually since 1970.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	0.0	0.0	\$30.0	\$40.0	\$40.0

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Weekly bulletins	160	160	160	160
Special news releases	45	50	50	50
Media conferences	10	10	10	10
Media advisory	10	12	12	12
Film library:				
Number of showings of films	45,584	46,250	47,000	47,500
Attendance (millions)	1.65	1.75	1.85	1.9
Safety brochures and promotional items distributed (millions)	5.3	5.5	5.7	5.9
Dollar value of free air time of public service announcements (millions)	\$1.08	\$1.1	\$1.1	\$1.1

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INFORMATION&EDUC

PROGRAM: ADMIN & RELATED SVS

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	900.5	886.0	945.5	952.7		952.7	952.7	954.1		954.1	954.1
LOCAL ASSISTANCE		9.8									
AIDS TO INDS.											
TOTAL EXPENDITURES	900.5	895.8	945.5	952.7		952.7	952.7	954.1		954.1	954.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	252.7	246.8	260.0	264.3		264.3	264.3	263.6		263.6	263.6
EXPENSES & CONTRAC. SERV	516.7	551.2	600.9	603.8		603.8	603.8	605.9		605.9	605.9
SUPPLIES & MATERIALS	126.7	76.2	82.1	82.1		82.1	82.1	82.1		82.1	82.1
EQUIPMENT	4.4	11.8	2.5	2.5		2.5	2.5	2.5		2.5	2.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	900.5	886.0	945.5	952.7		952.7	952.7	954.1		954.1	954.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	368.0	409.7	429.6	436.6		436.6	436.6	437.2		437.2	437.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	166.5	159.4	175.4	175.5		175.5	175.5	175.5		175.5	175.5
FEDERAL	366.0	326.7	340.5	340.6		340.6	340.6	341.4		341.4	341.4
TOTAL FINANCING	900.5	895.8	945.5	952.7		952.7	952.7	954.1		954.1	954.1
POSITIONS BY FUND											
SPECIAL REVENUE	.5	.5	.5	.5		.5	.5	.5		.5	.5
TRUNK HIGHWAY	7.0	8.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
FEDERAL	1.5	.5	.5	.5		.5	.5	.5		.5	.5
TOTAL POSITIONS	9.0	9.0	9.0	9.0		9.0	9.0	9.0		9.0	9.0

ACTIVITY: PUBLIC SAFETY SUPPORT  
 Program: ADMINISTRATION & RELATED SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: This activity provides executive management and centralized support services to the 7 operating divisions and 5 staff offices of the department. This involves long range policy decisions as well as day-to-day administrative support to carry out the department's responsibilities.

The commissioner's office directs, develops and coordinates programs and services to accomplish the overall mission of the department. It establishes priorities for safety and enforcement services rendered to the public in coordination with other state agencies, other units of government and private organizations. Coordination and managerial direction of the department's budget, strategic planning, legislative concerns, and administrative rulemaking are conducted in the commissioner's office.

The mission of the office of fiscal and administrative services is to promote financial responsibility, efficient resource management and adherence to regulations through guidance, coordination, innovation, control, and by furnishing quality centralized support services. The fiscal office provides budgeting, auditing, general accounting, financial reporting, accounts payable, payroll, purchasing and warehouse services. The office of personnel provides human resource management support to the divisions and staff offices of the department to maintain optimum productivity, meet affirmative action goals, meet labor contract obligations and minimize personnel costs. Its operating mission is to promote consistency, harmony and efficiency in management of the department workforce through training, guidance, technical assistance and coordination of employee data.

The office of personnel provides employee selection, job classification and salary determination, training opportunities, employee safety, labor contract administration and affirmative action programs for the department.

Authority for this activity is found in M.S. 299A.01.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of payments processed within 30 days (%)	99	99	99	99
Number of purchase awards				
regular	726	748	770	793
small business	222	229	236	243
socially, economically disadvantaged (SED)	299	308	317	327
Total number purchase awards	<u>1,247</u>	<u>1,285</u>	<u>1,323</u>	<u>1,363</u>
Percentage of audit recommendations implemented (%)	81	86	83	80
Percentage of staff turnover (%)	4.5	5	6	6
Percentage of affirmative action goals met within 5%	70	80	80	80

BUDGET ISSUES:

1. The department is undertaking a major management information upgrade. The implementation of automated systems will result in substantial gains in program capabilities and more efficient operations, in a future of limited government resources.
2. The department has also identified needs and developed extensive plans for moving into a new facility that would consolidate the divisions and ancillary boards. This will contribute to department unity, enhance department public image, improve productivity and improve service to the public.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of payment transactions	63,686	64,000	64,400	64,900
Federal operations audited (dollars in thousands)	\$ 782.0	\$ 588.8	\$ 281.6	\$ 129.1
Payroll operations audited (dollars in thousands)	\$ 9,235.5	\$9,605.0	\$12,341.8	\$9,989.1
On-line payroll transactions	62,500	63,400	64,300	65,200

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Department move	3,555.9	1,261.0	Agency
Management information	497.0	296.5	Agency
Fund conversion			Activity
General Fund	[16.2]	[16.1]	
HUTD Fund	[32.9]	[32.8]	
Trunk Highway Fund	49.1	48.9	
Legal Services			Agency
Trunk Highway	105.0	105.0	
Highway User	[60.0]	[60.0]	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PUBLIC SAF-SUPPORT

PROGRAM: ADMIN & RELATED SVS

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,277.2	2,721.5	3,059.4	3,088.6	4,097.9	7,186.5	3,133.6	3,087.3	1,602.5	4,689.8	3,132.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,277.2	2,721.5	3,059.4	3,088.6	4,097.9	7,186.5	3,133.6	3,087.3	1,602.5	4,689.8	3,132.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,450.9	1,573.4	1,732.5	1,763.3	26.4	1,789.7	1,763.3	1,757.0		1,757.0	1,757.0
EXPENSES & CONTRAC. SERV	715.8	900.6	1,007.4	1,010.7	1,241.5	2,252.2	1,055.7	1,015.7	1,439.9	2,455.6	1,060.7
SUPPLIES & MATERIALS	48.8	48.7	45.0	49.1	154.7	203.8	49.1	49.1	45.5	94.6	49.1
EQUIPMENT	52.9	33.0	9.6	.6	2,675.3	2,675.9	.6	.6	117.1	117.7	.6
OTHER EXPENSE ITEMS	8.8	165.8	264.9	264.9		264.9	264.9	264.9		264.9	264.9
TOTAL STATE OPERATIONS	2,277.2	2,721.5	3,059.4	3,088.6	4,097.9	7,186.5	3,133.6	3,087.3	1,602.5	4,689.8	3,132.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		9.5	16.0	16.2	1,366.2	1,382.4		16.1	271.2	287.3	
TRUNK HIGHWAY	2,090.8	2,369.8	2,527.1	2,563.6	2,157.8	4,721.4	2,717.7	2,562.8	1,185.2	3,748.0	2,716.7
HGHMY USER TAX DISTR	85.2	75.6	181.1	182.9	573.9	756.8	90.0	182.8	146.1	328.9	90.0
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	33.0	26.9									
FEDERAL	68.2	239.7	335.2	325.9		325.9	325.9	325.6		325.6	325.6
TOTAL FINANCING	2,277.2	2,721.5	3,059.4	3,088.6	4,097.9	7,186.5	3,133.6	3,087.3	1,602.5	4,689.8	3,132.3
POSITIONS BY FUND											
GENERAL		.5	.5	.5	.5-			.5	.5-		
TRUNK HIGHWAY	49.8	49.8	50.3	50.3	1.5	51.8	51.8	50.3	1.5	51.8	51.8
HGHMY USER TAX DISTR			1.0	1.0	1.0-			1.0	1.0-		
FEDERAL	1.0	1.5	1.5	1.5		1.5	1.5	1.5		1.5	1.5
TOTAL POSITIONS	50.8	51.8	53.3	53.3		53.3	53.3	53.3		53.3	53.3

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PUBLIC SAFETY SUPPORT  
 PROGRAM: ADMINISTRATION AND RELATED SERVICES  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Change in Funding of Administrative Personnel				
Agency Request				
General Fund	(\$16.2)	(0.5)	(\$16.1)	(0.5)
Highway User	(\$32.9)	(1.0)	(\$32.8)	(1.0)
Trunk Highway	\$49.1	1.5	\$48.9	1.5
Governor's Recommendation				
General Fund	(\$16.2)	(0.5)	(\$16.1)	(0.5)
Highway User	(\$32.9)	(1.0)	(\$32.8)	(1.0)
Trunk Highway	\$49.1	1.5	\$48.9	1.5
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This request is for a conversion in funding of 1.5 positions in the administrative budget, to fully trunk highway funding.

DESCRIPTION/BACKGROUND:

The highway user funded position was transferred to the office of personnel during the present biennium from the driver and vehicle licensing program. The personnel office has experienced a significant increase in demand for support services in the area of health/safety and employee development. Also there has been an increased demand for labor relations and classification/compensation services. Increased delegation of authority from the department of employee relations in these areas as well as in employee selection and benefit administration has taken up professional staff time, thus they have been unable to provide an effective level of day to day service. The additional position has enabled the personnel office to meet these demands.

The general funded position was transferred to the office of fiscal and administrative services during the present biennium from the emergency services program. The position transferred was that of an accounting officer assigned to the liquor control and emergency services accounts. All other accounting positions in the agency are paid from the public safety support activity in the administration program with the exception of this one position which was split funded. By paying for the

accounting position from the support budget, the office of fiscal and administrative services can be more flexible in their assignment of accounts and special projects.

RATIONALE:

The trunk highway fund is the largest source of funding in the department of public safety. The administration and related services program is funded by a direct appropriation from the trunk highway fund and that fund is reimbursed by the general and highway user funds for costs not related to the trunk highway fund. For the past three bienniums this program has been funded in this manner. This change will realign the same level budget under a single source of direct appropriations for this program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.



ACTIVITY: PLANNING AND ANALYSIS  
 Program: ADMINISTRATION AND RELATED SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The office of planning and analysis coordinates the implementation of manual and automated systems, procedures, and training.

This activity provides technical support for the department automated systems including interface and coordination of services provided by information management bureau and other vendors, management of the department's word processing, equipment acquisition, EDP training, data security, data privacy, system audits, pilot projects, application design, adherence to standards, review of expenditures and budgets, project management, application documentation, and the evaluation of proposed systems. This activity coordinates procedural studies and research projects and produces recommendations to division and department management. The office also coordinates maintenance and modification to the HOST and mini computer application systems. Minor corrections and changes will continue for the life of all systems, and these changes utilize a large portion of the technical staff time.

EFFECTIVENESS MEASURES:

Enhancement of the department's major mainframe systems so that data processing production proceeds efficiently at an acceptable cost.

Expansion of word processing capability to more departmental units so that larger amounts of clerical time are saved, record storage is more efficient, and increased productivity is realized.

Enlarge the number, use, and integration of microcomputers throughout the department in order that increasing workloads can be accomplished without increasing staff.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
EDP training classes	24	50	72	84
Terminals installed	12	6	8	7
Special projects	2	2	2	2
Applications dev.	4	6	8	8
Packages installed	23	16	36	54
LANS installed	3	9	7	10
PC's installed	16	45	49	50

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PLANNING & ANALYSIS

PROGRAM: ADMIN & RELATED SVS

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	418.6	552.4	634.9	645.5		645.5	645.5	644.3		644.3	644.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	418.6	552.4	634.9	645.5		645.5	645.5	644.3		644.3	644.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	387.3	481.4	583.7	593.8		593.8	593.8	591.8		591.8	591.8
EXPENSES & CONTRAC. SERV	22.0	24.5	35.9	36.4		36.4	36.4	37.2		37.2	37.2
SUPPLIES & MATERIALS	4.5	12.1	15.3	15.3		15.3	15.3	15.3		15.3	15.3
EQUIPMENT	4.8	34.4									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	418.6	552.4	634.9	645.5		645.5	645.5	644.3		644.3	644.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	414.3	533.4	605.9	616.5		616.5	616.5	615.3		615.3	615.3
DEDICATED APPROPRIATIONS:											
FEDERAL	4.3	19.0	29.0	29.0		29.0	29.0	29.0		29.0	29.0
TOTAL FINANCING	418.6	552.4	634.9	645.5		645.5	645.5	644.3		644.3	644.3
POSITIONS BY FUND											
TRUNK HIGHWAY	12.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0
TOTAL POSITIONS	12.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0

PROGRAM PURPOSE:

The mission of the division of emergency services is to maximize the safety of the people in Minnesota through the coordination of federal, state and local disaster preparedness, response, and recovery efforts.

This program coordinates the efforts of 11 state and/or federally funded programs into an integrated emergency management system approach. This system recognizes that certain functions are common to all disasters and emphasizes building the capability to perform those functions. This system allows for the effective use of staff in their areas of greatest expertise.

OPERATION:

To accomplish its major goal and to meet statutory requirements, the division of emergency services performs planning, training, exercising, operational and administrative functions.

1. The division of emergency services is required to develop and maintain a comprehensive emergency plan of operations. This plan must be coordinated with and integrated into the plans of the federal government, other states, and all political subdivisions within Minnesota.
2. Regular, effective training must be conducted to prepare all agencies with emergency responsibilities to handle disasters effectively and efficiently. A priority is placed on exercise-based training to raise skill levels and build capabilities in simulated, real-life settings.
3. To meet its requirement for responsiveness to disasters within the state, the division maintains a duty officer 24-hours per day. This individual responds to all calls to the statewide emergency number and the main switchboard. During emergencies, this division draws on the personnel and resources of other state departments to supplement its capabilities.
4. Federal funds which support local emergency management organizational requirements and operating costs are passed through this division. Numerous state and local administrative, planning, and operational requirements must be satisfied to qualify for this funding. Formerly, federal monies were available for emergency operating centers and warning devices. These monies are not currently available due to federal cutbacks. It is impossible to project if and when these funds will be reinstated.

<u>SOURCES OF FUNDING:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
By program:					
100% federally funded	7	7	8	8	8
100% state funded	2	2	2	2	2
State and federally funded	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	11	11	12	12	12
By positions:					
100% federally funded	11.0	9.0	9.0	9.0	9.0
100% state funded	4.0	4.0	4.0	4.0	4.0
State and federally funded	<u>23.5</u>	<u>18.5</u>	<u>18.5</u>	<u>18.5</u>	<u>18.5</u>
	38.5	31.5	31.5	31.5	31.5

The federal emergency management agency had planned to require a 50 percent match for the programs which provided state staffing, beginning in October 1985. A concerted negative response by the states reversed this decision, at least temporarily.

EXPLANATION OF BUDGET REQUEST:

Two change levels are requested for this program. \$20.0 in F.Y. 1988 and F.Y. 1989 for high-level radioactive waste preparedness. \$125.0 in F.Y. 1988 and F.Y. 1989 are requested for nuclear plant preparedness.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: EMERGENCY SERVICES

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
EMERG MGMT ASSIST	3,036.9	2,237.7	2,983.1	2,519.3	20.0	2,539.3	2,539.3	2,757.6	20.0	2,777.6	2,777.6
NUCLEAR PLANT PREPAREDNESS	281.9	216.6	226.9	216.7	125.0	341.7	341.7	217.0	125.0	342.0	342.0
TOTAL	3,318.8	2,454.3	3,210.0	2,736.0	145.0	2,881.0	2,881.0	2,974.6	145.0	3,119.6	3,119.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,648.4	1,477.5	1,466.0	1,526.5	131.0	1,657.5	1,657.5	1,525.1	126.0	1,651.1	1,651.1
LOCAL ASSISTANCE	1,670.4	976.8	1,744.0	1,209.5	14.0	1,223.5	1,223.5	1,449.5	19.0	1,468.5	1,468.5
AIDS TO INDS.											
TOTAL EXPENDITURES	3,318.8	2,454.3	3,210.0	2,736.0	145.0	2,881.0	2,881.0	2,974.6	145.0	3,119.6	3,119.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	846.1	698.8	712.3	741.3	145.0	886.3	886.3	742.0	145.0	887.0	887.0
DEDICATED APPROPRIATIONS:											
FEDERAL	2,472.7	1,755.5	2,497.7	1,994.7		1,994.7	1,994.7	2,232.6		2,232.6	2,232.6
TOTAL FINANCING	3,318.8	2,454.3	3,210.0	2,736.0	145.0	2,881.0	2,881.0	2,974.6	145.0	3,119.6	3,119.6
POSITIONS BY FUND:											
GENERAL	16.3	13.8	13.8	13.8		13.8	13.8	13.8		13.8	13.8
FEDERAL	22.2	17.8	17.8	17.8		17.8	17.8	17.8		17.8	17.8
TOTAL POSITIONS	38.5	31.6	31.6	31.6		31.6	31.6	31.6		31.6	31.6

ACTIVITY: EMERGENCY MANAGEMENT  
 Program: EMERGENCY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

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ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$25.0	\$20.0	\$24.0	\$30.0	\$30.0

DESCRIPTION: This activity includes the following programs which are all planning, training, and exercise oriented:

1. Disaster plans, procedures, and guidance. Under state and federal requirements, the activity is responsible for maintaining state disaster plans and assisting local governments in developing their disaster plans. Experience has demonstrated that having an adequate plan can significantly improve a government's ability to respond effectively to a disaster. In 1985, the federal emergency management agency (FEMA) extensively revised its state and local government planning requirements. We then developed new guidelines to enable local governments to meet those requirements over a 3 year period. In addition, we provide on-site planning assistance so that local governments have fully met FEMA requirements and remain eligible to receive assistance in the future.

Statistics:

Local jurisdiction plans are on a 5 year cycle. In 1985, 76 counties developed emergency plans. In 1986, 54 city plans and 76 county annexes were developed. In 1987, 130 city and county standard operating procedures were in effect and in 1988 and 1989 they will be updated and exercised.

2. Training, exercise, and public education programs. These programs improve the level of professionalism among emergency management personnel and increase the general public's understanding and preparedness for disasters. Emergency management and hazardous materials training increases the ability of local government to coordinate the many disciplines that must respond to a disaster resulting in decreased deaths, injuries and property damage. The continued eligibility of local government to receive EMA is dependent upon the local director having obtained minimum required training. The division can conduct the necessary training programs for very little cost to the state or local government and is the only agency in Minnesota eligible to receive monies for disaster training.

<u>Statistics:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Training courses	92	72	81	86	91
Public programs	4	4	4	4	4
Total attendees	3,890	2,700	2,800	2,900	3,000
Student hrs. of instr.	25,171	32,076	33,000	33,500	34,000
Exercise	27	46	228	228	228
Hazmat-					
Courses	73	46	41	37	37
No. of locations	23	25	30	26	26
Total students	3,685	1,971	2,756	2,356	2,356

3. 24-hour duty officer system. State government is obligated, legally and practically to provide a 24-hour disaster notification and referral system. This is one point of contact for those who need to report the occurrence of a disaster, obtain information and guidance, or need a specific state agency response. The division developed and has provided a 24-hour duty officer system for over 25 years, primarily because it is the state agency responsible for coordinating all state disaster response/recovery activities.

Activity Statistics: Over the past several years, we have concentrated efforts on educating local governments on the use of the statewide emergency number. The success of this effort is evidenced by a 324% increase in the time the duty officer was involved in handling these calls between F.Y. 1985-86. There was a 32% increase in the number of calls responded to between F.Y.'s 1983 and 1986. This trend reflects not only the success of our efforts but also the increased threat imposed by certain hazards, particularly hazardous materials. Both the number of calls received and the amount of staff time dedicated to responding to them are projected to continue increasing, but at a less rapid rate. If the statewide emergency number were abandoned, the results would be confusion and delays in obtaining state and federal assistance at the local level. On occasion, this means the difference between life and death, between small-scale damage and massive destruction.

4. Coordinate requests for (financial) disaster assistance. The state and federal government offer nine different disaster assistance programs. Once the need for disaster assistance has been established, we help local governments request the appropriate disaster assistance. We coordinate all requests for disaster assistance, and the division's director serves as the Governor's authorized representative for all federal disaster assistance programs.

<u>Statistics:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of requests:					
Agricultural (federal)	17	17	15	15	15
Calamity act (state)	1	0	1	1	1
Homestead property					
Disaster credit (state)	1	0	4	4	4

Effectiveness Measures:

The success of receiving disaster assistance for local government or the general public depends on the quality of the request submitted in a timely manner. In F.Y. 1985 the majority of requests were made within two days, in F.Y. 1986 within one day. During these two years all of the 36 separate requests for disaster assistance were approved and resulted in direct aid to disaster victims.

ACTIVITY: EMERGENCY MANAGEMENT  
 (Continuation)  
 Program: EMERGENCY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

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5. On-scene technical assistance. When faced with potential or actual disasters, local government frequently needs and requests on-scene technical assistance and guidance. Because of its knowledge of and experience with the various government and private sector resources available in time of disaster, we can and do respond to these requests.

Activity Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Counties assisted	9	15	10	10	10

6. Assistance to local government in responding to serious HAZMAT incidents. The last few years, there has been a great increase in hazardous materials (HAZMAT) accidents/incidents in Minnesota. Local governments frequently do not have the equipment and the trained personnel to respond to these situations, so the legislature directed emergency services to provide coordinated assistance. By the end of F.Y. 1986, the division had trained a total of 15 state HAZMAT team members from seven state agencies and had fully equipped a HAZMAT response truck. We also trained a number of local first responders to support the state HAZMAT team.

Activity Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
HAZMAT team members					
Fully trained	3	12	15	15	18
Partially trained	5	3	4	3	2
Responses requiring team member(s)	87	153	175	200	225
Responses requiring HAZMAT truck	0	6	15	30	35
Local responders trained to support team					
Fully	13	12	12	22	22
Partially	23	53	45	35	50

Effectiveness Measures:

% of state HAZMAT team training needs met	70	75	95	95	95
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7. Technical assistance to local governments to improve operational capabilities. In order to be better prepared to respond effectively when disasters and emergencies occur, local governments frequently need to improve their operational capabilities in warnings (sirens), communications (radio equipment), and direction and control (emergency operating centers). The division provides them technical assistance to help them increase their capabilities in these areas. We provide this assistance whenever requested because we have the technical expertise and experience, we are the state agency designated by FEMA to coordinate and process all requests for funding for these areas, and we receive funding from FEMA for this purpose.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Political subdivisions receiving technical and funding assistance	2	0	5	6	4
Cumulative total of p.s. receiving technical and funding assistance since 1962	35	35	40	46	50
Political subdivisions receiving technical assistance in developing EOCs without funding	3	2	3	4	5
Population covered by a warning system	2,573,490	2,766,384	2,779,126	2,791,868	2,804,610
% increase	3	10.7	.8	.8	.8

Authority for this activity is found in M.S. Chapter 12.

BUDGET ISSUES: The regulations for providing federal assistance for a presidentially declared major disaster have recently changed. Under present regulations the state must pay 25% of the costs of repairing state property damaged by a disaster. For the last three major disaster declarations in Minnesota in 1978 and 1979, when federal assistance was 100%, the total costs to repair state property was \$402,564. Present state legislation does not provide for the payment of repair to state property damaged by a major disaster.

As the state's population has increased, state and federal monies available to assist local governments in providing adequate warning systems have decreased. State financial assistance was eliminated in F.Y. 1982, and federal assistance was eliminated in F.Y. 1985. The loss of warning monies comes at a time when additional and replacement warning devices are needed, and when local governments are generally unable to bear the entire fiscal burden. The result is a reduction in local governments ability to effectively warn their citizens of impending danger. Currently, 33% of Minnesota's population is without warning.

ACTIVITY: EMERGENCY MANAGEMENT  
 (Continuation)  
 Program: EMERGENCY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

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Grants by Funds:

Emergency Management Assistance:	F.Y. 1985	F.Y. 1986*	F.Y. 1987**	F.Y. 1988**	F.Y. 1989**
General	\$ 20.0	0.0	0.0	0.0	0.0
Federal	\$1,594.6	\$ 950.8	\$1,716.5	\$1,185.5	\$1,425.5

GRANTS AND AIDS:

1. Emergency Management Assistance

Statutory Reference: M.S. Chapter 12 and Executive Order 83-17.

Included in this activity are grants and aids programs, disbursing federal matching funds to the state, counties, and municipalities for emergency operating centers (EOC), warning and communication systems, and recurring charges for EOCs and warning and communications equipment purchased with federal matching funds. Approximately 95% of these federal matching funds are allocated to local programs. State agencies, all counties and municipalities are eligible for federal funds. Each of these programs provides up to 50% match for state and local expenditures. If the funding is inadequate, the program funds 50% of as many applications as possible, based on state and federal priorities.

Activity Statistics: F.Y. 1985 F.Y. 1986\* F.Y. 1987\*\* F.Y. 1988\*\* F.Y. 1989\*\*

Emergency management assistance funds:	F.Y. 1985	F.Y. 1986*	F.Y. 1987**	F.Y. 1988**	F.Y. 1989**
Allocated to state	\$ 392.5	\$ 335.1	\$ 349.8	\$ 374.6	\$ 373.6
Reallocated to locals	\$1,594.6	\$ 950.8	\$1,716.5	\$1,185.5	\$1,425.5
% retained by state*	25	25	25	24	24
% retained by state-not incl. in direct costs	22	23*	23*	22	22

\*According to FEMA, 31 states retain more than one-third of their allocations. The average retained is 35%. Seventeen states retain more than 40%. Eleven states retain less than 30%. On the average, approximately 12% (or \$50,000) of the money retained by this division goes to pay indirect costs.

\*\*The increased percentage in F.Y.'s 1986 and 1987 is due, in large part, to the liquidation costs of eliminated positions.

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
High-level Radioactive Waste	\$20.0	\$20.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EMERG MGMT ASSIST

PROGRAM: EMERGENCY SERVICES

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,422.3	1,286.9	1,266.6	1,333.8	20.0	1,353.8	1,353.8	1,332.1	20.0	1,352.1	1,352.1
LOCAL ASSISTANCE	1,614.6	950.8	1,716.5	1,185.5		1,185.5	1,185.5	1,425.5		1,425.5	1,425.5
AIDS TO INDS.											
TOTAL EXPENDITURES	3,036.9	2,237.7	2,983.1	2,519.3	20.0	2,539.3	2,539.3	2,757.6	20.0	2,777.6	2,777.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,006.8	968.9	928.3	991.9		991.9	991.9	988.5		988.5	988.5
EXPENSES & CONTRAC. SERV	299.0	278.9	318.2	321.8	20.0	341.8	341.8	323.5	20.0	343.5	343.5
SUPPLIES & MATERIALS	37.2	20.0	19.5	19.5		19.5	19.5	19.5		19.5	19.5
EQUIPMENT	38.5	19.1	.6	.6		.6	.6	.6		.6	.6
OTHER EXPENSE ITEMS	40.8										
TOTAL STATE OPERATIONS	1,422.3	1,286.9	1,266.6	1,333.8	20.0	1,353.8	1,353.8	1,332.1	20.0	1,352.1	1,352.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	564.2	482.2	485.4	524.6	20.0	544.6	544.6	525.0	20.0	545.0	545.0
DEDICATED APPROPRIATIONS:											
FEDERAL	2,472.7	1,755.5	2,497.7	1,994.7		1,994.7	1,994.7	2,232.6		2,232.6	2,232.6
TOTAL FINANCING	3,036.9	2,237.7	2,983.1	2,519.3	20.0	2,539.3	2,539.3	2,757.6	20.0	2,777.6	2,777.6
POSITIONS BY FUND											
GENERAL	14.3	11.8	11.8	11.8		11.8	11.8	11.8		11.8	11.8
FEDERAL	22.2	17.8	17.8	17.8		17.8	17.8	17.8		17.8	17.8
TOTAL POSITIONS	36.5	29.6	29.6	29.6		29.6	29.6	29.6		29.6	29.6



CHANGE REQUEST

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Agency  Program  Activity

ACTIVITY: EMERGENCY MANAGEMENT  
 PROGRAM: EMERGENCY SERVICES  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: High Level Radioactive Waste Subsidy				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$20.0	-0-	\$20.0	-0-
Governor's Recommendation				
General Fund	\$20.0	-0-	\$20.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE: Experience during the past two years has demonstrated that adequate preparation for high-level radioactive waste shipments results in additional costs for staff activation, local government training, monitoring casks, and equipment. These additional expenditures have been made by emergency services, state patrol, department of transportation, and department of health. The funding would be used to pay these additional expenditures which are becoming increasingly more difficult for all of the agencies as the scope of the shipments change. Although the division has been able to adequately prepare for and execute operations during the shipments which have occurred to date, the type of shipments that are expected to be made will make it difficult to be fully prepared for future shipments.

The shipments to date have been primarily short rail shipments from Monticello to the Wisconsin border at Hastings, traveling through four counties for approximately 60 miles. Truck shipments from facilities in the eastern United States to the state of Washington are expected to increase dramatically in F.Y. 1988 and F.Y. 1989 and in the future. These trucks will use interstate 90 and 94 in Minnesota and travel through 19 counties over 540 miles of highway. Training for local government first responders must be conducted along each route. This includes law enforcement agencies, fire departments, ambulance personnel, and hospitals in the areas affected. Topics covered in the training include federal regulations for safeguarding shipment notifications and notification procedures, the basics of radiation and contamination, cask design, the state emergency plan, and first response techniques for personal and public protection.

The funding will be used to print training materials, travel expenses to conduct training, costs for emergency preparation activation during shipments, and costs associated with inspecting and monitoring the casks.

We feel that the steps outlined are necessary to ensure the health, safety, and welfare of the people in Minnesota as specified in the statute.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. Costs for this function are fully recovered by the assessment of fees to shippers.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funding in order to cover the costs to this activity and other state agencies associated with the shipment of high-level radioactive waste through Minnesota. These costs include staff time for receiving notification of shipments and notifying local government, local government training, escort of shipments, monitoring of casks, and staff activation during the shipment. The objective is to ensure that state and local agencies are prepared to protect the public if there is an accident involving high-level radioactive wastes.

DESCRIPTION/BACKGROUND: In 1984, the legislature directed the division to develop and maintain an emergency response plan for high-level radioactive waste transportation accidents/incidents, and also ensure that state and local governments can respond adequately to these accidents. The legislation (M.S. 1984, Ch. 116C.731, .15, .3) requires payment of \$1,000 by the shipper for each vehicle (cask) carrying high level radioactive waste. These shipments have produced the income shown below over the past years but no additional funding was provided to emergency services or other state agencies for the costs associated with the shipments.

ACTIVITY STATISTICS: F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

Shipments				
Rail	\$ 17	\$ 16	\$ 12	\$ 12
Truck	3	8	18	18
Revenue collections	\$20.0	\$24.0	\$30.0	\$30.0

ACTIVITY: NUCLEAR PLANT PREPAREDNESS  
 Program: EMERGENCY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$200.0	\$150.0	\$150.0	\$150.0	\$150.0

DESCRIPTION:

The purpose of this activity is to ensure that both the state and local governments adjacent to nuclear power plants have the capability to protect the public in the event of a nuclear power plant incident or accident. To do this, the activity annually reviews and updates state and local radiological emergency response plans in accordance with federal requirements, conducts training for first responders and government officials, develops scenarios and conducts exercises for at least one nuclear power plant area in accordance with federal requirements, and provides technical and financial assistance to political subdivisions and other state agencies with emergency plan responsibilities.

This activity was created by legislative mandate in F.Y. 1980. This activity is based on federal regulation and federal emergency management agency (FEMA) and U.S. nuclear regulatory commission (NRC) guidelines. Two nuclear power plants are located in Minnesota - one at Monticello and one at Prairie Island near Red Wing. These plants are operated by northern states power company. In addition, a third nuclear plant that affects Minnesota citizens, LaCrosse boiling water reactor (LACBWR), is located near Genoa, Wisconsin. The local governments directly affected by the Monticello and Prairie Island 10-mile emergency planning zones (EPZs) are Wright and Sherburne counties and the cities of Becker, Big Lake, and Monticello and Dakota and Goodhue counties and the city of Red Wing. The LACBWR 5-mile EPZ affects Houston county and the city of Caledonia. The primary state response organizations, besides the division of emergency services, are the state patrol and departments of health, transportation, human services and agriculture.

RECENT BUDGET HISTORY:

During the first four years of this activity, the emergency response plans were developed, exercised, reviewed and revised. Approval was obtained in F.Y. 1985. During this planning process a public meeting was held near each nuclear power plant to discuss the emergency response plans. Thirteen exercises of simulated emergencies have been held - 5 in the Prairie Island area, 5 in the Monticello area and 3 in the LACBWR area. All the state response agencies and the affected local governments participated. To meet their emergency preparedness responsibilities, each local jurisdiction developed and equipped an emergency operating center (EOC). Each response organization has been equipped with the necessary radiation detection instruments and personal dosimetry to ensure emergency workers radiation exposure limits will not be exceeded in the event of an emergency. Extensive training has been conducted on both the state and local levels. Complete EPZ public warning systems, inter-EOC communication networks, and public information programs have been established. Each year public education brochures, giving basic emergency response information, have been distributed to the residents within the EPZs and copies have been made available in public places for the transient population.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of plans reviewed and updated	100	100	100	100	100
Number of revised plans distributed	120	120	120	120	120
Number of first responders trained	310	323	350	350	350
% of successfully completed exercises	100	100	100	100	100
<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
NSP assessment	\$200.0	\$150.0	\$150.0	\$150.0	\$150.0
Non-NSP assessment, general fund money	81.9	66.6	76.9	65.0	64.8
Financial assistance to local governments	\$ 55.8	\$ 26.0	\$ 27.5	\$ 24.0	\$ 24.0
Number of recipients	8	7	10	10	10
Allocated to department of health	\$ 73.3	\$ 72.6	\$ 72.0	\$ 72.0	\$ 72.0

Authority for this activity is found in M.S. 12.13-12.14.

GRANTS AND AIDS:

Reimbursement to Local Governments for Nuclear Plant Preparedness.

Statutory Reference: M.S. 12.13 - 12.14

5 counties (Dakota, Goodhue, Houston, Sherburne, and Wright) and 5 municipalities (Becker, Big Lake, Caledonia, Monticello, Red Wing) are automatically eligible for consideration as recipients of nuclear power plant fund grants due to their proximity to the Red Wing, Monticello and LACBWR nuclear power plants. Other surrounding counties and municipalities may be impacted in some way by the presence of a nuclear power plant and are potentially eligible for consideration as recipients of grants. These local governments use the grant funds to pay for equipment, materials, training, and exercise expenses to improve their capability to respond effectively to a nuclear power plant accident.

The total grant monies approved for disbursement are determined primarily by the total power plant fund monies available, total eligible requests received by established deadlines, and priority of eligible requests according to their estimated

ACTIVITY: NUCLEAR PLANT PREPAREDNESS  
(Continuation)

1987-89 Biennial Budget

Program: EMERGENCY SERVICES  
Agency: PUBLIC SAFETY, DEPARTMENT OF

contribution towards an effective response. In most cases, if state grant monies are not available to cover the full cost of an item which has been requested, it is either not purchased or the state grant funds are combined with local funds to permit purchase of the item.

<u>Grants by Fund:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$55.8	\$26.0	\$27.5	\$24.0	\$24.0
<u>CHANGE REQUESTS:</u>			<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Increased federal requirements			\$125.0	\$125.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: NUCLEAR PLANT PREPAREDNESS

PROGRAM: EMERGENCY SERVICES

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	226.1	190.6	199.4	192.7	111.0	303.7	303.7	193.0	106.0	299.0	299.0
LOCAL ASSISTANCE	55.8	26.0	27.5	24.0	14.0	38.0	38.0	24.0	19.0	43.0	43.0
AIDS TO INDS.											
TOTAL EXPENDITURES	281.9	216.6	226.9	216.7	125.0	341.7	341.7	217.0	125.0	342.0	342.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	53.3	67.9	72.6	73.4		73.4	73.4	73.2		73.2	73.2
EXPENSES & CONTRAC. SERV	116.2	118.3	120.0	118.3	105.6	223.9	223.9	118.8	76.2	195.0	195.0
SUPPLIES & MATERIALS	33.4	.8	1.0	1.0		1.0	1.0	1.0	9.8	10.8	10.8
EQUIPMENT	23.2	3.6	5.8		5.4	5.4	5.4		20.0	20.0	20.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	226.1	190.6	199.4	192.7	111.0	303.7	303.7	193.0	106.0	299.0	299.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	281.9	216.6	226.9	216.7	125.0	341.7	341.7	217.0	125.0	342.0	342.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	281.9	216.6	226.9	216.7	125.0	341.7	341.7	217.0	125.0	342.0	342.0
POSITIONS BY FUND											
GENERAL	2.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: NUCLEAR PLANT PREPAREDNESS  
 PROGRAM: EMERGENCY SERVICES  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b> Increase the annual assessment to operators of nuclear power plants, located in Minnesota				
	F.Y. 1988		F.Y. 1989	
<b>Agency Request</b>	<b>Amount</b>	<b>Positions</b>	<b>Amount</b>	<b>Positions</b>
General Fund	\$125.0	-0-	\$125.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$125.0	-0-	\$125.0	-0-
<b>Request requires statutory change:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
<b>Statutes Affected:</b> M.S. 12.14				

**STATEMENT OF REQUEST/OBJECTIVE:** The agency requests the above funds to cover increased costs of additional federal requirements and to compensate for recent budget reductions to ensure the capability of state and local government to protect the public in the event of a nuclear power plant accident.

**DESCRIPTION/BACKGROUND:** The first priority of this activity has been to develop the necessary emergency response capabilities in the 10-mile radius of the nuclear power plants. The current budget is at a minimum level to maintain existing capabilities. There are now additional federal requirements: to prevent contamination of food, decontamination procedures, comprehensive off-site exercise scenarios and training and requirements for a detailed 50-mile radius ingestion pathway plan. Failure of the state to meet federal requirements would mean a suspension of the 44 CFR 350 plan approval and an inability to insure public health and safety.

**RATIONALE:** In 1985 the federal emergency management agency revised previous guidance and developed additional guidance for radiological emergency preparedness for nuclear power plant incidents. These expanded requirements necessitate additional planning and training for prevention of contamination of food (ingestion pathway) and decontamination. The recent Chernobyl accident has reinforced the need for these preparations to mitigate the effects of uncontrolled radiation releases. The federal guidance has also increased our emergency exercise and reporting requirements.

Due to the budget cuts in the F.Y. 1986-87 biennium, this activity is funded at a marginal level to maintain existing capabilities. To implement the required improvements an increase in funding is essential.

Of the \$125,000 increase, a majority is to go to local governments and the department of health, environmental health division. The increases to local governments will support improvements in their emergency operating centers, training and additional supplies and equipment. The increase to the environmental health division is to enable them to add a health physicist position to the radiation control section, purchase a van which will be equipped for radio iodine sampling and analysis, fund training of staff and improvements to emergency equipment. The increases to the emergency services budget will support additional training and emergency equipment.

Budget statistics incorporating the requested change level increases are as follows:

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
NSP assessment	\$200.0	\$150.0	\$150.0	\$275.0	\$275.0
Non-NSP assessment, general fund money	81.9	66.6	76.9	65.0	64.8
Total Est./Actual Exp.	\$281.9	\$216.6	\$226.9	\$340.0	\$339.8
Financial assistance to local governments					
Amount	\$ 55.8	\$ 26.0	\$ 27.5	\$ 38.0	\$ 43.0
Number of recipients	8	7	10	10	10
Amount allocated to department of health	\$ 73.3	\$ 72.6	\$ 72.0	\$164.4	\$135.0

**GOVERNOR'S RECOMMENDATION:**

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The requested increase will be fully recovered through the assessment of fees.

PROGRAM PURPOSE:

The bureau of criminal apprehension provides critical investigative and specialized criminal justice support services to law enforcement and criminal justice agencies throughout the state of Minnesota. Specialized support activities consist of advanced police training, forensic laboratory analysis, statewide criminal justice statistics gathering, and computer system operations and records maintenance.

Specialized investigations and support activities are furnished to criminal justice agencies to aide them in the administration of justice and resolution of crimes.

OPERATION:

This program is available to and furnishes professional investigative and informational services to all law enforcement agencies, prosecutors and the courts and corrections systems in the following areas:

1. The forensic laboratory provides quality examinations in the areas of blood, urine and breath testing in alcohol-related driving cases, questioned documents, latent fingerprint examinations, drug chemistry, microanalysis of trace evidence, serology, forensic toxicology, firearms, and toolmarks for law enforcement agencies. It plays an important part in the resolution of crimes, and it is the only crime laboratory available to law enforcement agencies statewide.
2. The criminal justice records and communications area of the program compiles, maintains, and disseminates crime information, and statistical data to criminal justice agencies. It is the central repository for accurate computerized criminal history records, and provides funding, management and staff support to the criminal justice datacommunications network for the various criminal justice teletype and computer systems.
3. The investigative division provides special agents with statewide jurisdiction and arrest powers to furnish overt and covert investigative assistance to law enforcement agencies throughout the state involving homicides, drug violations, rapes, robberies, and complex crimes such as child pornography, computer crimes, major thefts, large scale frauds, and sophisticated financial crime.
4. The police training section provides specialized and advanced law enforcement training in areas such as crime scene search, analytic techniques, arson, narcotics, criminal sexual conduct, and child sexual exploitation. It also provides a series of law enforcement management courses such as supervision, budgeting, personnel management and leadership.

5. The support activity furnishes personnel, fiscal, administrative and communications services and administers various grants and aids. The superintendent's office provides long-range planning, implements policy and innovative management methods to insure the program is performing effectively and efficiently.

EXPLANATION OF BUDGET REQUEST:

This program has 6 change requests. \$200.0 in F.Y. 1988 and F.Y. 1989 for criminal investigation overtime. \$122.7 in F.Y. 1988 and \$122.4 in F.Y. 1989 for 3 crime lab analyst positions, sexual assault kits, and rents and leases. \$21.9 in F.Y. 1988 and F.Y. 1989 for 1 position in non-criminal justice records processing. \$19.7 in F.Y. 1988 and F.Y. 1989 for maintenance of the Minnesota automated fingerprint identification network. \$205.0 in F.Y. 1988 and \$225.0 in F.Y. 1989 for criminal justice network transaction costs. \$112.5 in F.Y. 1988 and equivalent decrease in F.Y. 1989 for MAFIN disc drives.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding except for the following:

-An increase of \$112.5 in F.Y. 1988 and a decrease of \$112.5 in F.Y. 1989 to replace disc drives in the criminal records division.

-A biennial increase of \$430.0 for increased costs to operate the Criminal Justice Network System. Increased charges to users of the system will offset this increase in costs.

-A biennial increase of \$43.8 and 1.0 position for the non-criminal investigation records function. Increased charges to users will offset this increase in costs.

-A biennial increase of \$39.4 for MAFIN system maintenance.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: CRIMINAL APPREHENSION

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
CRIM JUST EVID ANAL	2,403.8	2,753.5	2,595.3	2,818.0	122.7	2,940.7	2,818.0	2,826.6	122.4	2,949.0	2,826.6
CRIM JUST RECORDS	3,219.1	2,813.9	3,094.9	3,661.9	359.1	4,021.0	4,021.0	3,768.0	154.1	3,922.1	3,922.1
CRIM INVEST&ASSIST	3,511.5	3,363.4	3,541.9	3,586.1	200.0	3,786.1	3,586.1	3,583.4	200.0	3,783.4	3,583.4
PEACE OFFICERS TRNG	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
CRIM APPREH SUPPORT	397.2	442.8	535.9	547.0		547.0	547.0	547.4		547.4	547.4
<b>TOTAL</b>	<b>10,190.5</b>	<b>10,087.7</b>	<b>10,496.2</b>	<b>11,360.6</b>	<b>681.8</b>	<b>12,042.4</b>	<b>11,719.7</b>	<b>11,474.1</b>	<b>476.5</b>	<b>11,950.6</b>	<b>11,628.2</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	10,028.3	9,919.6	10,325.2	11,189.6	681.8	11,871.4	11,548.7	11,303.1	476.5	11,779.6	11,457.2
LOCAL ASSISTANCE	156.8	164.4	171.0	171.0		171.0	171.0	171.0		171.0	171.0
AIDS TO INDS.	5.4	3.7									
<b>TOTAL EXPENDITURES</b>	<b>10,190.5</b>	<b>10,087.7</b>	<b>10,496.2</b>	<b>11,360.6</b>	<b>681.8</b>	<b>12,042.4</b>	<b>11,719.7</b>	<b>11,474.1</b>	<b>476.5</b>	<b>11,950.6</b>	<b>11,628.2</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	9,358.0	8,963.8	9,579.4	10,067.2	650.9	10,718.1	10,426.3	10,179.1	445.7	10,624.8	10,333.2
TRUNK HIGHWAY	732.2	1,018.8	759.8	924.6	30.9	955.5	924.6	926.2	30.8	957.0	926.2
<b>DEDICATED APPROPRIATIONS:</b>											
GENERAL	62.1	51.0	25.0	254.9		254.9	254.9	254.9		254.9	254.9
SPECIAL REVENUE	11.4	37.0	56.2	38.1		38.1	38.1	38.1		38.1	38.1
TRUNK HIGHWAY	3.8										
FEDERAL	23.0	17.1	75.8	75.8		75.8	75.8	75.8		75.8	75.8
<b>TOTAL FINANCING</b>	<b>10,190.5</b>	<b>10,087.7</b>	<b>10,496.2</b>	<b>11,360.6</b>	<b>681.8</b>	<b>12,042.4</b>	<b>11,719.7</b>	<b>11,474.1</b>	<b>476.5</b>	<b>11,950.6</b>	<b>11,628.2</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	146.0	147.0	146.0	146.0	3.0	149.0	147.0	146.0	3.0	149.0	147.0
TRUNK HIGHWAY	13.0	13.0	13.0	13.0	1.0	14.0	13.0	13.0	1.0	14.0	13.0
<b>TOTAL POSITIONS</b>	<b>159.0</b>	<b>160.0</b>	<b>159.0</b>	<b>159.0</b>	<b>4.0</b>	<b>163.0</b>	<b>160.0</b>	<b>159.0</b>	<b>4.0</b>	<b>163.0</b>	<b>160.0</b>

ACTIVITY: CRIMINAL JUSTICE EVIDENCE ANALYSIS  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to provide forensic laboratory services to state law enforcement agencies.

The bureau of criminal apprehension (BCA) forensic science crime laboratory provides examinations of evidence in the areas of blood and urine alcohol, questioned documents, drug chemistry, microanalysis of trace evidence, serology, forensic toxicology, firearms and toolmarks, and latent prints. It also provides forensic photography services and breath test operator training and equipment maintenance. Written reports on the results of examinations are provided, and expert testimony is given when requested or summoned.

The BCA's laboratory is a nationally recognized forensic laboratory. It has unique responsibilities not shared by other laboratories, in that an overriding concern for a forensic laboratory is the integrity of all instruments, solutions, supplies, equipment, and evidence received. The results of examinations must be held to a standard of "beyond a reasonable doubt" in court trials that hold individuals' basic rights in the balance.

The laboratory responds to requests for crime scene processing in major crimes and its personnel participate as instructors in police training schools. This service is provided to police departments, county sheriffs, medical examiners, fire marshals, and BCA agents. It better enables these persons and agencies to handle and process investigations and legal cases.

Authority for this activity is found in M.S. Chapter 299C.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Major types of state of the art analysis newly available	6	9	15	20
% of laboratory analysts cross-trained in two or more areas	28	35	40	58
Number of case examinations on hand at beginning of year (backlog)	290	350	420	504

The laboratory maintains over 195 evidentiary breath testing devices (intoxilyzers) and over 1,050 portable preliminary breath testing devices (PBT's) in the field. The success of this program is in part responsible for the decrease in alcohol related traffic fatalities. The quick and accurate alcohol analysis provided by the intoxilyzer on breath samples is a key part of the state's efforts to control drunk driving.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Case examinations completed	9,880	9,100	9,600	9,825	10,050
DWI alcohol	5,297	5,020	5,100	5,200	5,300
Sexual assaults	296	301	500	525	550
All other cases	4,287	3,779	4,000	4,100	4,200
Expert testimony provided at criminal trials	218	244	250	260	270
Breath testing					
Records received	31,600	38,000	40,000	45,000	50,000
Officers trained/certified as intoxilyzer operators	641	261	250	260	260
Officers retrained/recertified on intoxilyzer	740	763	780	790	800

BUDGET ISSUES: Caseloads as well as the size of cases have increased in several sections of the laboratory creating significant backlogs in these areas. The arson area has experienced a 36% increase in calendar 1984 and 30% increase in 1985. Driving under the influence of drug cases increased 26% in 1984 and 30% in 1985. The documents section of the laboratory is currently operating with a 4 to 6 month backlog of cases as the size and complexity of these cases increases. St. Paul has indicated that during F.Y. 1987 they will begin submitting their sexual assault cases to the BCA laboratory. This change could double the number of sexual assault cases in a section already experiencing a 2 to 3 month backlog. Turnaround time is an important requirement of the judicial process.

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Two lab analyst positions, sexual assault kits, rents and leases (General Fund)	\$91.8	\$91.6	Activity
One lab position (Trunk Highway Fund)	\$30.9	\$30.8	Activity



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CRIM JUST EVID ANAL

PROGRAM: CRIMINAL APPREHENSION

AGENCY: PUBLIC SAFETY, OPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,403.8	2,753.5	2,595.3	2,818.0	122.7	2,940.7	2,818.0	2,826.6	122.4	2,949.0	2,826.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,403.8	2,753.5	2,595.3	2,818.0	122.7	2,940.7	2,818.0	2,826.6	122.4	2,949.0	2,826.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,751.8	1,864.8	1,945.9	2,004.6	92.7	2,097.3	2,004.6	1,997.7	92.4	2,090.1	1,997.7
EXPENSES & CONTRAC. SERV	305.0	325.6	368.1	390.8	20.0	410.8	390.8	406.3	20.0	426.3	406.3
SUPPLIES & MATERIALS	112.5	141.2	131.8	131.8	10.0	141.8	131.8	131.8	10.0	141.8	131.8
EQUIPMENT	234.5	421.9	149.5	290.8		290.8	290.8	290.8		290.8	290.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,403.8	2,753.5	2,595.3	2,818.0	122.7	2,940.7	2,818.0	2,826.6	122.4	2,949.0	2,826.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,667.8	1,734.7	1,835.5	1,893.4	91.8	1,985.2	1,893.4	1,900.4	91.6	1,992.0	1,900.4
TRUNK HIGHWAY	732.2	1,018.8	759.8	924.6	30.9	955.5	924.6	926.2	30.8	957.0	926.2
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	3.8										
TOTAL FINANCING	2,403.8	2,753.5	2,595.3	2,818.0	122.7	2,940.7	2,818.0	2,826.6	122.4	2,949.0	2,826.6
POSITIONS BY FUND											
GENERAL	34.0	34.0	34.0	34.0	2.0	36.0	34.0	34.0	2.0	36.0	34.0
TRUNK HIGHWAY	13.0	13.0	13.0	13.0	1.0	14.0	13.0	13.0	1.0	14.0	13.0
TOTAL POSITIONS	47.0	47.0	47.0	47.0	3.0	50.0	47.0	47.0	3.0	50.0	47.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIMINAL JUSTICE EVIDENCE ANALYSIS  
 PROGRAM: BUREAU OF CRIMINAL APPREHENSION  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Laboratory Crime Analyst Positions				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 91.8	2.0	\$ 91.6	2.0
Trunk Highway Fund	30.9	1.0	30.8	1.0
	<u>\$122.7</u>		<u>\$122.4</u>	
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is requesting 3 positions and funding for sexual assault kits and rents and leases to enable it to meet the critical needs in the area of violent crime, including rape and DWI.

DESCRIPTION/BACKGROUND: Caseloads have continued to expand in several areas of analysis. In addition, equipment repair provided to local law enforcement agencies and the need for a quality assurance program requires additional staff to carry out these responsibilities. In 1985, violent crimes, which take up a significant amount of the laboratory's time and resources, were up substantially in Minnesota: homicide 14.9%, rape 18.5%, robbery 21.6%, and aggravated assault 23.6%. At present funding levels, the laboratory is unable to meet its operating expenses. If the situation continues, we will be unable to service or repair equipment or purchase supplies and materials to operate. Additionally, this activity suffered a deficit in rents and leases due to a large disparity between actual rental cost increases and the authorized budgetary inflation increase. The lab also acquired additional space previously held by other activities.

The serology section of the laboratory handles the sexual assault evidence submitted by law enforcement agencies. The laboratory is going to be handling Ramsey County's rape evidence beginning F.Y. 1987, which in the past year has amounted to approximately 200 cases per year. Rape evidence needs to be examined fairly rapidly to ensure the best possible results. An analyst can handle approximately 100 rape case per year. Two positions are needed to absorb this increase and to maintain the proper turnaround time.

In 1978, the bureau of criminal apprehension (BCA) obtained a federal grant to assemble and distribute sexual assault kits statewide. These kits contain evidence gathering materials and instructions to enhance collections of evidence and ensure that the evidence is not destroyed. 10,000 kits were made at that time. The BCA has approximately 800 left and needs to expand its stock. The kits cost \$10 each and are depleted at the rate of approximately 1,000 per year.

The laboratory is requesting 1 position for the breath test section. During the past biennium, this section coordinated the introduction of new evidentiary breath testing devices, called intoxilyzers, throughout the state. This has been a major undertaking and has increased the workload of this section.

State statute mandates that the laboratory evaluate, approve and maintain every evidentiary and screening breath testing device used by Minnesota law enforcement agencies. In the case of the intoxilyzers, proper maintenance would require an on-sight check of each instrument but at the present staff level, this is not possible.

The BCA maintains 199 intoxilyzers and 1,050 portable breath testers (PBT's). The PBT's are experiencing a higher rate of use than expected. The intoxilyzers' warranties for repair will expire January 1987. To have the manufacturer repair the instruments would be cost prohibitive involving out of service time to the factory of at least three weeks.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known. No General Fund money is recommended.

ACTIVITY: CRIMINAL JUSTICE RECORDS AND COMMUNICATIONS  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$125.9	\$222.6	\$225.0	\$225.0	\$225.0

DESCRIPTION:

The purpose of this activity is to provide state law enforcement agencies with the information and statistical systems necessary to handle and exchange criminal justice data.

This activity compiles, maintains and disseminates crime information, statistical data and management reports to local criminal justice agencies. The end result of these activities is that law enforcement officers through their police radios can request information on stolen vehicles, guns, boats, and other identifiable property. They can get information on persons reported as missing or wanted, registration data on vehicles, and drivers license and vehicle registration data. This information is available from any state throughout the nation. Criminal record information is available through these systems to assist law enforcement, prosecuting attorneys, courts and correctional agents and institutions in the investigation, adjudication, sentencing and evaluation process relative to all arrests. In addition, a conversational communications capability exists among all Minnesota and other states' law enforcement agencies through our state's system, and the NLETS network link to other states' systems. This serves investigative and administrative needs through timely exchange of data.

Additional capabilities of this activity include the criminal justice records system, which encompasses incident collection, statistical tabulation, uniform crime reporting, case tracking and data analysis report generation for management purposes. The activity also provides operational and utilization training, systems analysis consultant services and technical assistance to user agencies on efficiency, systems operations and compliance with statutory requirements relating to the collection and use of criminal information and record-keeping.

Authority for this activity is found in M.S. Chapter 299C.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Criminal record requests	35,011	38,511	42,362	46,598
Criminal justice	18,228	20,055	22,055	24,261
Noncriminal justice	16,783	18,461	20,307	22,337
Number processed	32,726	33,000	33,000	33,000
Backlog	2,285	5,511	9,362	13,598
Availability of system communications & application (%)	97.50	97.50	97.50	97.50
Query response times (sec.)	10.00	10.00	10.00	10.00
Criminal justice network total messages	31,001,640	34,101,804	37,511,984	41,263,182
Number of devices on network:				
Terminals/printers	800	825	850	850
Mobile terminals/printers	330	480	525	650
Minicomputers	37	50	60	65
Microcomputers	8	50	100	125

A backlog existed at the end of F.Y. 1986 of 2,285 criminal record checks. This is approximately 9 weeks work. With increases in both criminal justice and non-criminal justice requests and overall activity workload increases, it is estimated that this backlog will continue to grow.

The effectiveness measures are important in that they measure the availability of the information files and the communications capabilities to the local agencies having access to the criminal justice network. Accuracy of systems communications and applications is a measure of the quality of all systems and communications services.

During F.Y. 1985-86, the Minnesota automated fingerprint identification system (MAFIN) was moved from St. Paul police department to the bureau of criminal apprehension (BCA). Significant gains were made at the BCA with the continued development of in-house computerized information systems. Systems serving the laboratory, investigation, administration and criminal justice information system (CJIS) were tested and enhanced. The result is more efficient and effective data being collected with the ability to produce useable operational and management reports.

ACTIVITY: CRIMINAL JUSTICE RECORDS AND COMMUNICATIONS 1987-89 Biennial Budget

(Continuation)  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of documents processed:				
Fingerprint cards				
Criminal	22,122	24,334	26,767	29,444
Non-criminal	622	684	752	827
Judicial reports	98,805	108,685	119,554	131,509
Court orders	2,451	2,696	2,966	3,263
Hennepin dismissals	200	220	242	266
Custody/supervision	11,344	12,478	13,726	15,098
FBI rap sheets	2,512	2,763	3,039	3,343
Criminal record processing time (days)	3	3	3	3
Training seminars	6	21	23	25
Certification testing	62	25	25	25

BUDGET ISSUES:

1. Criminal justice datacommunications network operational costs are increasing including costs to run the criminal justice network, and increased volume which will increase the charges from informational management bureau (IMB). Because of a computer upgrade, almost 7 million additional messages will be passed to the IMB host computers. This additional traffic will result in increased charges from IMB of \$205,000 for F.Y. 1988 and \$225,000 for F.Y. 1989.
2. The CJIS section is receiving an ever-increasing demand for processing of non-criminal justice record checks. The greatest increases are in governmental, non-criminal justice agency requests such as state and local departments of human services for licensing purposes and federal, state, and local governmental units for licensing or employment purposes as authorized by law. The backlog is 14 weeks. There is a \$4 fee for non-criminal justice records checks which generates general fund revenue of approximately \$60,000 per year. This activity could reduce its backlog, generate additional revenue, and provide more timely service with additional clerical support.
3. The MAFIN system, which is the repository of fingerprints in Minnesota, has antiquated disc drives that are worn out. The BCA is the central repository for fingerprints for the state, and is required to pay half the maintenance costs. Minneapolis and St. Paul pay the other half. The system was assembled in 1978 and uses 6 drives, which operate around the clock. They have been used long past their expected life span and are causing serious maintenance problems.
4. Another significant problem occurs in the use of the FBI's national criminal information center's (NCIC) criminal history data base. This activity is responsible for the interfacing of this data base with all of the law enforcement

agencies in Minnesota. The use of this NCIC data base is critical to all law enforcement agencies, and to properly function without it would be impossible. Under federal title 28, chapter 1, subpart 20, the BCA must audit local agencies use of that data, or be subject to losing the use of that critical system. The FBI requires that the state control terminal agency (BCA) audit local agencies compliance and use on an on-going basis beginning January 1987. We currently have no personnel to perform this auditing and have no way of meeting the audit requirements.

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Non-criminal justice records processing, 1 position	\$ 21.9 1.0	\$ 21.9 1.0	Activity
MAFIN maintenance costs	\$ 19.7	\$ 19.7	Activity
MAFIN disc drives	\$112.5	[\$112.5]	Activity
Criminal justice network transaction costs	\$205.0	\$225.0	Activity

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIMINAL JUSTICE RECORDS & COMMUNICATIONS  
 PROGRAM: BUREAU OF CRIMINAL APPREHENSION  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. Increased costs are to be recovered through charges to users of the system. These revenues are to be deposited as non-dedicated receipts in the General Fund.

<b>Request Title:</b>				
	Criminal Justice Network Upgrade			
	F.Y. 1988		F.Y. 1989	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$205.0	-0-	\$225.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$205.0	-0-	\$225.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding to pay increased traffic and transaction costs on the criminal justice data communications network.

DESCRIPTION/BACKGROUND:

The upgrade of the criminal justice data communications network will result in increased processing speed, it will provide for significant growth, and it will also result in a significant increase in transaction costs.

RATIONALE:

With the installation of the system upgrade package, in F.Y. 1987, the volume will increase by approximately 6.8 million additional messages. Traffic volume increases alone continue to average 10% per year. This additional traffic will result in increased charges from information management bureau.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIMINAL JUSTICE RECORDS & COMMUNICATIONS  
 PROGRAM: BUREAU OF CRIMINAL APPREHENSION  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

<b>Request Title:</b> MAFIN Maintenance Costs				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General	\$ 19.7	-0-	\$ 19.7	-0-
<b>Governor's Recommendation</b>				
General	\$ 19.7	-0-	\$ 19.7	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This request is for funding to pay increased maintenance costs on the Minnesota automated fingerprint identification system (MAFIN).

DESCRIPTION/BACKGROUND:

MAFIN is a computerized fingerprint classifying system that stores fingerprint data in a form that can be used to identify criminals through the use of a fragment of 1 print and compare it to the prints on file in the system. It can also compare all fingerprints submitted to the growing data base in the system and identify individuals with previous criminal history records in a search that was not previously possible to do without laborious hand comparison.

RATIONALE:

The bureau of criminal apprehension (BCA) is the main user of the system as it is the repository of all fingerprints taken statewide. Under a new joint powers agreement with Minneapolis and St. Paul, the BCA now pays half of the maintenance costs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIMINAL JUSTICE RECORDS & COMMUNICATIONS  
 PROGRAM: BUREAU OF CRIMINAL APPREHENSION  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. It is anticipated that costs will be recovered through an increase in the fee to \$5.

<b>Request Title:</b> Non-Criminal Justice Records Processing				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 21.9	1.0	\$ 21.9	1.0
<b>Governor's Recommendation</b>				
General Fund	\$ 21.9	1.0	\$ 21.9	1.0
<b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

STATEMENT OF REQUEST/OBJECTIVES:

This request is for 1 clerical position to handle the increased workload related to processing of non-criminal justice record checks.

DESCRIPTION/BACKGROUND:

This activity has reached a critical point in the delivery of services to the criminal justice community and to the general public. The legislature has provided access to criminal record information for non-criminal justice agencies and companies. This information involves child care agencies, bus driver licensing, repair and installation services, security companies offering armed guards, and other companies concerned with the the public safety. The system generates revenue of \$60.0 per year for the processing of non-criminal justice record checks. A fee of \$4 is charged for this service.

RATIONALE:

The bureau of criminal apprehension is 14 weeks behind on these checks now and falling further behind. The 1 clerical position would enable this activity to become and stay current. The clerk would also generate more revenue for the state of Minnesota. Without this change, we will be unable to provide critical information to other agencies regarding the employment of child care workers, school bus drivers, and others having close contact with children and older citizens.

ACTIVITY: CRIMINAL INVESTIGATION & ASSISTANCE  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to assist state law enforcement agencies in securing evidence, apprehending violators, and coordinating cross jurisdictional investigative activities by providing specialized investigative assistance.

The bureau of criminal apprehension (BCA) investigation activity consists of 4 sections each staffed by special agents with statewide jurisdiction and arrest powers who furnish investigative assistance to law enforcement agencies throughout the state. These cases involve homicides, drug violations, rapes, robberies, and complex crimes such as major thefts, large-scale frauds, computer crime, video gambling, child pornography, exploitation of children and sophisticated financial crime. Assistance is also provided to various state agencies for specific law enforcement problems. In addition to the St. Paul headquarters, the BCA has a regional office at Bemidji and 10 additional field offices.

EFFECTIVENESS MEASURES:

The law enforcement community depends upon investigative sections of the BCA for expertise and investigative coordination in cases that are complex and time consuming as society and the criminal become more sophisticated. These cases demand the use of innovative investigative strategies. The BCA closely monitors changing crime patterns and client needs and continues to develop, learn and utilize more sophisticated investigative methodology.

In addition to focusing on homicides, drug smuggling cases, and exploitation of children, this activity addresses sophisticated financial and computer crime, criminal acts of hazardous waste violations, and complex frauds. The BCA continues to be active in drug task forces instituted with other agencies including the metropolitan airport and the financial resources drug force. It is also a clearing house for information regarding career criminals.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Investigative cases*	701	725	730	735

\*The number of investigative cases projected reflects average requests per year from local law enforcement agencies. There is no way to predict when a crime is going to be committed that will result in a local law enforcement agency requesting assistance nor the amount of time that will be expended on any single investigation. However, the general crime rate is expected to increase through the 1990's, which will, no doubt, increase our requests.

BUDGET ISSUES:

The investigative responsibilities of the BCA have increased greatly in the past several years. Violent crime such as homicide is increasing at an alarming rate. The drug smuggling violations are also increasing, with cocaine use becoming a national epidemic. In a recent survey of police departments and sheriffs' offices on services needed from the BCA, 82% stated they needed BCA assistance in drug cases, 66% need BCA service in homicide cases, and over 97% need investigative services or consultation with investigative experts.

A most critical issue facing the BCA in the investigative area today is in the sexual abuse of children. Most police departments do not have the resources to adequately deal with sex crime complaints primarily involving children. The BCA has taken the investigative lead in the past several years concerning the sexual exploitation of children, but cannot readily address this problem without sufficient investigative personnel.

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Overtime increase	\$200.0	\$200.0	Activity



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CRIM INVEST&ASSIST

PROGRAM: CRIMINAL APPREHENSION

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,511.5	3,363.4	3,541.9	3,586.1	200.0	3,786.1	3,586.1	3,583.4	200.0	3,783.4	3,583.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,511.5	3,363.4	3,541.9	3,586.1	200.0	3,786.1	3,586.1	3,583.4	200.0	3,783.4	3,583.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,592.5	2,537.9	2,574.3	2,648.3	200.0	2,848.3	2,648.3	2,639.2	200.0	2,839.2	2,639.2
EXPENSES & CONTRAC. SERV	546.4	606.1	723.9	712.2		712.2	712.2	718.6		718.6	718.6
SUPPLIES & MATERIALS	127.9	124.6	125.7	125.7		125.7	125.7	125.7		125.7	125.7
EQUIPMENT	244.7	94.8	118.0	99.9		99.9	99.9	99.9		99.9	99.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,511.5	3,363.4	3,541.9	3,586.1	200.0	3,786.1	3,586.1	3,583.4	200.0	3,783.4	3,583.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,415.0	3,258.3	3,384.9	3,447.2	200.0	3,647.2	3,447.2	3,444.5	200.0	3,644.5	3,444.5
DEDICATED APPROPRIATIONS:											
GENERAL	62.1	51.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
SPECIAL REVENUE	11.4	37.0	56.2	38.1		38.1	38.1	38.1		38.1	38.1
FEDERAL	23.0	17.1	75.8	75.8		75.8	75.8	75.8		75.8	75.8
TOTAL FINANCING	3,511.5	3,363.4	3,541.9	3,586.1	200.0	3,786.1	3,586.1	3,583.4	200.0	3,783.4	3,583.4
POSITIONS BY FUND											
GENERAL	63.8	62.8	62.0	62.0		62.0	62.0	62.0		62.0	62.0
TOTAL POSITIONS	63.8	62.8	62.0	62.0		62.0	62.0	62.0		62.0	62.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIMINAL INVESTIGATION AND ASSISTANCE  
 PROGRAM: BUREAU OF CRIMINAL APPREHENSION  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

The BCA investigative staff has special expertise in the fields of violent crime and sexual exploitation of children and is the only law enforcement agency with statewide jurisdiction to investigate drug smuggling. Violent crime is up substantially in 1985 and cocaine is becoming epidemic. In sexual exploitation of children, the damage caused to the victims cannot be calculated. We cannot address investigative requests if we have to send the special agents home.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

<b>Request Title:</b> Criminal Investigation				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$200.0	-0-	\$200.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
<b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

STATEMENT OF REQUEST/OBJECTIVE:

This request is to restore overtime funding for bureau of criminal apprehension (BCA) crime investigators.

DESCRIPTION/BACKGROUND:

The BCA suffered budget cuts in overtime last fiscal year and have been under funded in this area for quite some time. The BCA had to send special agents home on compensatory time off because of lack of funds to pay overtime. They used over 8,000 hours of compensory time off in F.Y. 1986. By not being able to pay investigative personnel overtime, we are losing the use of a critical asset. Many requests for assistance had to be placed on hold and some were not addressed at all.

RATIONALE:

The majority of the criminal investigation matters handled by the BCA are sophisticated, complex and time consuming, such as homicides, sexual exploitation of children and drug cases.

ACTIVITY: PEACE OFFICERS TRAINING  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to provide statewide specialized criminal justice training opportunities to licensed peace officers and other criminal justice professionals.

This activity provides specialized training in investigative courses such as crime scene searching, analytic techniques, arson, narcotics, criminal sexual conduct, and child sexual exploitation. It also provides a series of management and supervision courses such as supervision fundamentals, leadership and motivation, personnel management, police budgeting, and courses dealing with crisis intervention, stress management, photography, law updates and human behavior. All special agents assigned to police training are certified police instructors and are adept in both classroom presentations and investigative skills. All courses are competency based, measuring what the student knows, understands and can do. Courses are offered on a semester basis, either independently or in sequence with related topics.

Selected courses require a prerequisite for enrollment and all courses meet the requirements for continuing education credit by the Minnesota board of peace officer standards and training. This activity serves as the primary training resource for agencies located outside the metropolitan area. Approximately 70% of all specialized training courses are provided at locations outstate.

Authority for this activity is found in M.S. 626.848, 626.849, and 626.85, and 4MCAR 13.029.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
New courses evaluated	12	14	12	12
New courses instituted	10	10	8	8

The bureau of criminal apprehension training section continually implements new courses to meet changing needs and evaluates its current programs for effectiveness. Through changes in its training curriculum, we strive to meet the unique needs of local law enforcement agencies.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Specialized training courses	107	100	100	100
Agencies served	310	325	300	325
Peace officers attending	2,500	2,100	2,000	2,000

CHANGE REQUESTS:

This activity requires no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PEACE OFFICERS TRNG

PROGRAM: CRIMINAL APPREHENSION

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	437.7	470.6	501.9	516.4		516.4	516.4	514.6		514.6	514.6
EXPENSES & CONTRAC. SERV	167.6	187.9	191.8	196.7		196.7	196.7	199.6		199.6	199.6
SUPPLIES & MATERIALS	39.2	46.2	33.1	33.1		33.1	33.1	33.1		33.1	33.1
EQUIPMENT	14.4	9.4	1.4	1.4		1.4	1.4	1.4		1.4	1.4
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	658.9	714.1	728.2	747.6		747.6	747.6	748.7		748.7	748.7
POSITIONS BY FUND											
GENERAL	14.0	15.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0
TOTAL POSITIONS	14.0	15.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0

ACTIVITY: CRIMINAL APPREHENSION SUPPORT  
 Program: CRIMINAL APPREHENSION  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION: The responsibility of the support activity is to manage the bureau of criminal apprehension and furnish personnel, training, fiscal, administrative and communications services. This activity administers the legislative buy fund grants and aids, provides long-range planning, implements policy, and continually searches for innovative management methods to perform its activities more effectively.

The superintendent by statute serves on the peace officers standards and training board and the private detective board. He maintains daily contact and offers counsel to the sheriffs' association, chiefs of police association, other law enforcement officials, the Minnesota horse racing commission, and officials in state and local governments. Responsibilities include testimony before various legislative committees, making presentations, and giving speeches to various civic organizations and public groups.

GRANTS AND AIDS:

Confidential Funds for Local Agencies:

Statutory Reference: M.S. 299C.065

Provides grants to local sheriffs and chiefs of police for the purpose of paying informants and sources, purchasing stolen property and drugs in an undercover capacity, and paying some undercover investigative expenses in drug, stolen property, and juvenile prostitution cases. Sheriffs' offices can receive up to \$1,000 per request, and police departments usually receive up to \$500 per request. They can request more if involved in a substantial investigation. The amount of money requested is evaluated based on the known level of criminal activity in the requesting jurisdiction, the manner in which the investigation is to be conducted, other local agency resources, size of the local jurisdiction, and length and success of the investigation to date. If a local agency has received a start-up grant and the investigation is proceeding successfully, additional monies can be disbursed upon furnishing proof of need. Agencies receiving funds are responsible for maintaining records suitable for auditing purposes.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

<u>Statistics:</u>	<u>F.Y. 1984-85</u>	<u>F.Y. 1986-87</u>	<u>F.Y. 1988-89</u>	
Sheriffs' offices participating	60	60	60	
Police departments participating	70	70	70	
Amount of money spent	\$ 288,000	\$ 290,000	300,000	
Total persons arrested	1,725	1,800	1,850	
Value of narcotics seized	\$7,200,000	\$8,000,000	8,500,000	
Value of stolen property recovered	\$2,555,000	\$3,000,000	\$3,100,000	
<u>Grants by fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$171.0	\$171.0	\$171.0	\$171.0
Total	\$171.0	\$171.0	\$171.0	\$171.0

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CRIM APPREH SUPPORT

PROGRAM: CRIMINAL APPREHENSION

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	235.0	274.7	364.9	376.0		376.0	376.0	376.4		376.4	376.4
LOCAL ASSISTANCE	156.8	164.4	171.0	171.0		171.0	171.0	171.0		171.0	171.0
AIDS TO INDS.	5.4	3.7									
TOTAL EXPENDITURES	397.2	442.8	535.9	547.0		547.0	547.0	547.4		547.4	547.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	180.3	204.3	296.8	305.4		305.4	305.4	304.3		304.3	304.3
EXPENSES & CONTRAC. SERV	49.6	62.6	64.1	66.6		66.6	66.6	68.1		68.1	68.1
SUPPLIES & MATERIALS	4.8	7.3	4.0	4.0		4.0	4.0	4.0		4.0	4.0
EQUIPMENT	.3	.5									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	235.0	274.7	364.9	376.0		376.0	376.0	376.4		376.4	376.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	397.2	442.8	535.9	547.0		547.0	547.0	547.4		547.4	547.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	397.2	442.8	535.9	547.0		547.0	547.0	547.4		547.4	547.4
POSITIONS BY FUND											
GENERAL	5.2	6.2	8.0	8.0		8.0	8.0	8.0		8.0	8.0
TOTAL POSITIONS	5.2	6.2	8.0	8.0		8.0	8.0	8.0		8.0	8.0

PROGRAM: FIRE SAFETY  
Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding except for a \$10.0 biennial increase to update the Minnesota uniform fire code and a \$10.0 biennial increase for needed equipment.

PROGRAM OBJECTIVE:

The mission of the state fire marshal division is to protect lives and property by promoting a fire safe environment through investigation, enforcement and public education.

PROGRAM DESCRIPTION:

The fire marshal division is comprised of three major responsibilities:

1) Fire safety and prevention training. Non-tactical training is provided to the state's fire service, the general public, and to business, civic and governmental organizations. Fire departments are trained in basic fire investigation and code enforcement procedures. Public education activities are designed to help people identify and eliminate fire hazards in their homes and places of work. Instruction is also provided in the proper methods of protecting lives and property in case of fire.

2) Investigations. The fire marshal investigates the cause, origin and circumstances of fires upon the request of law enforcement and fire officials throughout the state. This activity is designed to serve as a deterrent to fires set for profit or other personal gain. Incendiary fires cost Minnesotans countless dollars in lost property, insurance and fire suppression costs, and loss of business and income.

3) Inspections. The fire marshal also enforces the Minnesota uniform fire code. This instrument is designed, first of all, to help eliminate fire hazards wherever possible. Secondly, it protects lives and property by providing early warning of fire, proper exits and separation of hazardous areas. These features, along with built-in fire suppression systems, help to cut down on the amount of loss per fire.

Authority for this program is found in M.S. Chapter 299F.

EXPLANATION OF BUDGET REQUEST:

This program has 4 change requests. \$169.2 in F.Y. 1988 and \$179.6 in F.Y. 1989 and 4 positions for fire prevention and local code enforcement training. \$10.9 in F.Y. 1988 and F.Y. 1989 for contractual agreement reimbursements under M.S. 299F.46. \$30.4 in F.Y. 1988 and \$31.1 in F.Y. 1989 for equipment repair and replacement. \$5.0 in F.Y. 1988 and F.Y. 1989 to keep fire codes and rules up to date.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY: FIRE PREV PROT&INV	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
TOTAL	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
EXPENDITURES BY CATEGORY: STATE OPERATIONS	1,608.4	1,712.6	1,931.8	1,992.3	215.5	2,207.8	2,002.3	1,989.4	226.6	2,216.0	1,999.4
LOCAL ASSISTANCE	.8	3.9	4.0	4.0		4.0	4.0	4.0		4.0	4.0
AIDS TO INDS.											
TOTAL EXPENDITURES	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	1,540.6	1,658.0	1,734.1	1,791.8	215.5	2,007.3	1,801.8	1,788.8	226.6	2,015.4	1,798.8
DEDICATED APPROPRIATIONS: FEDERAL	68.6	58.5	201.7	204.5		204.5	204.5	204.6		204.6	204.6
TOTAL FINANCING	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
POSITIONS BY FUND: GENERAL	43.1	43.0	43.0	43.0	4.0	47.0	43.0	43.0	4.0	47.0	43.0
FEDERAL	2.0	2.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
TOTAL POSITIONS	45.1	45.0	49.0	49.0	4.0	53.0	49.0	49.0	4.0	53.0	49.0



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Fire Safety Training				
Agency Request				
General Fund	\$169.2	4.0	\$179.6	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: This request is for 3 training instructor positions, 1 clerical position, and funding to conduct fire safety and prevention education and training to citizens, inspected facility operators, and the fire service. The instructor positions, which would be located in the three geographical regions, would be responsible for developing and implementing an ongoing fire safety and fire prevention training program.

DESCRIPTION/BACKGROUND: The objective of this request is to develop and maintain uniformity statewide in the enforcement and application of all laws and rules relating to fire safety and prevention. A related goal is to increase the number of local fire departments submitting fire incident reports in order to more effectively identify fire causes, trends and hazards, and develop appropriate solutions. Additional benefits include statewide uniformity in code enforcement and development of a larger pool of cities to which to hand off inspection responsibilities (e.g. hotel/motel, day-care and foster care).

Instructor personnel would be responsible for conducting training classes in fire safety and fire prevention. These are areas not offered by the state board of vocational technical education, and appropriately so. Their emphasis is, and should be on fire suppression tactical training.

Fire investigation and code enforcement classes are best developed and taught in the same manner as the criminal investigation classes conducted by the bureau of criminal apprehension -- by people intimately knowledgeable and actively involved

in the activities they are teaching. This provides for the best learning atmosphere for the student clientele.

EFFECTIVENESS MEASURES: The true effectiveness of a training program for citizens, facility operators and local fire service personnel cannot be measured statistically. Local fire departments have traditionally been suppression oriented while fire safety, inspection and prevention have been the role of the state fire marshal. This ongoing training program is intended to facilitate a change in that orientation to one that incorporates fire prevention as an important element at the local level. It is intended to emphasize a sharing of responsibility for fire prevention with the local fire service and operators and owners of facilities and buildings under their jurisdiction, so that local needs and capabilities can more effectively be met. This program should ultimately result in lower local costs for basic fire suppression services.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Fire reporting training classes	9	3	6	12	12
Fire departments participating	582	585	600	640	680
Inservice workshops and seminars	120	120	130	180	180
Uniform fire code refresher courses	3	0	3	3	3
Fire code enforcement class	0	0	3	3	3

RATIONALE: It is becoming increasingly evident that early warning, built in protection, local fire prevention efforts, and public education are more effective and less costly than suppression in reducing loss of life and property. However, the local fire service looks to the state fire marshal for guidance and direction in the application and enforcement of laws and codes. There are presently 800 fire departments in Minnesota, 751 of which are totally volunteer. It is the plan of this budget request to offer a large portion of this training to the fire service at outstate locations. This will provide to the fire community and public, a variety of safety and prevention information and training not previously available.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b> Fire Code update				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 5.0	-0-	\$ 5.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ 5.0	-0-	\$ 5.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

Also, the most current edition of the life safety code more realistically addresses fire safety requirements for board and lodging facilities for the mentally retarded, the current MUFC does not. As a result, special legislation had to be adopted authorizing the use of portions of the most current edition of the nationally recognized standard on these occupancies.

RATIONALE:

Under current state-of-the-art fire safety, there are less costly and more effective methods of providing fire life safety for the public. Failure to upgrade the state code on a regular basis can have a negative impact on acceptance of or utilization of these methods. It can also contribute to lack of proper control of continuously developing new products and procedures that prove to be hazardous to our citizens.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUESTS/OBJECTIVE:

Funding is requested to enable the fire marshal division to update the Minnesota uniform fire code (MUFC), and other miscellaneous fire safety rules enforced by the division.

DESCRIPTION/BACKGROUND:

The MUFC is based on nationally recognized fire safety standards. Since the process of promulgating these standards takes three years to complete, these standards are roughly three years behind the state-of-the-art in technology, processes, procedures and human services at the date of their publication.

The Minnesota state fire code has not kept in step with newly updated national codes and standards. Minnesota is approximately 7-8 years behind the latest state-of-the-art in fire/life safety. For example, the current MUFC does not address adult day care; however, the most current edition of the life safety code does address this issue. The department of human services is currently in the process of promulgating rules covering these types of occupancies. In order to provide effective enforcement in conjunction with DHS, the state fire code must be up to date.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b> Code Enforcement Course				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 10.9	-0-	\$ 10.9	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: Additional funding is requested to reinstate the reimbursements made to local jurisdictions for attending the 40 hour code enforcement course and conducting local hotel/motel/resort inspections. Funding for this statutory requirement was reduced in F.Y. 1986 and eliminated in F.Y. 1987, as a result of budget reductions.

DESCRIPTION/BACKGROUND: The 40-hour code enforcement course was implemented in response to the provisions of M.S. 299F.46. This statute authorizes the commissioner of public safety to enter into contractual agreements with counties or municipalities for inspection of hotels, motels and resorts in the state. These facilities are statutorily required to be inspected at least once every three years.

RATIONALE:

The statute is very specific in stating that any tort liability attributable to any inspection or lack thereof remains with the state of Minnesota, even though the state has contracted with a local unit of government to perform these inspections. As a result, the fire marshal division provides a training and monitoring function. In a 1981 study by the program evaluation division of the legislative auditor's office, the division was criticized for not performing an effective monitoring function. This resulted in mandatory training requirements being written into all contracts entered into with local units of government. These contracts require the contractor to attend specific training classes. In return, the contract also specifies that the state will provide training at no cost to the contractor.

Because of budget cuts, the state has not been performing in accordance with the contracts.

EFFECTIVENESS MEASURES:

The state has presently contracted with 25 municipalities to conduct the inspections mandated by M.S. 299F.46. With a solid commitment to a continuing education/training program, it is hoped that this number can be increased. Proper training improves the quality of the inspection effort at the local level. It also helps ensure consistency and uniformity throughout the state.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$10.0 for the biennium for this item.

Request Title: Equipment/Supplies				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 30.4	-0-	\$ 31.1	-0-
Governor's Recommendation				
General Fund	\$ 5.0	-0-	\$ 5.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This request is for funding to replace outdated equipment and purchase additional necessary equipment. The fire marshal division has no equipment budget whatsoever.

DESCRIPTION/BACKGROUND:

The division presently has no equipment budget to fund replacement or updating of equipment. For example, we are unable to replace typewriters which break down or to add needed equipment.

The division is in dire need of new copying equipment. Our present copier is unable to accomodate the duplicating workload placed upon it. This results in break downs, causing delays in timely processing of building inspection corrective orders, correspondence and fire reports. Additionally, funding is needed for state-of-the-art equipment for the fire investigation and pipeline safety functions.

EFFECTIVENESS MEASURES:

With the proper equipment and the proper maintenance of this equipment the division can expeditiously process files and correspondence as well as improve upon its investigation and inspection capabilities.

ACTIVITY: FIRE PREVENTION, PROTECTION, INVESTIGATION  
 Program: FIRE SAFETY  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$25.7	\$56.1	\$96.4	\$98.5	\$98.2

DESCRIPTION:

This activity investigates the cause, origin and circumstances of fires when requested by law enforcement and fire officials, inspects certain occupancies and facilities and provides training in order to reduce the dollar loss, injuries and life loss from fires in Minnesota. It keeps a record of all fires occurring in the state. These records also provide statistical information used in development of appropriate fire safety codes and standards, identification of hazardous products, processes or materials, and development of appropriate fire safety education programs.

This activity is comprised of 5 distinct functions:

1) Investigations. Investigators reside within assigned districts so arranged as to provide a 2 hour response capability to requests for fire investigations. These investigations are conducted to determine whether the fire was a result of carelessness, accident, or design. When accidental causes are ruled out, the bureau of criminal apprehension is informed so that criminal investigations can be pursued. Joint investigations are conducted by the fire marshal division, bureau of criminal apprehension and local police and fire officials to develop sufficient evidence to successfully prosecute persons committing arson or other crimes related to the fire.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Fires investigated by fire marshal staff	568	586	590	600	600
Fires determined as incendiary	183	205	206	198	192
Percent of total fires investigated	33	35	35	33	32

2) Residential inspections. This activity inspects hotels, motels, resorts, daycare facilities, apartments, schools, correctional facilities and beauty shops. Other occupancies are inspected by special request. M.S. 299F.46 requires that all hotels/motels be inspected at least once every three years. Daycare homes and centers are inspected by virtue of a fire safety inspection requirement in department of human services rules. Correctional facilities are inspected annually at the request of the commissioner of corrections to comply with M.S. 241.11. Beauty shops are inspected as a result of rules promulgated by the cosmetology unit of the department of commerce. Facility owners are notified in writing of violations and given reasonable time to comply. Field staff provide consultation to owners, operators, fire officials, governmental units and citizens on fire/life safety requirements.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Hotels inspected	320	290	300	300	300
Motels inspected	299	275	280	310	330
Daycare inspected	1,588	1,225	1,275	1,300	1,300
Prisons inspected	102	60	60	70	70
Beauty shops inspected	50	85	85	90	90

3) Healthcare inspections. This activity inspects hospitals, nursing homes, supervised living facilities and adult foster homes. The fire marshal is under contract with the department of health to conduct inspections of healthcare facilities as mandated by federal medicare and medicaid regulations. A portion of this activity is federally funded.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Nursing/boarding care homes inspected	474	475	580	600	630
Supervised living facilities inspected	464	470	560	580	600
Hospitals inspected	151	155	160	165	170

4) Pipeline safety inspections. This activity is responsible for the enforcement of minimum safety standards for the transportation of natural and other gas by pipeline within the state. This involves the inspection of 29 gas companies whose systems consist of nearly 16,000 miles of main and over 988,000 gas services. Authority for this activity is found in M.S. 299F.57. A portion of this activity is federally funded.

5) Training. Investigators and inspectors also serve as instructors at fire investigation and inspection courses offered throughout the state. These include state and regional fire schools, BCA arson courses and 40-hour code enforcement courses. In addition, fire safety training is provided for operators and licensors of daycare facilities, administrators and staff at healthcare facilities, hotel/motel staff, pipeline operators, insurance organizations and numerous other organizations.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Inservice workshops and seminars	120	120	130	180	180
Fire code enforcement class	0	0	0	3	3
Fire code refresher courses	3	0	3	3	3

ACTIVITY: FIRE PREVENTION, PROTECTION, INVESTIGATION 1987-89 Biennial Budget  
 (Continuation)  
 Program: FIRE SAFETY  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

CHANGE REQUESTS:	F.Y. 1988		F.Y. 1989		Type
Fire safety training	\$169.2	4.0	\$179.6	4.0	Program
Fire code update	5.0		5.0		Program
Equipment/supplies	30.4		31.1		Program
Code enforcement course	10.9		10.9		Program

BUDGET ISSUES: It is becoming increasingly evident that local fire prevention efforts and public education are more effective and less costly than strictly fire suppression in reducing loss of life and property. The local fire service looks to the state fire marshal for guidance and direction in the application and enforcement of laws and codes. Fire safety and prevention training programs for local fire departments, local civic organization, state fire marshal inspectors and regional fire safety organizations are effective ways to deliver that public education. Such training programs would provide the means to develop and maintain uniformity statewide in the enforcement and application of laws relating to fire safety and prevention and would increase the number of local fire departments submitting fire incident reports. These reports are the most effective way to identify problem areas and develop appropriate solutions. This should ultimately result in lower local costs for fire suppression services.

Requests for training are outstripping the division's capability to perform because training responsibilities take field staff away from investigation and inspection activities. Training activities in which the division is already active include: 40 hour code enforcement course, state fire school, sectional fire schools, BCA schools, fall chiefs conference and Minnesota fire incident reporting system training. Public education activities include: Minnesota state fair, fire safety training for day care and foster care providers and licensors, health care staff, and presentations to industry groups (e.g. LP-Gas industry). Additionally, there is a statutory requirement for training of local fire safety inspectors from fire departments that enter into contractual agreements to do hotel/inspections, that we cannot deliver.

The Minnesota uniform fire code (MUFC) is based on nationally recognized fire safety standards. Minnesota code is approximately 7 years old and correspondingly behind the latest state-of-the-art technology, processes and procedures in fire/life safety. Failure to upgrade the state code on a regular basis can negatively impact investigations and inspections and credibility. There are better and cheaper ways to provide fire life safety and the new codes provide an effective tool to deal with new hazards and changing issues.

The fire marshal division has no equipment budget necessary to replace outdated equipment and purchase additional necessary equipment. State-of-the-art equipment is necessary to allow fire/arson investigators to become more effective at the jobs of finding and documenting cause and origin of fires and in testing and monitoring for the pipeline safety effort.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FIRE PREV PROT&INV

PROGRAM: FIRE SAFETY

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,608.4	1,712.6	1,931.8	1,992.3	215.5	2,207.8	2,002.3	1,989.4	226.6	2,216.0	1,999.4
LOCAL ASSISTANCE	.8	3.9	4.0	4.0		4.0	4.0	4.0		4.0	4.0
AIDS TO INDS.											
TOTAL EXPENDITURES	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,304.4	1,387.3	1,582.8	1,626.9	110.6	1,737.5	1,626.9	1,621.4	110.2	1,731.6	1,621.4
EXPENSES & CONTRAC. SERV	270.0	303.7	324.0	340.4	60.6	401.0	345.4	343.0	70.5	413.5	348.0
SUPPLIES & MATERIALS	19.3	17.9	22.0	22.0	23.3	45.3	22.0	22.0	26.5	48.5	22.0
EQUIPMENT	12.1	3.7	3.0	3.0	21.0	24.0	8.0	3.0	19.4	22.4	8.0
OTHER EXPENSE ITEMS	2.6										
TOTAL STATE OPERATIONS	1,608.4	1,712.6	1,931.8	1,992.3	215.5	2,207.8	2,002.3	1,989.4	226.6	2,216.0	1,999.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,540.6	1,658.0	1,734.1	1,791.8	215.5	2,007.3	1,801.8	1,788.8	226.6	2,015.4	1,798.8
DEDICATED APPROPRIATIONS:											
FEDERAL	68.6	58.5	201.7	204.5		204.5	204.5	204.6		204.6	204.6
TOTAL FINANCING	1,609.2	1,716.5	1,935.8	1,996.3	215.5	2,211.8	2,006.3	1,993.4	226.6	2,220.0	2,003.4
POSITIONS BY FUND											
GENERAL	43.1	43.0	43.0	43.0	4.0	47.0	43.0	43.0	4.0	47.0	43.0
FEDERAL	2.0	2.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
TOTAL POSITIONS	45.1	45.0	49.0	49.0	4.0	53.0	49.0	49.0	4.0	53.0	49.0

PROGRAM PURPOSE:

The mission of the state patrol is to provide for the safe and efficient movement of traffic on Minnesota's roadways and to protect and serve all people in the state through enforcement, assistance, and education.

The state patrol operates 11 field districts which cover the entire state. District headquarters are located in Brainerd, Detroit Lakes, Duluth, Eagan, Eveleth, Golden Valley, Mankato, Marshall, Rochester, St. Cloud and Thief River Falls. A commercial vehicle enforcement section is the 12th district with its headquarters located at South St. Paul.

OPERATIONS:

The patrolling of the highways activity enforces traffic laws, investigates accidents and renders assistance to motorists and disabled vehicles. Patrolling is done on 887 miles of interstate highways and 11,243 miles of state trunk highways. The air patrolling activity provides aerial support to the patrolling of the highways activity. The continuing increases in registered vehicles, licensed drivers, vehicle miles driven, accidents, and population affects the workload and traffic enforcement problems of these two activities.

The radio communication activity operates and maintains a statewide radio communications system for the state patrol, the department of natural resources and various other state and federal law enforcement agencies. Communications centers are located at each state patrol district office. These centers serve as warning points for the emergency services division of the public safety department. The conversion to microwave transmission and high band radios is progressing.

The commercial vehicle enforcement activity inspects school buses and enforces laws relating to commercial vehicle size, weight and load. Truck deregulation and federal expectations of state truck equipment inspections have greatly increased the workload of this activity. Each year specially trained crews weigh and inspect the equipment of more than 500,000 vehicles. Annual inspections of school buses and the inspection of securement devices of vehicles used for the transportation of wheelchairs are also performed by this activity.

The training activity provides all preservice, inservice and refresher training for troopers and law compliance representatives. New troopers receive 800 hours of basic training prior to being assigned to field duties. This activity also provides training courses to other law enforcement agencies. The traffic safety education activity conducts education programs to Minnesotans of all ages. Programs relating to bicycle safety, alcohol and driving, pedestrian safety, and other traffic related subjects are presented to over 200,000 persons each year.

Approximately 180,000 school aged children and bus drivers are given instruction in school patrol and bus safety programs.

The program support activity provides uniform, coordinated administrative and management support to all state patrol employees and activities through personnel, fiscal, communications and supply services. It also reviews and approves equipment that is to be sold in this state for use on motor vehicles as required by state statute. This effort is aimed at preventing the sale or use of unsafe motor vehicle equipment. It administers federal projects which provide funding for the state patrol and local law enforcement agencies to accomplish even more in traffic law enforcement, training and accident prevention.

EXPLANATION OF BUDGET REQUEST:

Four change items are requested in this program. \$539.2 in F.Y.1988 and 10.0 trooper positions, and \$544.3 in F.Y. 1989 and 14.0 trooper positions in the patrolling of highways activity. \$11.9 and one clerical position in F.Y. 1988 and F.Y. 1989 in the commercial vehicle enforcement activity. \$345.0 in F.Y. 1988 and \$20.0 in F.Y. 1989 in the radio communications activity, for a consolidated radio dispatch center. \$100.0 decrease in each year of the biennium in the patrolling of highways activity.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for these requests. The Governor will consider making funding recommendations in March after revenues available to the Trunk Highway Fund are known.



PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
PATROLLING HIGHWAYS	22,476.9	23,521.0	24,922.7	25,530.3	439.2	25,969.5	25,530.3	25,459.5	444.3	25,903.8	25,459.5
RADIO COMMUNICATIONS	3,201.1	4,406.1	3,208.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
AIR PATROLLING	912.8	1,040.9	867.7	920.5		920.5	920.5	918.8		918.8	918.8
COMMERCIAL VEH ENF	3,213.5	3,696.8	4,377.9	4,500.0	11.9	4,511.9	4,500.0	4,489.7	11.9	4,501.6	4,489.7
STATE PATROL TRNG	310.4	485.5	522.0	533.7		533.7	533.7	546.7		546.7	546.7
TRAFFIC SAFETY EDUC	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
STATE PATROL SUPPORT	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
<b>TOTAL</b>	<b>31,165.2</b>	<b>34,373.2</b>	<b>35,188.4</b>	<b>36,056.6</b>	<b>796.1</b>	<b>36,852.7</b>	<b>36,056.6</b>	<b>35,980.0</b>	<b>476.2</b>	<b>36,456.2</b>	<b>35,980.0</b>
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	30,862.0	34,069.3	34,955.4	35,823.6	796.1	36,619.7	35,823.6	35,747.0	476.2	36,223.2	35,747.0
LOCAL ASSISTANCE	303.2	303.9	233.0	233.0		233.0	233.0	233.0		233.0	233.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>31,165.2</b>	<b>34,373.2</b>	<b>35,188.4</b>	<b>36,056.6</b>	<b>796.1</b>	<b>36,852.7</b>	<b>36,056.6</b>	<b>35,980.0</b>	<b>476.2</b>	<b>36,456.2</b>	<b>35,980.0</b>
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	29,678.8	32,740.3	33,551.4	34,456.0	796.1	35,252.1	34,456.0	34,375.6	476.2	34,851.8	34,375.6
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	479.3	528.6	496.6	456.6		456.6	456.6	461.6		461.6	461.6
FEDERAL	1,007.1	1,104.3	1,140.4	1,144.0		1,144.0	1,144.0	1,142.8		1,142.8	1,142.8
<b>TOTAL FINANCING</b>	<b>31,165.2</b>	<b>34,373.2</b>	<b>35,188.4</b>	<b>36,056.6</b>	<b>796.1</b>	<b>36,852.7</b>	<b>36,056.6</b>	<b>35,980.0</b>	<b>476.2</b>	<b>36,456.2</b>	<b>35,980.0</b>
POSITIONS BY FUND:											
TRUNK HIGHWAY	612.0	628.0	628.0	628.0	11.0	639.0	628.0	628.0	15.0	643.0	628.0
FEDERAL	11.0	13.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0
<b>TOTAL POSITIONS</b>	<b>623.0</b>	<b>641.0</b>	<b>641.0</b>	<b>641.0</b>	<b>11.0</b>	<b>652.0</b>	<b>641.0</b>	<b>641.0</b>	<b>15.0</b>	<b>656.0</b>	<b>641.0</b>

ACTIVITY: PATROLLING HIGHWAYS  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$4,336.2	\$4,022.4	\$4,340.0	\$4,340.0	\$4,340.0

DESCRIPTION:

This activity provides law enforcement and emergency services on the state trunk highway and interstate systems. The state patrol has full police powers on the state and interstate highways and can take action for any offense committed in the presence of a patrol member anywhere in the state. Assistance is provided to local law enforcement agencies often at locations outside of the primary state patrol jurisdiction. The primary area of responsibility of this activity is on almost 900 miles of interstate highways and on 11,243 miles of state trunk highways. The federal, state, county, and local law enforcement agencies are often recipients of assistance. This activity operates 11 patrol districts throughout the state.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Fatal crash rate per 100 million miles	1.73	1.64	1.53	1.45
DWI arrests	6,872	7,000	7,200	7,500
Motorist compliance to the 55 MPH speed limit	49.2%	49.2%	50%	50%

BUDGET ISSUES:

This activity first suffered a loss of available road troopers during F.Y. 1980 with the assignment of 13 troopers to a special truck weight enforcement program. Additional troopers were later removed from road duties and assigned to truck enforcement. During the period 1982 to 1986, a total of 14 miles of interstate free-ways in the twin city metropolitan area were added to the patrol's jurisdiction. While this is only a small number of miles of roadway, they are very heavily traveled roads which have many accidents and other calls for trooper service. The 1986 legislature transferred hennepin county highways 18 and 62 to state jurisdiction and both of these are very high volume highways with great demands for enforcement and services. Another demand for additional trooper time has been the rebuilding of trunk highway 12 into interstate highway 394. Troopers have been diverted to duties on this highway to handle high occupancy vehicle (HOV) lane enforcement during the construction phase. More troopers will be required for this responsibility as more miles of the HOV lanes are completed.

The patrolling of the highways is the major responsibility of the state patrol, and its efforts in traffic law enforcement and assistance to local law enforcement agencies in rural Minnesota has been greatly impaired. Rural trunk highways are the most dangerous roads in the state, with higher accident and fatality rates. The traveling public expects and needs timely service when accidents, car problems, or winter emergencies occur. Federal mandates relating to the enforcement of

the 55 MPH speed limit and the need for added attention to the drinking driver problem have not diminished. Federal requirements for compliance with the 55 MPH speed limit at a level of 50% or higher continues, with sanctions involving the loss of federal highway construction funds if compliance is not maintained. This is the primary activity in state government which has the greatest effect on DWI, speed enforcement, and reduction of road damage.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Registered motor vehicles	3.87	3.89	3.91	3.93
Licensed drivers	2.99	3.00	3.01	3.12
Motorists/pedestrian contacts	577,465	609,800	643,900	680,100
Speeding citations issued	106,556	101,500	96,800	92,200
Accidents attended	15,952	16,500	17,100	17,700
Motorist aids	138,906	136,200	133,600	131,100
Percent of time patrolling	71.8	68.0	68.0	64.3
Patrolling hours	569,558	554,100	533,900	524,400
Total hours	792,973	815,100	792,500	815,100

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
10 Trooper positions in F.Y.1988 and 14 trooper positions in F.Y. 1989	\$539.2	\$544.3	Activity
Reduction in expenditures for gasoline purchases	[\$100.0]	[\$100.0]	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PATROLLING HIGHWAYS

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	22,476.9	23,521.0	24,922.7	25,530.3	439.2	25,969.5	25,530.3	25,459.5	444.3	25,903.8	25,459.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	22,476.9	23,521.0	24,922.7	25,530.3	439.2	25,969.5	25,530.3	25,459.5	444.3	25,903.8	25,459.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	16,831.2	18,034.2	18,831.6	19,459.4	282.3	19,741.7	19,459.4	19,393.8	392.9	19,786.7	19,393.8
EXPENSES & CONTRAC. SERV	1,501.0	1,375.2	1,687.2	1,702.0	16.4	1,718.4	1,702.0	1,706.2	20.8	1,727.0	1,706.2
SUPPLIES & MATERIALS	1,780.2	1,742.1	2,047.6	2,047.6	16.0-	2,031.6	2,047.6	2,047.6	32.0-	2,015.6	2,047.6
EQUIPMENT	2,364.5	2,369.5	2,356.3	2,321.3	156.5	2,477.8	2,321.3	2,311.9	62.6	2,374.5	2,311.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	22,476.9	23,521.0	24,922.7	25,530.3	439.2	25,969.5	25,530.3	25,459.5	444.3	25,903.8	25,459.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	21,605.4	22,669.3	24,061.1	24,668.4	439.2	25,107.6	24,668.4	24,597.7	444.3	25,042.0	24,597.7
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY	479.3	498.0	431.6	431.6		431.6	431.6	431.6		431.6	431.6
FEDERAL	392.2	353.7	430.0	430.3		430.3	430.3	430.2		430.2	430.2
TOTAL FINANCING	22,476.9	23,521.0	24,922.7	25,530.3	439.2	25,969.5	25,530.3	25,459.5	444.3	25,903.8	25,459.5
POSITIONS BY FUND											
TRUNK HIGHWAY	461.0	461.0	461.0	461.0	10.0	471.0	461.0	461.0	14.0	475.0	461.0
FEDERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	462.0	462.0	462.0	462.0	10.0	472.0	462.0	462.0	14.0	476.0	462.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PATROLLING HIGHWAYS  
 PROGRAM: STATE PATROL  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
State Patrol Trooper Increase				
Agency Request				
Trunk Highway Fund	\$539.2	10.0	\$544.3	14.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected: Laws 1985, 1st Spec. Session, Ch. 10, Sec. 4, Subd. 1.

STATEMENT OF REQUEST/OBJECTIVE:

This request is for 10 trooper positions in F.Y. 1988 and an additional 4 troopers or 14 total in F.Y. 1989 to staff newly constructed highways and highways that have been transferred from county to state jurisdiction. The objective is for the activity to maintain an acceptable level of performance in areas of the state while assuming the responsibility for these additional highways.

DESCRIPTION/BACKGROUND:

The ability of the patrolling activity has been greatly impaired in recent years because of the addition of new responsibilities. Motor vehicle weight enforcement diverted troopers off the highways into commercial vehicle enforcement, and the addition of new segments of interstate highways to the state system have both strained enforcement capabilities. Laws of 1986, Chapter 452, provides for the transfer of Hennepin county highways 18 and 62 to the state, but does not provide for any additional troopers to staff these highways. Trunk highway 12 is being replaced by interstate highway 394 and it will have designated high occupancy vehicle (HOV) lanes. A high level of law enforcement service is required to enable these HOV lanes to meet their designed goals.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Troopers patrolling highways	442	442	452	456
Miles of interstate	878	887	997	1,007
Speeding citations	106,556	101,500	102,800	106,500
Accidents attended	15,952	16,500	17,100	17,700
Motorist aids	138,906	136,200	144,600	146,500
Percent of time patrolling	71.8	68.0	69.0	71.0
Patrolling hours	569,558	554,100	560,900	570,000

RATIONALE:

As noted in the table included with the patrolling activity, the indicators of service (percentage of time spent patrolling, hours patrolling, number of motorist assists, and speeding citations) are all expected to decline without additional troopers to staff newly acquired highways. At the same time the accident rate will increase. Additionally, the problems on trunk highway 12/interstate 394 will increase. Lane violations will increase, which will increase congestion and accidents. Road construction workers will be subjected to increased hazards which are likely to slow the construction of I394 and thereby increase costs to the state.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PATROLLING HIGHWAYS  
 PROGRAM: STATE PATROL  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b>				
Reduction in Expenditures for Gasoline Purchases				
	F.Y. 1988		F.Y. 1989	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	(\$100.0)	-0-	(\$100.0)	-0-
<b>Governor's Recommendation</b>				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The above request is to reduce funding in the patrolling highways activity from the previous base level, due to a reduction in gasoline costs.

DESCRIPTION/BACKGROUND:

The budgeted monies for gasoline were based on higher gasoline costs estimated. The retail price of gasoline has dropped to a lower level, less monies are needed to fund gasoline needs.

GOVERNOR'S RECOMMENDATION:

The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known. Therefore, no adjustment in this account is recommended at this time.

ACTIVITY: RADIO COMMUNICATIONS  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$51.0	\$102.0	\$102.0	\$102.0	\$102.0

DESCRIPTION:

The purpose of this activity is to effectively respond to the communications needs of the users of the state patrol communications system, by providing dispatch services and support equipment including maintenance and upgrading of the equipment.

This activity is responsible for providing radio communications to state patrol mobile units, department of natural resources mobile units, other state agencies, and sheriff and police department base stations. Radio services are provided by means of 11 communication centers located throughout the state which control a total of 52 primary, repeater and standby transmitting locations. The communications centers operate 24 hours a day, 365 days a year. There are approximately 600 mobile radios assigned to this activity.

The radio communications operators are the key to efficient delivery of communications services and the safety of user officers. In addition to handling radio, telephone, and computer transmissions, communications operators process initial complaint reports (ICR). ICR's are a major task of the radio communications operators and constitute a permanent record of the services that are rendered to radio system users and to the general public.

The state patrol has been converting its obsolete low-band radio system to a high-band system to enable it to more effectively meet the needs of the users. The state patrol is the only law enforcement agency using a low-band system which makes interagency communications cumbersome. This conversion will also guarantee continued compliance with federal communications commission rules and regulations.

Authority for this activity if found in M.S. Chapter 299D.

EFFECTIVENESS MEASURES:

The best measure of the effectiveness of this activity is the day to day safety of its users. Continuous increases in dispatching activity decrease the effectiveness of communications personnel which has a negative impact on user safety and effectiveness. Many examples of decreased effectiveness have occurred during periods of severe weather. In such cases the demands for service far surpass the activity's ability to respond effectively. This in turn creates a concern for the safety of peace officer users.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
ICR's processed weekly				
Rochester	89	100	110	120
St. Cloud	172	180	190	200
Eagan	301	330	360	395
Golden Valley	377	385	420	450

These totals are 3 to 12 times greater than the number processed by any of the remaining 7 districts.

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
DWI arrests and accidents				
Rochester	2,060	2,100	2,180	2,230
St. Cloud	1,595	1,670	1,700	1,750
Eagan	6,316	6,300	6,400	6,500
Golden Valley	6,317	6,500	6,700	6,900

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Consolidate metro radio and dispatch center	\$345.0	\$20.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: RADIO COMMUNICATIONS

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,201.1	4,406.1	3,208.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,201.1	4,406.1	3,208.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,905.3	1,994.4	2,095.4	2,167.0		2,167.0	2,167.0	2,159.6		2,159.6	2,159.6
EXPENSES & CONTRAC. SERV	674.9	799.0	717.2	720.8		720.8	720.8	721.5	20.0	741.5	721.5
SUPPLIES & MATERIALS	51.7	13.0	27.5	27.5		27.5	27.5	27.5		27.5	27.5
EQUIPMENT	569.2	1,599.7	368.8	328.8	345.0	673.8	328.8	328.8		328.8	328.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,201.1	4,406.1	3,208.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	3,201.1	4,397.6	3,168.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY		8.5	40.0								
TOTAL FINANCING	3,201.1	4,406.1	3,208.9	3,244.1	345.0	3,589.1	3,244.1	3,237.4	20.0	3,257.4	3,237.4
POSITIONS BY FUND											
TRUNK HIGHWAY	58.0	62.0	62.0	62.0		62.0	62.0	62.0		62.0	62.0
TOTAL POSITIONS	58.0	62.0	62.0	62.0		62.0	62.0	62.0		62.0	62.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: RADIO COMMUNICATIONS  
 PROGRAM: STATE PATROL  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Radio System Consolidation and Modernization				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Trunk Highway Fund	\$345.0	-0-	\$20.0	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

operated 24 hours per day and 365 days per year by a staff of 1 supervisor and 7 dispatchers. The centers serve 327 mobile units of the state patrol, bureau of criminal apprehension, emergency services division, department of natural resources, department of transportation, department of health, and the attorney general's office. Additionally, various mobile units and base stations of local and federal law enforcement agencies are served by these facilities. They serve an area that includes more than 50% of the state's population, its licensed drivers and its registered vehicles.

RATIONALE:

Currently the metro area dispatch centers are faced with a workload that is very heavy and one that is constantly increasing. Employee morale has deteriorated and turnover has been high. A computer-aided-dispatch center and mobile data terminals would permit the current staff required to handle future increases in workload. These changes will reduce employee stress, reduce turnover, improve services to the public, and will improve officer safety.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to consolidate the two metropolitan area communications center. Included in this request is funding for purchase of radio consoles and other equipment for the two metro districts and for the design of a mobile data terminal system. The objective is to provide one modern dispatch center in place of the two present centers. Other issues such as site and building costs will be addressed as a capital budget item. The department requests that any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Data base inquiries	106,396	108,500	110,000	111,500	113,000
Initial complaint reports	36,244	39,208	42,432	45,916	49,712
Radio calls	637,931	647,900	667,900	667,900	677,900
Dispatchers	15	16	16	16	16
Troopers served	155	155	165	169	169
Mobile units served	327	327	337	341	341

DESCRIPTION/BACKGROUND:

Currently the metropolitan area state patrol radio communications systems consists of two dispatch centers located in Golden Valley and Oakdale. Each center is



ACTIVITY: AIR PATROLLING  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

This activity operates 3 helicopters and 6 fixed wing aircraft from 4 locations in the state: St. Paul, Mankato, Cloquet, and Bemidji. From its aerial surveillance, it supports the patrolling and commercial vehicle enforcement activities in traffic law enforcement and provides assistance to local, state, county or federal law enforcement agencies. The aircraft communications systems permit law enforcement communication with any state or local law enforcement agency in the state for surveillance, search, or rescue in emergency situations.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Traffic arrests and warnings	16,006	15,200	14,400	13,600
Aids and assistance	598	570	540	500
Searches	129	120	113	105
Emergency transport	76	68	61	55

BUDGET ISSUES:

The number of pilot troopers is limited by the language in the appropriations statute, laws of 1983, chapter 293, section 6. The patrol is studying the benefits of additional aircraft and pilots; however, that language would have to be modified. Use of citizen band radios and "fuzzbusters" have enabled law violators to avoid road troopers in many cases, making air patrol more important. It is currently the most effective method of apprehending violators and deterring excessively high speeds. Air patrol will be even more important in future planning, not only to support ground units and commercial vehicle weighing, but also to survey roads after storms and other adverse weather conditions to locate stranded motorists.

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AIR PATROLLING

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	912.8	1,040.9	867.7	920.5		920.5	920.5	918.8		918.8	918.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	912.8	1,040.9	867.7	920.5		920.5	920.5	918.8		918.8	918.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	475.9	514.6	513.7	531.4		531.4	531.4	529.5		529.5	529.5
EXPENSES & CONTRAC. SERV	171.7	133.6	144.2	144.3		144.3	144.3	144.4		144.4	144.4
SUPPLIES & MATERIALS	127.7	113.9	139.9	139.9		139.9	139.9	139.9		139.9	139.9
EQUIPMENT	137.5	278.8	69.9	104.9		104.9	104.9	105.0		105.0	105.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	912.8	1,040.9	867.7	920.5		920.5	920.5	918.8		918.8	918.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	912.8	1,018.8	842.7	895.5		895.5	895.5	888.8		888.8	888.8
DEDICATED APPROPRIATIONS:											
TRUNK HIGHWAY		22.1	25.0	25.0		25.0	25.0	30.0		30.0	30.0
TOTAL FINANCING	912.8	1,040.9	867.7	920.5		920.5	920.5	918.8		918.8	918.8
POSITIONS BY FUND											
TRUNK HIGHWAY	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL POSITIONS	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0

ACTIVITY: COMMERCIAL VEHICLE ENFORCEMENT  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$356.5	\$402.1	410.0	410.0	\$410.0

DESCRIPTION:

The purpose of this activity is to reduce roadway damage and accidents involving commercial vehicles due to unsafe vehicle equipment, unqualified drivers or illegal size, weight or load.

This activity is responsible for the enforcement of laws, rules and regulations governing commercial vehicles that use the interstate and trunk highways. It operates 8 fixed scales and has 10 mobile scale teams. Five fixed scales are located at Worthington (I-90, 2 miles east of junction 60), Erskine (highways 2 and 59), Orchard Gardens (I-35 north of highway 50), Rosemount (3 miles south of Rosemount) and Saginaw (highways 2 and 33). They are operated on a regular basis with permanent staff. Three additional fixed scales at Moorhead, Anoka and Winona are operated on an irregular basis with no regular staff assigned to them. The fixed scales are staffed by LCR II supervisors and assistants, while the mobile scale teams are operated by troopers with laborer assistants. Civil weight troopers in each of the patrol districts enforce the bill of lading law to determine weight violations. This activity also has a federally funded project specifically aimed at improving the safe mechanical condition of commercial vehicles. Annual inspections of school buses and inspections of vehicles with wheelchair securement devices are also done by LCR's and laborer assistants under this activity.

Authority for this activity is found in M.S. 299D.03, subdivision 1, 299D.06 and M.S. chapter 169.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of truck and bus accidents	15,500	17,500	18,900	19,700
Rate of failure in school bus inspections	49.9%	47.6%	45.5%	43.4%

Authority for this activity is found in M.S. 299D.03, subdivision 1, 299D.06 and M.S. chapter 169.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Trucks weighed	468,040	975,000	1,025,000	1,075,000
Citations issued	13,014	20,500	21,500	22,500
No. of fixed scale sites	8	8*	8	8
No. of civil weight cases	334	300	275	250
School bus inspections	9,900	10,100	10,300	10,500
Commercial vehicle inspections	18,575	25,000	25,500	26,000

\*The Saginaw scale will close April 1987, and the St. Croix Scale is scheduled to open January 1987.

BUDGET ISSUES:

This activity originated during F.Y. 1980 in response to a perceived need for greater truck weight enforcement. It was expanded to include the motor carrier safety assistance program, which is a federally funded program under the authority of the surface transportation act of 1982. There are two full-time and one half-time clerical positions assigned to this activity, but only the half-time position is state funded. A significant amount of the clerical work does not relate to the federal project and the person in the half time position is unable to handle that work load. Additionally, the St. Croix scale facility is scheduled to open in November, 1986 and it will add non-federal clerical duties. With the opening of the St. Croix scale, all of the timekeeping responsibility for that work location plus the Orchard Gardens scale facility will be handled by the non-federal clerical staff of the commercial vehicle unit.

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Replace temporary non-complement position with fulltime clerical position	\$11.9	\$11.9	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMMERCIAL VEH ENF

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,910.3	3,392.9	4,144.9	4,267.0	11.9	4,278.9	4,267.0	4,256.7	11.9	4,268.6	4,256.7
LOCAL ASSISTANCE	303.2	303.9	233.0	233.0		233.0	233.0	233.0		233.0	233.0
AIDS TO INDS.											
TOTAL EXPENDITURES	3,213.5	3,696.8	4,377.9	4,500.0	11.9	4,511.9	4,500.0	4,489.7	11.9	4,501.6	4,489.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,668.3	2,906.5	3,612.5	3,728.9	11.9	3,740.8	3,728.9	3,715.8	11.9	3,727.7	3,715.8
EXPENSES & CONTRAC. SERV	127.4	228.8	291.2	296.9		296.9	296.9	299.7		299.7	299.7
SUPPLIES & MATERIALS	76.1	167.7	170.4	170.4		170.4	170.4	170.4		170.4	170.4
EQUIPMENT	38.5	89.9	70.8	70.8		70.8	70.8	70.8		70.8	70.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,910.3	3,392.9	4,144.9	4,267.0	11.9	4,278.9	4,267.0	4,256.7	11.9	4,268.6	4,256.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	2,633.0	2,990.6	3,705.9	3,824.7	11.9	3,836.6	3,824.7	3,815.5	11.9	3,827.4	3,815.5
DEDICATED APPROPRIATIONS:											
FEDERAL	580.5	706.2	672.0	675.3		675.3	675.3	674.2		674.2	674.2
TOTAL FINANCING	3,213.5	3,696.8	4,377.9	4,500.0	11.9	4,511.9	4,500.0	4,489.7	11.9	4,501.6	4,489.7
POSITIONS BY FUND											
TRUNK HIGHWAY	48.0	60.0	60.0	60.0	1.0	61.0	60.0	60.0	1.0	61.0	60.0
FEDERAL	10.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL POSITIONS	58.0	72.0	72.0	72.0	1.0	73.0	72.0	72.0	1.0	73.0	72.0

## CHANGE REQUEST

 Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: COMMERCIAL VEHICLE ENFORCEMENT

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Clerical Support				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Trunk Highway Fund	\$ 11.9	1.0	\$ 11.9	1.0
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The above request is to convert a temporary clerical position to full-time permanent, to provide non federal program clerical support in the commercial vehicle enforcement office. Responsibilities will include timekeeping for all of this activity's metropolitan area employees, receptionist duties, typing, filing and data entry.

DESCRIPTION/BACKGROUND:

The commercial vehicle enforcement unit was established in F.Y. 1980 in response to a perceived problem in the truck weight enforcement area. It was expanded in F.Y.1983 to handle new duties resulting from the passage of the federal surface transportation act of 1982. This federal legislation provided for federal funding of commercial vehicle inspections under the motor carrier safety assistance program (MCSAP). The MCSAP program funds the costs of a number of the activity's positions, including 2 fulltime clerical positions. The activity's work is approximately 35% federal MCSAP work and 65% state work in the areas of truck weight enforcement, school bus inspection and wheelchair securement device inspection. The activity has 2 fulltime, 1 half time, and 1 temporary clerical positions. Much of the activity's clerical work must be performed by federally funded staff assigned to other activities or it is not accomplished.

RATIONALE:

The additional staff is needed to handle increased clerical responsibilities that will be generated by the opening of the St. Croix scale and the shifting of the duties from other activities which are seriously overloaded. It will enable the federally-funded clerical persons to work full time on federal MCSAP activities as required by federal contract.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

ACTIVITY: STATE PATROL TRAINING  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to assure that replacement trooper trainees meet the licensing requirements of the peace officer's standards and training board (POST) and to maintain the licensing status of present personnel, through approved continuing education programs.

This activity provides preservice training for new candidates for the trooper position and inservice training for all patrol enforcement personnel to give them the required level of specialized skill and knowledge according to the needs of the state patrol and POST board requirements. Minimum training requirements are met and additional training is given in response to unique needs of the patrol. New troopers receive 800 hours of training compared with POST minimum of 8 weeks. Subjects include accident investigation, weight and registration enforcement, driver licensing laws and traffic law enforcement. Specialized capabilities are developed and reviewed through special ongoing minicourses. Training is also given to local and nonpolice groups through special courses in traffic enforcement and safety through BCA and POST board training programs.

Authority for this activity is found in M.S. 299D.03, subdivision 6.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Trooper candidate schools	1	1	1	1
LCR II schools	1	1	1	1
Specialized courses (number of classes)	30	30	30	30
Centralized inservice training (hours)	16	16	16	16
Weapons/defensive tactics (hrs.)	8	8	8	8
Courses for local officers	45	45	45	45
Federal courses for state and local officers (attended)	140	140	140	140

CHANGE REQUESTS:

This activity requests no change level increases.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: STATE PATROL TRNG

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	310.4	485.5	522.0	533.7		533.7	533.7	546.7		546.7	546.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>310.4</b>	<b>485.5</b>	<b>522.0</b>	<b>533.7</b>		<b>533.7</b>	<b>533.7</b>	<b>546.7</b>		<b>546.7</b>	<b>546.7</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	230.2	317.2	324.6	335.8		335.8	335.8	334.5		334.5	334.5
EXPENSES & CONTRAC. SERV	60.6	129.6	177.5	178.0		178.0	178.0	178.0		178.0	178.0
SUPPLIES & MATERIALS	5.8	18.0	19.9	19.9		19.9	19.9	19.9		19.9	19.9
EQUIPMENT	13.8	20.7						14.3		14.3	14.3
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>310.4</b>	<b>485.5</b>	<b>522.0</b>	<b>533.7</b>		<b>533.7</b>	<b>533.7</b>	<b>546.7</b>		<b>546.7</b>	<b>546.7</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	276.0	441.1	483.6	495.3		495.3	495.3	508.3		508.3	508.3
DEDICATED APPROPRIATIONS:											
FEDERAL	34.4	44.4	38.4	38.4		38.4	38.4	38.4		38.4	38.4
<b>TOTAL FINANCING</b>	<b>310.4</b>	<b>485.5</b>	<b>522.0</b>	<b>533.7</b>		<b>533.7</b>	<b>533.7</b>	<b>546.7</b>		<b>546.7</b>	<b>546.7</b>
POSITIONS BY FUND											
TRUNK HIGHWAY	6.0	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
<b>TOTAL POSITIONS</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>		<b>6.0</b>	<b>6.0</b>	<b>6.0</b>		<b>6.0</b>	<b>6.0</b>

ACTIVITY: TRAFFIC SAFETY EDUCATION  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

This activity prepares and conducts traffic safety programs for elementary and secondary students and for adult groups in the public and private sectors. Through the promotion of voluntary compliance, the ultimate objective is to reduce the potential for traffic accident involvement by persons involved in the programs. There is a safety education trooper in each patrol district who coordinates the statewide program in that area. These troopers develop and present exhibits at public gatherings such as county and state fairs, appear before civic and other similar groups and use mass media to transmit their safety messages. Subjects such as school patrol, school bus safety, bicycle safety, bicycle registration, pedestrian safety, seatbelt usage and DWI problems, are examples of their presentations.

Safety education troopers learn of new areas of interest or demand and create their own new programs and presentations. The increased emphasis on DWI and speed compliance has shifted the emphasis of this activity to those topics. Since public education and knowledge is an important factor in safety and compliance, this activity is an important element in the reduction of fatalities and injuries on Minnesota highways.

Authority for this activity is found in M.S. Chapters 169 and 299D.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of presentations	5,329	5,500	5,800	6,000
Hours in the presentations	5,740	6,000	6,200	6,500
Participants:				
School bus safety	119,619	20,000	125,000	125,000
Speed and alcohol	41,000	42,000	43,000	45,000
Defensive driving courses	14,277	15,000	16,000	17,000
Bicycle safety	70,703	74,000	76,000	78,000
Pedestrian safety	120,341	125,000	128,000	130,000
Safety education troopers attending national conference	9	9	9	9

CHANGE REQUESTS:

This activity requests no change level increases.



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRAFFIC SAFETY EDUC

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	391.3	410.6	430.5	445.1		445.1	445.1	443.6		443.6	443.6
EXPENSES & CONTRAC. SERV	9.4	15.0	24.5	24.5		24.5	24.5	24.5		24.5	24.5
SUPPLIES & MATERIALS	1.9	19.6	21.4	21.4		21.4	21.4	21.4		21.4	21.4
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	402.6	445.2	476.4	491.0		491.0	491.0	489.5		489.5	489.5
POSITIONS BY FUND											
TRUNK HIGHWAY	11.0	11.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0
TOTAL POSITIONS	11.0	11.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0

ACTIVITY: STATE PATROL SUPPORT  
 Program: STATE PATROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to manage all activities of the state patrol, furnish personnel, fiscal, administrative, equipment, supplies, and communications services to field personnel.

This activity provides uniform and coordinated administrative and management support to the state patrol. It provides guidance and direction to patrol managers and supervisors so that operational uniformity can be attained. The activity also maintains liaison with the legislature, other state departments, local and county units of government, and the general public to ensure cooperative effort in all matters of mutual concern. Through these means this activity enables the program to achieve the goal of providing for the safe and efficient flow of traffic on the interstate and trunk highway systems of the state. It also develops and administers federal projects which enable the state patrol to acquire added funds to permit extra effort in enforcement and training programs at both the state and local level.

Authority for this activity is found in M.S. Chapter 299D.

EFFECTIVENESS MEASURES:

Process payroll, purchasing and personnel transactions promptly. Process invoices for all goods purchased within 30 days and submit all federal project claims monthly.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Size of fleet maintained	585	590	595	600
Prepare and distribute directives for troopers and supervisors (number per year)	209	201	195	189
Equipment items evaluated	28	29	31	32
No. of federal projects administered	4	5	5	5
Federal funds in these projects	\$1,104.3	1,140.4	\$1,144.0	\$1,142.8

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE PATROL SUPPORT

PROGRAM: STATE PATROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	542.4	587.6	606.1	626.8		626.8	626.8	624.7		624.7	624.7
EXPENSES & CONTRAC. SERV	99.8	148.7	163.9	167.4		167.4	167.4	170.9		170.9	170.9
SUPPLIES & MATERIALS	5.7	41.4	42.8	42.8		42.8	42.8	42.8		42.8	42.8
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	647.9	777.7	812.8	837.0		837.0	837.0	838.4		838.4	838.4
POSITIONS BY FUND											
TRUNK HIGHWAY	16.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0
TOTAL POSITIONS	16.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0

PROGRAM: CAPITOL SECURITY  
Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$36.3 and 1.0 position for a security guard position for the capitol complex.

PROGRAM PURPOSE:

The mission of capitol security is the maintenance of safety for all persons and property within the capitol complex through education, regulation, prevention and enforcement.

This program consists of two activities: capitol complex security and executive protection. The program provides security and emergency services to the Governor, the Governor's residence, the legislature, 7000 state employees, 29 state owned or leased buildings and enforcement at 27 state parking facilities within the Twin Cities.

OPERATION:

The purpose of this program is to protect state, public and private property from fire, theft and vandalism and to enforce the laws and rules which relate to security and parking in the state capitol complex and Governor's residence. Assistance is rendered to public visitors and employees. All hazardous or threatening incidents are investigated and, if necessary, communicated to the appropriate authorities. Activities within the capitol complex and at the Governor's residence are monitored through electronic surveillance and detection equipment.

Today the capitol security program substantially provides all of the services necessary to insure the safe and orderly conduct of governmental business. Capitol security officers have evolved into a unit capable of resolving, preventing and containing situations in the capitol complex. This is accomplished by responding to emergency calls for help, identifying or correcting hazardous areas and educating the capitol complex population to help themselves through crime prevention seminars, building emergency evacuation procedures and C.P.R. training.

The executive protection activity continues to provide all necessary security to the Governor and the Governor's residence. A state patrol assigned legislative detail provides protection to members of the Minnesota legislature and their staff during legislative sessions.

EXPLANATION OF BUDGET REQUEST:

Three change items are requested in this program. \$28.0 in F.Y. 1988 and \$17.4 in F.Y. 1989 for replacement equipment in the executive protection activity. \$18.2 in F.Y. 1988 and \$18.1 in F.Y. 1989 and 1 security guard position in the capitol complex security activity. Change in funding of the capitol complex security activity from the internal services fund to a direct appropriation from the general fund.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: CAPITOL SECURITY

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
EXECUTIVE PROTECTION	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
CAP COMPLEX SECURITY	791.2	851.5	970.8	944.1	18.2	962.3	944.1	941.1	18.1	959.2	941.1
<b>TOTAL</b>	<b>1,087.8</b>	<b>1,128.5</b>	<b>1,280.9</b>	<b>1,257.5</b>	<b>46.2</b>	<b>1,303.7</b>	<b>1,285.5</b>	<b>1,253.6</b>	<b>35.5</b>	<b>1,289.1</b>	<b>1,271.0</b>
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,087.8	1,128.5	1,280.9	1,257.5	46.2	1,303.7	1,285.5	1,253.6	35.5	1,289.1	1,271.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>1,087.8</b>	<b>1,128.5</b>	<b>1,280.9</b>	<b>1,257.5</b>	<b>46.2</b>	<b>1,303.7</b>	<b>1,285.5</b>	<b>1,253.6</b>	<b>35.5</b>	<b>1,289.1</b>	<b>1,271.0</b>
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,087.8	277.0	310.1	313.4	990.3	1,303.7	1,285.5	312.5	976.6	1,289.1	1,271.0
DEDICATED APPROPRIATIONS:											
PLANT MANAGEMENT		851.5	970.8	944.1	944.1-			941.1	941.1-		
<b>TOTAL FINANCING</b>	<b>1,087.8</b>	<b>1,128.5</b>	<b>1,280.9</b>	<b>1,257.5</b>	<b>46.2</b>	<b>1,303.7</b>	<b>1,285.5</b>	<b>1,253.6</b>	<b>35.5</b>	<b>1,289.1</b>	<b>1,271.0</b>
POSITIONS BY FUND:											
GENERAL	40.0	6.0	6.0	6.0	35.0	41.0	40.0	6.0	35.0	41.0	40.0
PLANT MANAGEMENT		34.0	34.0	34.0	34.0-			34.0	34.0-		
<b>TOTAL POSITIONS</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>1.0</b>	<b>41.0</b>	<b>40.0</b>	<b>40.0</b>	<b>1.0</b>	<b>41.0</b>	<b>40.0</b>

ACTIVITY: EXECUTIVE PROTECTION  
 Program: CAPITOL SECURITY  
 Agency: DEPARTMENT OF PUBLIC SAFETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The executive protection activity provides security and protection to the Governor and family, and to the legislative process while the legislature is in session. Six state troopers are assigned to the executive protection activity. Five state troopers are assigned and scheduled to provide 24 hour security coverage and protection at the Governor's residence. One state trooper is assigned as personal protection and aid to the Governor to the extent and manner as determined by the Governor.

In addition to the electronic surveillance equipment installed at the Governor's residence, security access equipment has been installed at the State Capitol to prevent access into the Governor's office and the chief of staff office without a current security access card.

Other state troopers are utilized on a temporary basis to supplement the present complement of the executive protection activity during legislative sessions.

EFFECTIVENESS MEASURES:

Thousands of visitors yearly visit the Governor's residence and state capitol office. All residence visitors are screened by the executive protection staff. All threats and suspicious persons are investigated by the staff. As a result of these prevention measures, there have been no dangerous incidences or disturbances.

BUDGET ISSUES:

A major component of the security of the Governor's residence is provided through the use of electronic devices. There are microwave intrusion detectors located on the perimeter of residence property and there are 7 TV cameras monitoring the grounds. Some of this equipment is extremely old, dating back to 1973, and is almost impossible to maintain. Replacement parts are difficult to obtain and sometimes take more than 6 months to get. A timetable has been developed to provide for regular replacement of this equipment based on an expected life cycle.

CHANGE REQUEST:

Equipment replacement costs

F.Y. 1988	F.Y. 1989	Type
\$28.0	\$17.4	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EXECUTIVE PROTECTION

PROGRAM: CAPITOL SECURITY

AGENCY: PUBLIC SAFETY, OPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	261.5	260.1	285.3	288.3		288.3	288.3	287.4		287.4	287.4
EXPENSES & CONTRAC. SERV	10.4	14.3	14.9	15.2		15.2	15.2	15.2		15.2	15.2
SUPPLIES & MATERIALS	17.2	2.1	9.9	9.9		9.9	9.9	9.9		9.9	9.9
EQUIPMENT	7.5	.5			28.0	28.0	28.0		17.4	17.4	17.4
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	296.6	277.0	310.1	313.4	28.0	341.4	341.4	312.5	17.4	329.9	329.9
POSITIONS BY FUND											
GENERAL	6.0	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
TOTAL POSITIONS	6.0	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: EXECUTIVE PROTECTION  
 PROGRAM: CAPITOL SECURITY  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

<b>Request Title:</b> Governor's Residence Security Equipment Replacement				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 28.0	-0-	\$ 17.4	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ 28.0	-0-	\$ 17.4	-0-
<b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to replace old, worn out equipment that is used to provide security for the Governor and family while they are in the executive residence.

DESCRIPTION/BACKGROUND:

The state patrol provides protection to the Governor and family while they are at the residence, through the use of electronic security devices. Many of these devices are old and worn out and need replacement.

RATIONALE:

The existing equipment dates back to 1973-1979. It is almost impossible to find repair parts for some of it and, when parts are available, there is sometimes a delay of 6 months or more. During the time the equipment is inoperable, the security is impaired. It would be necessary to add troopers to the existing staff of 6 in order to provide the same level of security without the electronic surveillance equipment.



ACTIVITY: CAPITOL COMPLEX SECURITY  
 Program: CAPITOL SECURITY  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The goals of this activity are to provide emergency responses to individuals in the capitol complex, to minimize the loss of state property through good security practices, and to reduce unnecessary loss of funds by identifying and correcting potential law suit situations. Employees perform two main security functions, communications/alarm monitoring services and security patrolling.

The security/communications system monitors (S/CSM) provide 24 hour emergency response capabilities, by monitoring an automated building control system containing 2,168 fire, security and environmental sensing points found in state buildings and historical sites. Personnel also respond to the capitol complex emergency line and coordinate responders' actions. Employees monitor 22 C.C.T.V. cameras positioned in sensitive areas around the capitol complex to observe activities. This center assists with a telecommunications device for the hearing impaired, calls to the emergency services duty officer, national guard emergency line and national air warning system. S/CSM's routinely handle an estimated 4,000 informational telephone calls and research approximately 225 parking complaints a month.

The second major function is to provide security patrols in state buildings and adjacent grounds. Neighborhoods surrounding the capitol complex are very high crime rate areas. Officers assigned to these patrolling duties inspect each facility daily for fire and safety hazards in addition to identifying potential security situations. Security personnel provide 24 hours coverage in the state capitol building and the Minnesota historical society. Other duties are providing authorized after hours access into buildings, enforcement of parking policies, providing crime prevention seminars and nighttime escort service to state employees, and conducting building emergency procedure training and C.P.R. instruction.

Authority for this activity is found in M.S. chapter 299E.

EFFECTIVENESS MEASURES:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Incidents reported and investigated (medical, fire alarm, suspicious situations)	1,231	1,300	1,400	2,000	2,250
Criminal incidents reported (theft, vandalism, break-ins)	89	95	100	200	250

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Issued I.D. and electronic key cards	1,275	1,500	1,600	1,300	1,200
Number of electronically monitored facilities	34	34	34	37	37
Number of buildings physically serviced by security officers	29	29	29	31	31
Arrests made by capitol security	9	12	15	20	30
Fire alarms responded to by capitol security monitors	78	50	40	65	40
Actual fires	9	10	10	10	10
Medical emergencies	48	50	50	60	75
Bomb threats	7	10	10	10	12
Permit events/rally	148	200	250	300	325
Fire/safety/security notices	120	100	190	150	150
Parking citations issued	5,640	5,000	4,500	4,500	4,000

BUDGET ISSUES: With the expansion and additional use of state facilities, this activity is finding it increasingly difficult to meet security needs and to minimize overtime expenditures. Current plans for the capitol complex call for construction of a new judicial building, an historical center and renovation of the Capitol Mall. These three projects plus the trend to utilize state facilities more often will continue to strain the current resources. Increased security officer staffing, plus the modernization and expansion of existing electronic security devices must be addressed.

CHANGE REQUEST:	F.Y. 1988	F.Y. 1989	Type
Security Guard Position Funding Change	\$ 18.2	\$ 18.1	Activity
Internal Services Fund	[\$944.1]	[\$941.1]	Activity
General Fund	\$944.1	\$941.1	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CAP COMPLEX SECURITY

PROGRAM: CAPITOL SECURITY

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	791.2	851.5	970.8	944.1	18.2	962.3	944.1	941.1	18.1	959.2	941.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	791.2	851.5	970.8	944.1	18.2	962.3	944.1	941.1	18.1	959.2	941.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	753.9	803.1	880.1	889.2	18.2	907.4	889.2	886.2	18.1	904.3	886.2
EXPENSES & CONTRAC. SERV	26.6	34.5	39.1	39.1		39.1	39.1	39.1		39.1	39.1
SUPPLIES & MATERIALS	10.3	13.5	11.3	11.3		11.3	11.3	11.3		11.3	11.3
EQUIPMENT	.4	.4	40.3	4.5		4.5	4.5	4.5		4.5	4.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	791.2	851.5	970.8	944.1	18.2	962.3	944.1	941.1	18.1	959.2	941.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	791.2					962.3	944.1			959.2	941.1
DEDICATED APPROPRIATIONS:											
PLANT MANAGEMENT		851.5	970.8	944.1	944.1-			941.1	941.1-		
TOTAL FINANCING	791.2	851.5	970.8	944.1	18.2	962.3	944.1	941.1	18.1	959.2	941.1
POSITIONS BY FUND											
GENERAL	34.0					35.0	34.0			35.0	34.0
PLANT MANAGEMENT		34.0	34.0	34.0	34.0-			34.0	34.0-		
TOTAL POSITIONS	34.0	34.0	34.0	34.0	1.0	35.0	34.0	34.0	1.0	35.0	34.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CAPITOL COMPLEX SECURITY  
 PROGRAM: CAPTITOL SECURITY  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b> Funding of Capitol Complex Security from the General Fund				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Internal Services Fund	(\$944.1)	(34.0)	(\$941.1)	(34.0)
General Fund	\$944.1	34.0	\$941.1	34.0
<b>Governor's Recommendation</b>				
Internal Services Fund	(\$944.1)	(34.0)	(\$941.1)	(34.0)
General Fund	\$944.1	34.0	\$941.1	34.0
<b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

RATIONALE:

The department requests that this activity be funded entirely from a direct appropriation from the general fund for the 1988-89 biennium. The department of public safety and the DOA have determined that the security guard services should not be included in the rental rates for state owned buildings in the capitol complex starting with F.Y. 1988. The costs of providing security/communications system monitoring on a 24 hour basis will continue to be billed to those agencies connected to the monitoring system. The DOA proposes that revenues collected for providing this service be transferred from the DOA automation points revolving fund to the general fund.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUEST/OBJECTIVE:

This request is to change the funding of the capitol complex security activity back to the general fund.

DESCRIPTION/BACKGROUND:

Currently the costs of providing security to all persons and buildings and other properties within the capitol complex are funded by the internal services fund. The building security provided by the department of public safety, as well as building maintenance, janitorial services, and ground services provided by the department of administration (DOA) were funded by the general fund prior to this biennium and these costs were included in the rental rates for state owned buildings in the capitol complex. The monies appropriated to state agencies for these rental payments prior to this biennium were deposited in the general fund. The change in funding to the internal services fund was to eliminate the need to make duplicate general fund appropriations as well as require the DOA to collect sufficient revenues to fund this activity. However, not all state agencies renting space in state owned buildings in the capitol are appropriated from the general fund. Also, determining what portion of the capitol security budget relates to security of buildings and property verses providing personal security (visitors, employees, elected officials) has been difficult to determine.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CAPITOL COMPLEX SECURITY  
 PROGRAM: CAPITOL SECURITY  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title: Security Guard Position				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$18.2	1.0	\$18.1	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding and authorization for one additional security guard position. The purpose of this request is to increase the protection to state employees and property within the capitol complex.

DESCRIPTION/BACKGROUND:

Since capitol complex security's inception in 1971, 8 additional buildings and 3 formal park areas have been developed and assigned to the activity for environmental and security monitoring, without any increase in security staffing. With this increase in responsibilities and utilization of capitol complex facilities more extensively, the ability of this activity to provide an acceptable level of services has not been able to be met.

Capitol complex security must provide close monitoring in facilities utilized by the department of employee relations for its testing activities, metropolitan university classes held weekly in three capitol complex locations, bi-weekly national guard drills, and 148 special events authorized by the department of administration.

In addition to these activities, highly utilized buildings such as the newly renovated state office building and the veteran's service building lack security officer services during staffing shortages.

EFFECTIVENESS MEASURES:

It is estimated that over 7,000 employees work in 55 different departments, commissions, or constitutional offices located in the 29 facilities serviced by capitol complex security. All of these governmental units from time to time hold major meetings or events, often after hours, requiring the services of this activity. Since it is the wish of government to allow the public substantial use of its facilities, it is anticipated that demands upon the security organization will continue to exceed capitol complex security's resources. This increase may lead to slower officer emergency responses and less identification or correction of hazardous situations.

RATIONALE:

With the addition of one position, the capitol complex security activity can provide a higher level of security services by having an officer assigned to facilities with high utilization. With this permanent full time position, it is estimated that overtime payments can be reduced, thefts kept at a minimum and hazardous situations corrected prior to a fire or injury.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

PROGRAM PURPOSE:

The mission of the driver and vehicle services division is to serve and protect the public in all areas of vehicle ownership and operation through regulation, identification, education, and highway funding.

This program is composed of the driver licensing, auto accident records, no-fault insurance, motor vehicle registration, bicycle licensing, motor vehicle dealer licensing, and vehicle license plate and sticker manufacturing activities. Standards are established and maintained for licensing drivers and for providing consumer protection in such areas as vehicle ownership, titling and security, inspection, regulation, and licensing of motor vehicle dealer operations, bicycle licensing, driver training schools, and monitoring and enforcement of the no-fault insurance law. The main goal is provision of prompt accurate service to the public in processing applications and issuing licenses.

OPERATION:

The administration of this program is the responsibility of the director of driver and vehicle services. The driver licensing, vehicle registration, and field services activities are each headed by an assistant director. The program consists of the following operations:

1. Drivers are tested and licensed at 101 locations throughout the state. Traffic accident and conviction data is monitored, problem drivers are evaluated and a driver record system is maintained. Each year over 1 million license applications are processed, 335,000 written tests are administered and 175,000 road tests are given. It is anticipated that the number of reexaminations will increase because of increased alcohol referrals from police and courts for reexaminations. The activity also participates in reimbursement to counties of \$500,000 per year for presentence investigations of drivers with alcohol problems.
2. A minimum of at least 10 percent of all vehicle registrations are spot-checked for proper insurance coverage. Insurance cancellations from insurance companies and convictions from courts are processed, and driving privileges are suspended for unsatisfied civil judgments. The official state file of motor vehicle accident records is maintained, and accident reports are monitored for insurance information and no-fault insurance coverage.
3. Commercial driver training schools and instructors are licensed and their curriculum approved. Approval of public school driver education is the responsibility of the department of education. County courts are assisted in establishing driver improvement and driving while intoxicated (DWI) clinics.

4. Taxes and fees are collected on 3.87 million passenger vehicles, motorcycles, trailers, buses and small trucks. Over 150,000 bicycles are registered, and it is anticipated that this number will slightly diminish during this biennium. The grading and identification of titles and inspection of salvage companies and salvage title switching is performed with the cooperation of insurance companies and salvage yards. This acts as a deterrent to auto thefts. The actual inspections are accomplished by driver examiners. We are initiating legislation which will mandate salvage inspections and expand the activity. This would result in a further increase in dealer licenses issued.

5. Over 325,000 vehicles are registered for interstate registration and reciprocity. Taxes are collected based on the miles traveled in each state, and prorated payments are made to each jurisdiction. A computerized system to handle the calculation of fees, statistical reports and printing of identification documents permits us to correctly and efficiently collect these fees.

6. Motor vehicle dealers are regulated through licensing, inspections and information dissemination. All dealer licenses and dealer plates issued are entered in the computer and are easily accessible for research. Drivers license examiners stationed throughout the state also act as dealer examiners. This permits more effective monitoring of all dealers and better utilization of the work force.

EXPLANATION OF BUDGET REQUEST:

This program has 1 change level request, \$49.0 in F.Y. 1988 and \$20.0 in F.Y. 1989 for building maintenance and repairs at the metro area driver exam stations.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding at this time. Consideration will be given to funding the change request in March after revenues available to the Trunk Highway Fund are known.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
VEHICLE REG&TITLE	8,318.9	8,250.8	9,125.1	9,534.0		9,534.0	9,534.0	9,584.5		9,584.5	9,584.5
INTERSTATE REG&RECIP	883.8	995.2	1,038.7	1,052.4		1,052.4	1,052.4	1,052.0		1,052.0	1,052.0
VEHICLE DEALER LIC	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
LICENSE PLATE MFG	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
BICYCLE REGISTRATION	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
LICENSING DRIVERS	10,793.9	11,063.8	11,859.2	12,098.7	49.0	12,147.7	12,098.7	12,109.4	20.0	12,129.4	12,109.4
NO-FAULT INSURANCE	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
AUTO ACCIDENT RECORD	916.2	1,001.6	1,146.3	1,165.5		1,165.5	1,165.5	1,174.9		1,174.9	1,174.9
DRIVER LIC SUPPORT	357.0	349.1	413.6	426.0		426.0	426.0	425.5		425.5	425.5
<b>TOTAL</b>	<b>22,934.5</b>	<b>26,442.5</b>	<b>29,052.0</b>	<b>26,258.4</b>	<b>49.0</b>	<b>26,307.4</b>	<b>26,258.4</b>	<b>26,326.9</b>	<b>20.0</b>	<b>26,346.9</b>	<b>26,326.9</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	22,434.5	25,971.1	28,580.6	25,787.0	49.0	25,836.0	25,787.0	25,855.5	20.0	25,875.5	25,855.5
LOCAL ASSISTANCE	500.0	471.4	471.4	471.4		471.4	471.4	471.4		471.4	471.4
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>22,934.5</b>	<b>26,442.5</b>	<b>29,052.0</b>	<b>26,258.4</b>	<b>49.0</b>	<b>26,307.4</b>	<b>26,258.4</b>	<b>26,326.9</b>	<b>20.0</b>	<b>26,346.9</b>	<b>26,326.9</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	3,865.6	3,717.6	4,006.8	4,303.6		4,303.6	4,303.6	4,309.3		4,309.3	4,309.3
TRUNK HIGHWAY	11,328.7	11,810.5	12,969.2	13,230.9	49.0	13,279.9	13,230.9	13,250.2	20.0	13,270.2	13,250.2
HGHWY USER TAX DISTR	7,414.8	10,678.9	11,976.1	8,628.6		8,628.6	8,628.6	8,672.1		8,672.1	8,672.1
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	25.1	7.9	9.9	5.3		5.3	5.3	5.3		5.3	5.3
AGENCY	5.5	3.3	9.7	9.7		9.7	9.7	9.7		9.7	9.7
FEDERAL	294.8	224.3	80.3	80.3		80.3	80.3	80.3		80.3	80.3
<b>TOTAL FINANCING</b>	<b>22,934.5</b>	<b>26,442.5</b>	<b>29,052.0</b>	<b>26,258.4</b>	<b>49.0</b>	<b>26,307.4</b>	<b>26,258.4</b>	<b>26,326.9</b>	<b>20.0</b>	<b>26,346.9</b>	<b>26,326.9</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	122.9	122.9	122.9	122.9		122.9	122.9	122.9		122.9	122.9
TRUNK HIGHWAY	341.5	341.5	341.0	341.0		341.0	341.0	341.0		341.0	341.0
HGHWY USER TAX DISTR	174.6	177.6	176.6	173.6		173.6	173.6	173.6		173.6	173.6
FEDERAL	1.0	1.0									
<b>TOTAL POSITIONS</b>	<b>640.0</b>	<b>643.0</b>	<b>640.5</b>	<b>637.5</b>		<b>637.5</b>	<b>637.5</b>	<b>637.5</b>		<b>637.5</b>	<b>637.5</b>

ACTIVITY: VEHICLE REGISTRATION AND TITLE  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$401,714.9	\$423,457.1	\$438,821.6	\$461,382.5	\$468,217.0

DESCRIPTION: The purpose of this activity is to collect motor vehicle title and registration taxes and fees and to maintain a system of recording vehicle title and registration information, so that all registered motor vehicles have tax receipts and are identified for law enforcement purposes.

The title and registration activity performs the following functions: 1) audit, examine, and process all title and registration applications; 2) issue certificates of title and vehicle registration plates and validation stickers; 3) collect taxes and fees due on each motor vehicle subject to tax; 4) maintain manual and computer files on motor vehicles; 5) have vehicle registration and title information current and readily available for law enforcement agencies and the public; 6) regulate and control 163 deputy registrar offices; 7) regulate the grading and inspection of damaged vehicles in order to deter auto thefts.

License plates and stickers issued by this activity serve as proof of tax payment for the vehicle owner and authorize the operation of the vehicle on the streets and highways. A number of special license plates are available on the request of the applicant. Certificates of title serve as proof of ownership of a vehicle and aid a prospective buyer in determining if there are any liens recorded for the vehicle. Registration taxes, fees and excise taxes can be paid at any of the deputy registrar offices located throughout the state, by mail or at the central office. Information concerning vehicle registration and ownership is available to law enforcement units on a 24 hour basis. Help for vehicle owners who have questions concerning titles, taxes, ownership or registration is available during normal business hours.

Authority for this activity is found in M.S. Chapters 168, 168A, 168B, 297A and 297B

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average in-house process time of titles (days)	9.5	3.5	3.0	3.0	3.0
Average in-house process time of mail renewals (days)	3.3	3.1	3.0	3.0	3.0
Average response time (telephone information unit)	21 sec	20 sec	21 sec	20 sec	20 sec

BUDGET HISTORY: As shown in effectiveness measures above, the average in-house processing time for issuance of titles has shortened considerably since F.Y. 1985. This is due to the complete implementation of a major records integration project. Under that system, all entries are on-line, which enables immediate update of motor vehicle files and simplified identification and correction of errors.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of telephone information requests processed	757,551	741,002	744,000	746,000	748,000
No. of mail and walk in information requests processed	63,321	74,020	75,000	75,000	75,000
No. of special license plates issued, (personalized, collector, firefighter, etc.)	11,087	12,863	13,000	13,000	13,000
No. of vehicles registered (millions)	3.85	3.87	3.89	3.91	3.93
No. of title certificates issued (thousands)	1,233.8	1,244.6	1,255.0	1,260.0	1,265.0
Total registration tax collected less prorated and dealer plate revenues (millions)	\$194.3	\$205.1	\$209.7	\$220.4	\$224.9
Total excise tax collected (millions)	\$197.2	\$207.7	\$218.1	\$229.0	\$231.3

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: VEHICLE REG&TITLE

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	8,318.9	8,250.8	9,125.1	9,534.0		9,534.0	9,534.0	9,584.5		9,584.5	9,584.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	8,318.9	8,250.8	9,125.1	9,534.0		9,534.0	9,534.0	9,584.5		9,584.5	9,584.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,732.4	5,083.8	5,635.8	5,873.2		5,873.2	5,873.2	5,853.0		5,853.0	5,853.0
EXPENSES & CONTRAC. SERV	3,136.3	3,097.8	3,395.8	3,567.7		3,567.7	3,567.7	3,638.4		3,638.4	3,638.4
SUPPLIES & MATERIALS	61.2	53.6	90.9	90.5		90.5	90.5	90.5		90.5	90.5
EQUIPMENT	389.0	15.1	2.0	2.0		2.0	2.0	2.0		2.0	2.0
OTHER EXPENSE ITEMS		.5	.6	.6		.6	.6	.6		.6	.6
TOTAL STATE OPERATIONS	8,318.9	8,250.8	9,125.1	9,534.0		9,534.0	9,534.0	9,584.5		9,584.5	9,584.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,731.2	2,586.8	2,870.9	3,118.2		3,118.2	3,118.2	3,123.7		3,123.7	3,123.7
HGHY USER TAX DISTR	5,587.7	5,663.5	6,253.6	6,415.2		6,415.2	6,415.2	6,460.2		6,460.2	6,460.2
DEDICATED APPROPRIATIONS:											
AGENCY		.5	.6	.6		.6	.6	.6		.6	.6
TOTAL FINANCING	8,318.9	8,250.8	9,125.1	9,534.0		9,534.0	9,534.0	9,584.5		9,584.5	9,584.5
POSITIONS BY FUND											
GENERAL	102.7	103.7	103.9	103.9		103.9	103.9	103.9		103.9	103.9
HGHY USER TAX DISTR	129.1	129.1	130.1	130.1		130.1	130.1	130.1		130.1	130.1
TOTAL POSITIONS	231.8	232.8	234.0	234.0		234.0	234.0	234.0		234.0	234.0



ACTIVITY: INTERSTATE REGISTRATION AND RECIPROCITY  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$33,471.3	\$33,842.2	\$35,197.8	\$35,412.8	\$35,112.8

DESCRIPTION: The purpose of this activity is to annually register and collect revenues from commercial vehicles, so that they will comply with Minnesota's registration laws and the laws of all member states of the international registration plan (IRP).

The interstate registration and reciprocity activity registers and collects taxes on approximately 325,000 commercial vehicles which travel interstate and intrastate through the United States, Canada and Mexico. Prorated registration tax is paid to Minnesota by other states according to miles traveled in Minnesota by commercial vehicles based in other IRP states. Minnesota collects and distributes taxes to other IRP jurisdictions based on the miles traveled in those jurisdictions by Minnesota based commercial trucks. These taxes are based on each jurisdiction's applicable weight chart and tax tables. The purpose of this function is to ease the administrative burden of each state and the paperwork created for the truckers if they had to register in each state in which they travel. Auditors are sent to the individual carrier locations to verify correct payment of fees. This activity provides license plates, registration cards and permits, so that carriers can prove tax was paid and to serve as identification for law enforcement purposes. Temporary registrations and permits are available during business hours from the central office, administrative truck center, and deputy registrar offices. Service for these permits is available 24 hours a day through wire services and truck stops.

In 1980, Minnesota began developing a new on-line system to handle the complicated calculations needed to bill carriers for their registration and to ease Minnesota's burden in administering the IRP. In 1986, the system was upgraded and additional disc space and programs were added to handle 64 jurisdictions. This will ease the compliance burden for truckers and make the state processing more efficient.

New legislation in 1986 allows the department of public safety to enter into fuel tax compacts with other jurisdictions. This allows carriers to file all fuel reports with their base state. It improves compliance by simplifying paperwork and reducing costs to carriers. It subjects them to one audit which is more cost effective for the state, since the IRP and fuel tax mileage records are the same. The initial program includes Minnesota joining the international fuel reporting compact July 1, 1986, which includes the states of Arizona, Iowa, Oklahoma and Washington, and developing mini-agreements with South Dakota and Wisconsin. The department will be working with the department of revenue to determine the feasibility of the transfer of fuel tax reporting to public safety.

The development of an administrative truck center with the department of transportation and the transportation regulatory board centralized all truck functions in one area. This has simplified operations for permits by combining all wire service machines in one area. In addition, the department of public safety is selling fuel

permits and combined fuel and trip permits, which saves carriers a phone call and an extra transmission charge.

Authority for this activity is found in M.S. 168.187

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Jurisdictions in IRP	30	33	35	39	43
Jurisdictions in fuel tax agreement	3	4	7	12	15

As the number of jurisdictions participating in these agreements has increased, the more accurate collection of registration and fuel taxes for interstate travel has become increasingly effective. The number of uncollectable delinquent accounts and no-good checks is negligible through the use of surety bonds, letters of credit, collection activities and our contract with a collection agency.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of vehicles registered	320,000	325,000	325,000	325,000	325,000
Number of prorated accounts	4,958	4,939	4,900	5,000	5,100
Total of all registration tax collected from Minnesota based carriers	\$26,769.3	\$27,119.8	\$27,685.0	\$27,600.0	\$28,000.0
Tax collected by other jurisdictions for miles driven in Minnesota	\$6,702.0	\$6,722.4	\$6,900.0	\$7,000.0	\$7,100.0
Tax collected by Minnesota for other jurisdictions	\$15,234.4	\$15,152.5	\$15,500.0	\$15,800.0	\$16,200.0
Total tax retained by Minnesota	18,236.9	\$18,689.7	\$19,085.0	\$18,800.0	\$18,900.0

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INTERSTATE REG&RECIP

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	883.8	995.2	1,038.7	1,052.4		1,052.4	1,052.4	1,052.0		1,052.0	1,052.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	883.8	995.2	1,038.7	1,052.4		1,052.4	1,052.4	1,052.0		1,052.0	1,052.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	657.7	703.5	803.0	811.4		811.4	811.4	808.6		808.6	808.6
EXPENSES & CONTRAC. SERV	216.0	171.0	220.5	225.8		225.8	225.8	228.2		228.2	228.2
SUPPLIES & MATERIALS	9.3	26.2	15.2	15.2		15.2	15.2	15.2		15.2	15.2
EQUIPMENT	.8	94.5									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	883.8	995.2	1,038.7	1,052.4		1,052.4	1,052.4	1,052.0		1,052.0	1,052.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY		23.2	18.6	19.0		19.0	19.0	19.4		19.4	19.4
HGHWY USER TAX DISTR	883.8	972.0	1,020.1	1,033.4		1,033.4	1,033.4	1,032.6		1,032.6	1,032.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	883.8	995.2	1,038.7	1,052.4		1,052.4	1,052.4	1,052.0		1,052.0	1,052.0
POSITIONS BY FUND											
HGHWY USER TAX DISTR	32.0	33.0	31.0	31.0		31.0	31.0	31.0		31.0	31.0
TOTAL POSITIONS	32.0	33.0	31.0	31.0		31.0	31.0	31.0		31.0	31.0

ACTIVITY: VEHICLE DEALER LICENSING  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$769.9	\$839.1	\$882.9	\$887.3	\$894.1

DESCRIPTION:

The purpose of this activity is to provide consumer protection service to the general public by the annual licensing and semiannual inspection of all motor vehicle dealer businesses.

The vehicle dealer license activity gives assistance to the public in resolving complaints regarding dealers and inspects dealers for compliance with law. All complaints are given full attention until an agreement is reached between both parties. Those few motor vehicle dealers who remain in continuous noncompliance with the licensing laws and department procedures are subject to having their licenses suspended or revoked. Special investigations are conducted in conjunction with other agencies and law enforcement in areas such as odometer tampering and vehicle theft. Such investigations may also result in the suspension or revocation of the motor vehicle dealer license.

It is this activity's goal to inspect each motor vehicle dealer semiannually. The new automated records system has enabled the activity to keep an accurate record of each motor vehicle dealer inspection. Through active interaction with the motor vehicle dealers, a working relationship is established which assures a better understanding of the requirements of the law and the department and also gives motor vehicle dealers an opportunity to discuss any problems they may have. Further advice and assistance with laws and procedures is given through the issuance of dealer guides, supplementary bulletins and forms. Semiannual inspections also enable the department to verify that proper fees and taxes have been paid to the state.

Motor vehicle dealer licenses are renewed on an annual basis. Qualifying applicants are granted a temporary license for up to 120 days during which time inspections are made to assist the applicant, ascertain the fitness of the applicant, approve the site and make such other investigations that are necessary to insure compliance with the licensing laws. Upon recommendation of a driver/dealer examiner, a permanent license is granted to the applicant.

Authority for this activity is found in M.S. 168.27.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of complaints resolved	1,050	1,100	1,150	1,200	1,250
Assistance with special investigations	75	85	90	95	100
Number of dealer inspections	4,238	5,680	5,700	5,750	5,800

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of dealer licenses applied	4,031	3,778	3,850	3,850	3,890
Revenue from dealer licenses	\$312.2	\$376.0	\$417.3	\$417.3	\$421.6
No. of dealer plates	25,138	25,195	25,200	25,500	25,600
Revenue from dealer plates	\$186.7	\$198.5	\$186.6	\$188.0	\$189.0
Dealer plate excise tax	\$271.0	\$264.6	\$279.0	\$282.0	\$283.5

The total number of dealer licenses applied for comprise the inspection workload of this activity. Of those, approximately 400 drop out of the system during the course of the year.

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: VEHICLE DEALER LIC

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	273.9	299.5	289.8	314.8		314.8	314.8	313.7		313.7	313.7
EXPENSES & CONTRAC. SERV	70.5	92.4	83.5	86.3		86.3	86.3	87.2		87.2	87.2
SUPPLIES & MATERIALS	1.1	1.4	2.0	2.0		2.0	2.0	2.0		2.0	2.0
EQUIPMENT		.8									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	345.5	394.1	375.3	403.1		403.1	403.1	402.9		402.9	402.9
POSITIONS BY FUND											
GENERAL	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL POSITIONS	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0

ACTIVITY: LICENSE PLATE MANUFACTURING  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The purpose of this activity is to provide the vehicle registration and title, dealers, and bicycle activities and deputy registrars with plates and stickers.

License plate manufacturing provides license plates and validation stickers for the vehicle registration and title activity so that all registered motor vehicles have tax receipts and are identified for law enforcement purposes. Each year over 3.8 million vehicles require validation stickers which signify payment of current registration tax. Approximately 400,000 license plates are needed annually for newly registered vehicles in Minnesota. The St. Cloud reformatory provides space and facilities for production of plates and stickers. This activity supervises production by the inmate labor force, trains that labor force, and maintains an adequate inventory of supplies and machinery. Finished plates and stickers are delivered to the department and directly to all deputy registrars. Determination of required volume, materials necessary for their manufacture, and allocation of plates and stickers to registration offices is the responsibility of the vehicle registration and title activity.

Authority for this activity is found in M.S. 168.381.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average cost of plates produced					
Pair graphic - 12"	\$2.26	\$1.63	\$1.64	\$2.30	\$2.28
Pair non-graphic - 12"	2.17	1.54	1.55	2.21	2.19
Single non-graphic - 12"	1.40	.90	.91	1.43	1.41
Single non-graphic - 7"	.97	.54	.55	.99	.98
Average cost of a pair of passenger validation stickers	.049	.041	.05	.055	.06

The 1985 legislature enacted statutes requiring a complete reissue of all passenger and motorcycle plates every 6 years. The last reissue of passenger plates was in 1977; and all other classes (trucks, buses, motorcycles, etc.) were reissued in 1981. The reissuance period is scheduled for October 1986 through September 1986.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total number of license plates and sets produced:					
Single plates	148,516	113,009	308,200	104,000	156,000
Double plate sets	356,466	1,849,966	1,863,000	322,000	373,500
Total number of validation stickers produced:					
Single stickers	1,930,000	825,550	731,500	1,081,000	731,000
Double sticker sets	4,209,600	6,166,300	3,645,000	3,645,000	4,145,000

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LICENSE PLATE MFG

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	303.7	408.6	654.2	357.6		357.6	357.6	356.5		356.5	356.5
EXPENSES & CONTRAC. SERV	116.6	168.4	733.1	123.1		123.1	123.1	123.1		123.1	123.1
SUPPLIES & MATERIALS	368.1	3,301.1	3,138.1	520.1		520.1	520.1	520.1		520.1	520.1
EQUIPMENT	20.6	16.6	15.9	15.9		15.9	15.9	15.9		15.9	15.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
HGHWY USER TAX DISTR	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	809.0	3,894.7	4,541.3	1,016.7		1,016.7	1,016.7	1,015.6		1,015.6	1,015.6
POSITIONS BY FUND											
HGHWY USER TAX DISTR	9.0	12.0	12.0	9.0		9.0	9.0	9.0		9.0	9.0
TOTAL POSITIONS	9.0	12.0	12.0	9.0		9.0	9.0	9.0		9.0	9.0

ACTIVITY: BICYCLE REGISTRATION  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$186.7	\$201.4	\$200.0	\$200.0	\$200.0

CHANGE REQUESTS:

This activity requests no change level increases.

DESCRIPTION:

The purpose of this activity is to provide a statewide bicycle registration system to aid identification in bicycle accidents and in recovery and return of stolen bicycles.

Bicycle registration maintains a computerized bicycle registration file, processes all bicycle registration applications, supports all bicycle license issuing offices, and stocks forms and licenses for all issuing offices. These responsibilities provide the public and law enforcement agencies with information concerning bicycle registrations and handle issuance and processing of the bicycle registrations.

Authority for this activity is found in M.S. 168C.12.

EFFECTIVENESS MEASURES:

The registration system is an aid in identifying and recovering stolen bicycles, but specific recovery data is not reported by local enforcement agencies.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of bicycles on system	152.5	150.4	148.0	149.0	150.0
No. of bicycles in the metro area	105.5	104.4	103.0	104.0	104.5
No. of bicycles in the non metro area	47.0	46.0	45.0	45.0	45.5
New registrations	25.5	28.9	28.6	28.6	28.6
No. of renewals	13.3	12.0	12.0	12.0	12.0
Revenue	\$186.7	\$201.4	\$200.0	\$200.0	\$200.0
Expenditures	\$119.0	\$103.0	\$ 85.3	\$ 89.8	\$89.6

Approximately one-half of all renewals are collected in the central office. The \$1 filing fee for each registration is included in the revenue reported. Note that the revenue increased in F.Y. 1985 and F.Y. 1986 while the actual bicycles registered decreased. This is due to the increase in fees from \$3.00 to \$5.00 on January 1, 1985.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BICYCLE REGISTRATION

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	73.1	65.2	45.2	49.7		49.7	49.7	49.5		49.5	49.5
EXPENSES & CONTRAC. SERV	45.6	37.3	39.6	43.1		43.1	43.1	44.2		44.2	44.2
SUPPLIES & MATERIALS	.3	.5	.5	.5		.5	.5	.5		.5	.5
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	119.0	103.0	85.3	93.3		93.3	93.3	94.2		94.2	94.2
POSITIONS BY FUND											
GENERAL	3.2	2.2	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	3.2	2.2	2.0	2.0		2.0	2.0	2.0		2.0	2.0



ACTIVITY: LICENSING DRIVERS  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

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ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$16,308.7	\$17,470.8	\$16,986.3	\$17,619.1	\$18,354.3

DESCRIPTION: The purpose of this activity is to: 1) license qualified drivers; 2) maintain driver records; 3) inspect vehicle dealers for compliance with laws; 4) inspect salvage vehicles for proper registration and titling; and 5) approve driver training programs.

This activity directly operates 101 offices for license renewals and examinations for passenger car, truck and motorcycle/moped driver licenses. It assists in the regulation and guidance of 168 deputy motor vehicle registrars throughout the state and provides guidance to 158 clerks of court and license offices who accept driver license applications. It assists the vehicle dealer activity by inspecting 3,530 motor vehicle dealerships for compliance with laws and regulations, and assists the vehicle registration and title activity by conducting salvage vehicle inspections to insure that stolen vehicles are not being titled and registered in this state utilizing the "salvage switch" method.

The driver training unit licenses and regulates commercial and non public school driver training programs. The activity approves the content of training programs and licenses both commercial training schools and individual instructors. Special programs are approved for persons 65 and older who complete accident prevention courses for insurance premium reduction.

Driver evaluation interviews, alcohol problem assessments, and special reviews are provided to assess problem drivers and refer them to appropriate corrective programs if required. Limited work license requests and evaluations of the status of rehabilitation for persons involved in multiple alcohol-related traffic offenses are also conducted. Notification and evaluation of required physical exams for school bus drivers are conducted in addition to monitoring their driving records.

Driver licenses are issued to qualified drivers, and identification cards are issued to persons furnishing acceptable proof of identity. Records are kept of all licensees to show traffic offenses, involvement in accidents, suspensions, revocations, cancellations and reinstatements of driving privileges. An automated system produces the notices for withdrawal of driving privileges, letters related to driving privileges and driver license issuance, and notices of reinstatement of driving privileges when a driver becomes eligible. Copies of driving records are furnished to requestors and certified copies are forwarded to county or city prosecutors for use as court evidence. Renewal notices are mailed to holders of driver licenses and identification cards prior to their expiration date.

Authority for this activity is found in M.S. Chapter 171.

EFFECTIVENESS MEASURES:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Alcohol related revocations					
1st offense	30,774	30,422	30,600	30,700	30,800
2nd offense	8,261	*7,824	7,900	7,980	8,100
3rd & more offenses	3,563	*3,185	3,200	3,200	3,200
Non alcohol related suspensions and revocations	60,618	66,773	69,820	72,000	75,000
Error rate of licensing & records control	1.28%	1.28%	1.28%	1.28%	1.28%

\*Decrease due to additional legal penalties during F.Y. 1985, and greater public awareness of alcohol/driving problems.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of licensed drivers	2,975,000	2,985,000	2,995,000	3,005,000	3,115,000
No. of license applications processed	1,184,002	1,152,169	1,010,000	1,150,000	1,195,000
No. of driving record copies furnished	1,783,545	2,064,001	2,100,000	2,200,000	2,300,000
No. of conviction certificates received	631,184	632,127	635,000	620,000	621,000
No. of written tests given	335,115	333,151	330,000	330,000	335,000
No. of road tests given (all types)	181,992	176,475	175,000	175,000	180,000
No. of dealer inspections	4,238	5,680	5,700	5,750	5,800
No. of salvage vehicle inspections	3,105	5,705	5,800	5,900	6,000
Driver ed. programs approved	42	51	55	55	60
Commercial schools licensed	74	77	80	82	82
Commercial school instructor licenses issued	284	304	310	310	315
No. of drivers interviewed	30,862	33,035	33,530	34,032	34,542
No. of driver evaluation telephone inquiries	144,947	149,182	153,657	158,266	163,013
No. of administrative reviews	864	578	593	618	645
No. of judicial reviews requested	2,708	2,488	2,550	2,600	2,650

ACTIVITY: LICENSING DRIVERS  
 (Continuation)  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Driver exam station maintenance costs	\$49.0	\$20.0	Activity

GRANTS AND AIDS:

Reimbursement to Counties for Alcohol Problem Assessments Given:

Statutory Reference: M.S. 169.124, 169.125, 169.126, and Minnesota rules 7412.5100 - 7412.5600.

Provides participating counties with funds to conduct alcohol problem assessments and evaluations of persons convicted of driving while intoxicated and assists in the implementation of DWI legislation by evaluating and reporting standards of alcohol assessments. Any county of more than 10,000 population must participate, and others may participate. The assessments are directed by the court and are performed by such persons or agencies the court deems qualified, such as court services probation officers, alcoholism counselors, certain court sponsored driver improvement clinics or staff of private alcohol treatment centers. The original cost for assessments are borne by the county. Upon application by the county to the commissioner, reimbursement is made up to 50 percent of the total cost of each assessment, but not to exceed \$25 for each reimbursement. Payments are made annually and prorated if insufficient funds are available. As noted, the number of assessments claimed for reimbursement has decreased. This is not a reduction in assessments given, but instead shows a beginning trend whereby the county charges a set fee to the individual receiving the assessment. Accordingly, the amount claimed for reimbursement is then reduced by this previously paid fee. If this trend continues, it could significantly reduce the number of claims.

<u>Statistics:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of alcohol assessments claimed for reimbursement	31,435	30,062	30,000	29,500	29,000
Average total cost of each assessment	\$ 44.93	\$ 46.51	\$ 46.80	\$ 47.00	\$ 47.20
Average payment per assessment to county	\$ 15.90	\$ 15.68	\$ 15.71	\$ 15.98	\$ 16.26

<u>Grants by Fund:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$500,000	\$471,400	\$471,400	\$471,400	\$471,400

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LICENSING DRIVERS

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10,293.9	10,592.4	11,387.8	11,627.3	49.0	11,676.3	11,627.3	11,638.0	20.0	11,658.0	11,638.0
LOCAL ASSISTANCE	500.0	471.4	471.4	471.4		471.4	471.4	471.4		471.4	471.4
AIDS TO INDS.											
TOTAL EXPENDITURES	10,793.9	11,063.8	11,859.2	12,098.7	49.0	12,147.7	12,098.7	12,109.4	20.0	12,129.4	12,109.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	6,996.7	7,464.8	8,195.1	8,285.8		8,285.8	8,285.8	8,257.4		8,257.4	8,257.4
EXPENSES & CONTRAC. SERV	3,202.1	3,020.8	3,078.5	3,224.1	49.0	3,273.1	3,224.1	3,270.6	20.0	3,290.6	3,270.6
SUPPLIES & MATERIALS	83.6	102.1	100.9	100.9		100.9	100.9	100.9		100.9	100.9
EQUIPMENT	6.0	1.9	4.2	7.4		7.4	7.4	7.4		7.4	7.4
OTHER EXPENSE ITEMS	5.5	2.8	9.1	9.1		9.1	9.1	9.1		9.1	9.1
TOTAL STATE OPERATIONS	10,293.9	10,592.4	11,387.8	11,627.3	49.0	11,676.3	11,627.3	11,638.0	20.0	11,658.0	11,638.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	597.2	589.1	586.6	592.6		592.6	592.6	592.4		592.4	592.4
TRUNK HIGHWAY	9,871.3	10,239.7	11,173.3	11,411.4	49.0	11,460.4	11,411.4	11,422.3	20.0	11,442.3	11,422.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	25.1	7.9	9.9	5.3		5.3	5.3	5.3		5.3	5.3
AGENCY	5.5	2.8	9.1	9.1		9.1	9.1	9.1		9.1	9.1
FEDERAL	294.8	224.3	80.3	80.3		80.3	80.3	80.3		80.3	80.3
TOTAL FINANCING	10,793.9	11,063.8	11,859.2	12,098.7	49.0	12,147.7	12,098.7	12,109.4	20.0	12,129.4	12,109.4
POSITIONS BY FUND											
GENERAL	2.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TRUNK HIGHWAY	283.0	282.5	282.5	282.5		282.5	282.5	282.5		282.5	282.5
FEDERAL	1.0	1.0									
TOTAL POSITIONS	286.0	285.5	284.5	284.5		284.5	284.5	284.5		284.5	284.5

CHANGE REQUEST

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Agency  Program  Activity

ACTIVITY: LICENSING DRIVERS  
 PROGRAM: DRIVER AND VEHICLE SERVICES  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Items needed in F.Y. 1989 are indicative of the types of repairs needed each year, including repairs and sealcoating of streets & curbs, interior and exterior building repairs and painting, plumbing and electrical repairs, and heating and cooling system repairs.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. The Governor will consider making a funding recommendation in March after revenues available to the Trunk Highway Fund are known.

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Driver License Exam Station Maintenance Costs				
Agency Request				
Trunk Highway Fund	\$ 49.0	-0-	\$ 20.0	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds for maintenance of the physical condition of the metro driver examining centers, including repairs needed immediately and upgrading present facilities where necessary.

DESCRIPTION/BACKGROUND:

The three metropolitan area driver exam stations range from 14 to 25 years old and are in need of constant repairs due to their age and heavy use. Due to a lack of funds we have been forced to forego many repairs.

RATIONALE:

These stations are heavily used by the public for driver testing, salvage inspections and renewal of licenses. We must make needed repairs or face an accelerated deterioration of the buildings and grounds. An adequately funded maintenance program would add many years to the life of these stations. The larger initial expenditures in F.Y. 1988 are needed for long overdue repairs and replacement items including sidewalk repairs, heating system replacement, hookups to city water, replacement of gates and sheds, and street repairs.

ACTIVITY: NO-FAULT INSURANCE  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to promote full compliance with the no-fault insurance law for motor vehicles and motorcycles licensed to operate on Minnesota roadways, thereby providing economic protection for victims of traffic accidents.

No-fault insurance administers, monitors and enforces certain provisions of the Minnesota no-fault automobile insurance law and relevant rules requiring insurance coverage on all motor vehicles of 4 wheels or more and liability coverage on all motorcycles. Coverage is verified by means of a random spot check of insurance information on a percentage of vehicle registrations throughout the year to determine if stated insurance is still in effect. New insurance information is requested from registered vehicle owners whose insurance companies have submitted notices of cancellation.

Driving privileges of drivers and/or license plates and registration of vehicles are suspended when notified by the accident records activity that insurance coverage is lacking or that the driver was convicted in court for a violation of the no-fault insurance law. In certain cases, the license plates and registration of the vehicle involved are revoked. License plates are revoked for 30 days of anyone found to have deliberately submitted false insurance information at the time of registration. Driving privileges of a judgment debtor are suspended until an unsatisfied judgment resulting from a traffic accident is paid.

A new records integration system has been implemented and automatically generates a notice of revocation of drivers licenses, motor vehicle registrations, and license plates. The new law requiring proof of insurance in the vehicle at all times became effective on July 1, 1986. This law will help reduce the number of uninsured motorists. The mandatory revocation of license plates also became effective July 1, 1986.

Authority for this activity is found in M.S. Chapter 65B and M.S. 171.182 through 171.184.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of registrations suspended* (result of spot check)	4,608	3,900	4,100	4,150	4,550
Drivers revoked as a result of no-fault convictions	3,384	4,375	5,000	5,100	5,200
Drivers suspended for lack of insurance in an accident	10,011	10,824	10,500	10,500	10,500

\*After July 1, 1986 these registrations will be revoked rather than suspended.

ACTIVITY STATISTICS:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Vehicle registrations checked for insurance verification	416,960	258,604	400,000	420,000	420,000
Cancellation notices received from insurance companies	34,535	64,461	65,000	67,000	69,000
Registrations suspended from cancellation notices	7,102	21,606	22,000	22,500	23,000
No-fault insurance convictions from courts	3,640	4,375	4,600	4,700	4,800
No. of personal interviews conducted	5,482	6,868	7,000	7,150	7,300
Percent of uninsured drivers involved in accidents (suspended)	5.2	5.4	5.3	5.3	5.3
Registrations suspended for no insurance in an accident	5,435	13,808	12,000	12,000	12,000
Drivers suspended for unsatisfied civil judgements	1,242	1,614	1,700	1,800	1,900
No. of no-fault inquiries by telephone	36,580	44,743	45,000	45,000	46,000

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: NO-FAULT INSURANCE

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	340.6	342.0	409.8	414.1		414.1	414.1	412.7		412.7	412.7
EXPENSES & CONTRAC. SERV	49.0	47.2	52.5	52.9		52.9	52.9	53.5		53.5	53.5
SUPPLIES & MATERIALS	1.6	1.0	1.7	1.7		1.7	1.7	1.7		1.7	1.7
EQUIPMENT			3.2								
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	391.2	390.2	467.2	468.7		468.7	468.7	467.9		467.9	467.9
POSITIONS BY FUND											
TRUNK HIGHWAY	16.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0
TOTAL POSITIONS	16.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0

ACTIVITY: ACCIDENT RECORDS  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$98.7	\$95.3	\$100.0	\$100.0	\$100.0

DESCRIPTION:

The purpose of this activity is to improve traffic enforcement systems, reduce accidents, and enforce the no-fault insurance law through maintenance of accident report records and the summarization of accident causation and location information.

The accident records activity maintains, for a period of 10 years, the official file of information and data concerning motor vehicle crashes that occur upon the public roadway system in Minnesota. State law requires an accident report to be filed by all drivers involved in an accident resulting in \$500 or more total property damages, or in personal injury or death. Peace officers are required to submit an accident report when they investigate a motor vehicle accident. This activity receives and consolidates citizen and police accident reports into a composite statewide file. Accident causation and location information is taken from this file to form a data base which is essential to the creation of accident prevention/reduction programs including the improvement of traffic enforcement systems and design modification of state and local roadway systems.

This activity also verifies the insurance information motorists disclose on their individual accident reports, to aid in the enforcement of the no-fault insurance law. Verification notices are sent to the various insurers licensed to underwrite liability insurance. The disclosed insurance coverage information is provided to the public, upon request, in order to assist the various parties involved in a given accident to resolve their damage claims. Copies of police accident reports are furnished, upon payment of a \$4 records search fee and signed authorization of one of the parties actually involved in a given accident, for the purpose of damage claim resolution.

The accident records activity, during the past biennium, has undergone a reorganization due to records integration. Further enhancing this program will allow the department to provide local crash statistics via micro computer to local law enforcement agencies and local traffic engineering authorities, on a cost-efficient basis, so as to further accident reduction programs on a local or county level.

Authority for this activity is found in M.S. 169.09, 169.10, 171.12, and Chapter 65B.

EFFECTIVENESS MEASURES:

The effectiveness of this activity is reflected in the operation of other activities in this and other departments. Information is provided to the no-fault insurance activity which permits administrative action against uninsured motorists. Accident statistics are forwarded to the department of transportation to help them identify locations and causes of accidents.

ACTIVITY STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total number of reportable accidents	106,130	109,385	109,500	109,500	109,500
No. of accident reports processed	266,525	268,500	269,000	269,000	269,000
No. of photocopies of reports furnished	24,675	23,820	25,000	25,000	25,000
Activity generated revenue	\$ 98,700	\$95,279	\$100,000	\$100,000	\$100,000

CHANGE REQUESTS:

This activity requires no change level increases.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: AUTO ACCIDENT RECORD

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	916.2	1,001.6	1,146.3	1,165.5		1,165.5	1,165.5	1,174.9		1,174.9	1,174.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>916.2</b>	<b>1,001.6</b>	<b>1,146.3</b>	<b>1,165.5</b>		<b>1,165.5</b>	<b>1,165.5</b>	<b>1,174.9</b>		<b>1,174.9</b>	<b>1,174.9</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	714.2	797.6	922.8	932.6		932.6	932.6	929.3		929.3	929.3
EXPENSES & CONTRAC. SERV	189.8	177.8	209.5	218.9		218.9	218.9	223.5		223.5	223.5
SUPPLIES & MATERIALS	12.2	13.0	14.0	14.0		14.0	14.0	14.0		14.0	14.0
EQUIPMENT		13.2						8.1		8.1	8.1
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>916.2</b>	<b>1,001.6</b>	<b>1,146.3</b>	<b>1,165.5</b>		<b>1,165.5</b>	<b>1,165.5</b>	<b>1,174.9</b>		<b>1,174.9</b>	<b>1,174.9</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	916.2	1,001.6	1,146.3	1,165.5		1,165.5	1,165.5	1,174.9		1,174.9	1,174.9
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>916.2</b>	<b>1,001.6</b>	<b>1,146.3</b>	<b>1,165.5</b>		<b>1,165.5</b>	<b>1,165.5</b>	<b>1,174.9</b>		<b>1,174.9</b>	<b>1,174.9</b>
POSITIONS BY FUND											
TRUNK HIGHWAY	38.0	38.5	38.0	38.0		38.0	38.0	38.0		38.0	38.0
<b>TOTAL POSITIONS</b>	<b>38.0</b>	<b>38.5</b>	<b>38.0</b>	<b>38.0</b>		<b>38.0</b>	<b>38.0</b>	<b>38.0</b>		<b>38.0</b>	<b>38.0</b>



ACTIVITY: DRIVER LICENSING SUPPORT  
 Program: DRIVER AND VEHICLE LICENSING  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The purpose of this activity is to provide assistance to the public and assist and lead the division's operating activities, so that their goals are achieved.

The driver and vehicle services support activity provides uniform procedures, coordinated direction, and supportive aid to the operating activities of the program, to employees, and to the public. This is achieved through centralized publications, clerical, administrative, personnel, fiscal, and communications services. The activity directly serves approximately 760 employees working in driver and vehicle licensing, titling and supportive functions, and it maintains 101 driver license examination stations throughout the state. It indirectly serves 87 clerks of court and their agents, 163 deputy registrars, 3,700 dealers, 500 law enforcement agencies, 87 county courts, various lending agencies, 2,985,000 licensed drivers, and the owners of 3,870,000 motor vehicles.

Authority for this activity is found in M.S. Chapters 168 and 171.

EFFECTIVENESS MEASURES:

Many and varied problems are received by the division central office from legislators, public officials, business people, and the general public. Average response time is 3 days for correspondence and the same day for telephone or in person requests.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1983</u>	<u>F.Y. 1984</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>
Total personnel transactions processed	2,800	2,850	2,850	2,850	2,850
No. of personnel who attend state sponsored training programs	205	225	230	235	240
No. of personnel who attend department training programs	301	360	396	450	475
Information requests answered	7,850	7,900	7,900	7,900	7,950

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DRIVER LIC SUPPORT

PROGRAM: DRIVER VEH LICENSING

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	357.0	349.1	413.6	426.0		426.0	426.0	425.5		425.5	425.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	357.0	349.1	413.6	426.0		426.0	426.0	425.5		425.5	425.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	310.6	299.0	357.2	367.7		367.7	367.7	366.5		366.5	366.5
EXPENSES & CONTRAC. SERV	42.9	46.3	51.8	53.7		53.7	53.7	55.1		55.1	55.1
SUPPLIES & MATERIALS	2.5	3.5	3.9	3.9		3.9	3.9	3.9		3.9	3.9
EQUIPMENT	1.0	.3	.7	.7		.7	.7				
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	357.0	349.1	413.6	426.0		426.0	426.0	425.5		425.5	425.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	72.7	44.6	88.7	96.4		96.4	96.4	96.1		96.1	96.1
TRUNK HIGHWAY	150.0	155.8	163.8	166.3		166.3	166.3	165.7		165.7	165.7
HGHWY USER TAX DISTR	134.3	148.7	161.1	163.3		163.3	163.3	163.7		163.7	163.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	357.0	349.1	413.6	426.0		426.0	426.0	425.5		425.5	425.5
POSITIONS BY FUND											
GENERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TRUNK HIGHWAY	4.5	4.5	4.5	4.5		4.5	4.5	4.5		4.5	4.5
HGHWY USER TAX DISTR	4.5	3.5	3.5	3.5		3.5	3.5	3.5		3.5	3.5
TOTAL POSITIONS	12.0	11.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0

PROGRAM: LIQUOR CONTROL  
Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

The mission of the liquor control division is to create an environment of stability through management of liquor licensing, enforcement and education.

OPERATION:

The liquor control program consists of liquor licensing, inspections, reviews, compliance, and program support activities in conjunction with local officials. The program ensures that all wholesale and retail liquor licenses, video games of chance licenses, regulatory permits and registrations, and mandatory liquor liability insurance requirements are carried out as provided by law. The program generates revenue by collecting fees for licenses and permits.

Administration of the program is the responsibility of the liquor control director. The assistant director participates in general administration and manages the program activities. License issuance and approval, brand label registration, wholesale price filings, affirmation filings, wholesalers credit law, department of revenue delinquent tax list, hearings on suspension or fines, and promulgation of rules are transacted at the St. Paul office.

The program priorities are accomplished by providing its stakeholders an immediate response to their needs. Local assistance activities are conducted throughout the state by field representatives. They assist local law enforcement upon request, provide information on liquor law application and perform prelicense inspections where needed. This program also serves as an informational resource for the liquor industry, local law enforcement, governmental units and the public. P.O.S.T. board approved seminars are conducted for peace officers and are given to industry and public groups as well.

EXPLANATION OF BUDGET REQUEST:

This program has three change requests. \$20.1 in F.Y. 1988 and \$20.0 F.Y. 1989 and 1 position is for the tax delinquency and credit law. \$50.0 in F.Y. 1989 is for severance costs and \$9.0 in F.Y. 1988 and F.Y. 1989 is for automobile purchase.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding for this program.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: LIQUOR CONTROL

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY: LIQUOR LICENSING	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
TOTAL	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
EXPENDITURES BY CATEGORY: STATE OPERATIONS	595.0	649.8	671.4	684.6	29.1	713.7	684.6	682.6	79.0	761.6	682.6
LOCAL ASSISTANCE	51.9	43.1	43.7	43.7		43.7	43.7	43.7		43.7	43.7
AIDS TO INDS.											
TOTAL EXPENDITURES	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	595.0	649.8	671.4	684.6	29.1	713.7	684.6	682.6	79.0	761.6	682.6
DEDICATED APPROPRIATIONS: SPECIAL REVENUE	51.9	43.1	43.7	43.7		43.7	43.7	43.7		43.7	43.7
TOTAL FINANCING	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
POSITIONS BY FUND: GENERAL	19.0	19.0	19.0	19.0	1.0	20.0	19.0	19.0	1.0	20.0	19.0
TOTAL POSITIONS	19.0	19.0	19.0	19.0	1.0	20.0	19.0	19.0	1.0	20.0	19.0

## CHANGE REQUEST

1987-89 Biennial Budget

 Agency  Program  Activity

## ACTIVITY:

PROGRAM: LIQUOR CONTROL

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Clerical Support				
Agency Request				
General Fund	\$ 20.1	1.0	\$20.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts and position to implement two new tasks mandated by the 1986 legislature. The objectives are to administer the restricted credit law and the tax delinquency of retailers of spirits, wine and beer.

DESCRIPTION/BACKGROUND:

The 1986 legislature enacted M.S. 340A.318. This law prohibits liquor and wine wholesalers from extending credit to retailers who are in excess of 30 days in arrears. Wholesalers must submit to liquor control a list of names of each liquor retailer who, on the 1st day of that calendar week, was delinquent beyond the 30 day period. If a retailer cures that delinquency by payment, that name must be submitted to liquor control not later than the close of the second full business day following the day the delinquency was cured. In turn these received notices of arrears and cured by payment must be mailed to 87 liquor and wine wholesalers on a daily basis. This may require up to 22,000 mailings a year.

The legislature also enacted M.S. 297.151, regarding tax delinquency on liquor and beer. Upon notification from the department of revenue on the 15th of each month, the liquor control division must notify all wholesalers of spirits, wine and beer that such delinquent retailers cannot be sold alcoholic beverages. Revenue notifies this office daily of retailers who paid their tax obligations. In turn, wholesalers are noticed daily that the tax delinquency has been cured. All notices

under M.S. 297.151 are in addition to those required by M.S. 340A.318 above. The division must also monitor and enforce any sales to delinquent retailers for both described acts.

RATIONALE:

These new legislatively mandated tasks will require considerable records maintenance, correspondence and monitoring for compliance. Neither law provided for resources at the time of enactment. At that time it was not fully understood what the impact on wholesalers, retailers or the division would be. We now find that one clerical position is necessary to maintain these tasks. Our present staff complement cannot absorb these new duties.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

**CHANGE REQUEST**

Agency  Program  Activity

1987-89 Biennial Budget

**ACTIVITY:**

**PROGRAM:** LIQUOR CONTROL

**AGENCY:** PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b> Automobile Purchase				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 9.0	-0-	\$ 9.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
<b>Request requires statutory change:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Statutes Affected:</b>				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts to fund the purchase of a division automobile in F.Y. 1988 and F.Y. 1989.

DESCRIPTION/BACKGROUND:

Due to budget reductions over the past several years, liquor control has been unable to replace automobiles at the desired turnover rate. In the F.Y. 1986-87 biennial budget, funding was granted to purchase 1 car per year. At that time we were driving some cars over 100,000 miles, an unsafe and uneconomically high number of miles. One automobile was purchased in F.Y. 1986; however the F.Y. 1987 funding was reduced from our budget. Therefore this budget contains no same level funding for automobile replacement.

RATIONALE:

We are again approaching an unsafe and uneconomical point and need to replace cars. The above dollars will restore a base level of funding to our budget for automobile replacement on a regular schedule.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: LIQUOR CONTROL

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<b>Request Title:</b>				
	Retirement Severance			
	F.Y. 1988		F.Y. 1989	
<b>Agency Request</b>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ -0-	-0-	\$50.0	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount for 4 retirements anticipated to occur by the end of F.Y. 1989.

DESCRIPTION/BACKGROUND:

Employees in the liquor control division have worked there for many years and have large vacation and sick leave balances. It is anticipated that 4 retirements will occur before 6-30-89. Our present budget does not allow us to pay for accrued leave balances for 4 people all in one year. If not allowed, we would be in violation of the employee work contract.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Salary savings are expected to be sufficient to fund severance costs.

ACTIVITY: LIQUOR LICENSING  
 Program: LIQUOR CONTROL  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$995.5	\$884.3	\$902.5	\$902.5	\$902.5

DESCRIPTION: This activity issues, approves, and coordinates the registration of liquor licenses, permits, identification cards and video games of chance licenses. The activity receives, processes and maintains records on all non-intoxicating and intoxicating liquor licensees in Minnesota relating to mandatory financial responsibility insurance (dram shop), and maintains records of summons and complaints on all previous or pending civil litigation. Liquor licensing collects license fees for all wholesale liquor and beer licenses, consumption and display permits, brand label registrations, and video games of chance licenses. It administers the wholesale price filing requirement in which wine and spirits wholesalers each month file their wholesale prices to liquor retailers. This activity also includes pre-license inspections, investigations, industry contacts, interaction with local law enforcement and licensing officials, attendance at public meetings, and related activities. The activity maintains a data base used in the determination of licensing eligibility and disciplinary actions.

Authority for this activity is contained in M.S. 340.A.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Industry contacts	4,224	4,500	5,000	5,000
Law enforcement contacts	733	750	800	800
Meetings/seminars att.	208	230	290	300
Liquor licenses suspended	5	7	8	10
Liquor licenses reprimanded	15	18	20	25

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Pre-license inspections	202	200	250	250
Investigations	427	450	450	500
Licenses & permits processed	15,417	15,435	15,435	15,435
Liquor licenses considered for approval	3,053	3,050	3,050	3,050
Liquor licenses registered	4,134	4,125	4,125	4,125
Liquor permits issued	6,445	6,440	6,440	6,440
Labels registered per year	2,096	2,150	2,150	2,150
Consumption & display permits issued	977	930	930	930
Video game contacts	309	400	550	600
Video investigations	131	150	200	200
Video game licenses issued	1,765	1,790	1,790	1,790
Total revenue generated	\$881,600	\$902,500	\$902,500	\$902,500
Expenditures	\$692,900	\$715,100	\$757,100	\$805,000

CLIENTELE AND PERFORMANCE INDICATORS: The external recipients, or stakeholders, of this activity and their expectations are many and varied. For local jurisdictions the activity supplies licensing procedures, liquor liability insurance information, interpretation of the liquor control act, court decisions, attorney general opinions, and statutory changes. For local law enforcement, sheriffs and police, it supplies training, and violation information. For the federal bureau of alcohol, tobacco & firearms, U.S. customs and the federal trade commission, we exchange information, cooperative investigations and supply records and data. For state agencies, we exchange tax and license information and verify product identification and purity. For the legislature, we provide expertise on proposed legislation. For various industry and trade organizations and wholesale and dealer groups, we exchange statistical information and data, share information on liquor statutes and rules, supply speakers, maintain contact with sub-organizations, communicate enforcement expectations, and develop strategy to equalize and provide uniform and fair enforcement of the liquor act. This activity also communicates daily with licensees, newspapers, radio and other media, expedites public complaints, investigates allegations, and otherwise responds to public concerns.

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
1 clerical position and funding	\$20.1	\$20.0	Program
Retirement cost deficiencies	-0-	\$50.0	Program
Automobile purchase	\$ 9.0	\$ 9.0	Program



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LIQUOR LICENSING

PROGRAM: LIQUOR CONTROL

AGENCY: PUBLIC SAFETY, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	595.0	649.8	671.4	684.6	29.1	713.7	684.6	682.6	79.0	761.6	682.6
LOCAL ASSISTANCE	51.9	43.1	43.7	43.7		43.7	43.7	43.7		43.7	43.7
AIDS TO INDS.											
TOTAL EXPENDITURES	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	497.7	555.2	581.6	594.5	20.1	614.6	594.5	592.5	70.0	662.5	592.5
EXPENSES & CONTRAC. SERV	63.4	76.0	77.9	78.2		78.2	78.2	78.2		78.2	78.2
SUPPLIES & MATERIALS	8.7	10.0	11.9	11.9		11.9	11.9	11.9		11.9	11.9
EQUIPMENT	25.2	8.6			9.0	9.0			9.0	9.0	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	595.0	649.8	671.4	684.6	29.1	713.7	684.6	682.6	79.0	761.6	682.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	595.0	649.8	671.4	684.6	29.1	713.7	684.6	682.6	79.0	761.6	682.6
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	51.9	43.1	43.7	43.7		43.7	43.7	43.7		43.7	43.7
TOTAL FINANCING	646.9	692.9	715.1	728.3	29.1	757.4	728.3	726.3	79.0	805.3	726.3
POSITIONS BY FUND											
GENERAL	19.0	19.0	19.0	19.0	1.0	20.0	19.0	19.0	1.0	20.0	19.0
TOTAL POSITIONS	19.0	19.0	19.0	19.0	1.0	20.0	19.0	19.0	1.0	20.0	19.0

PROGRAM: ANCILLARY SERVICES  
Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

EXPLANATION OF BUDGET REQUEST:

This program has one change request. \$1,526.6 in F.Y. 1988 and \$2,126.2 in F.Y. 1989 for the crime victims and witness advisory council.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request except for a General Fund biennial reduction of \$2,602.8 for the Crime Victims Reparations Board.

PROGRAM PURPOSE:

This program consists of four activities which are not a regular part of the operations of the department of public safety: the crime victims and witness advisory council, private detective board, child abuse council, and hazardous substance notification advisory committee activities. These activities are special purpose operations independent from policy management of the department. The department provides administrative, fiscal and personnel services to the activities of the ancillary services program.

OPERATION AND CLIENTELE:

The crime victims reparation activity provides financial aid to innocent victims of crime and to their dependents and survivors who suffer economic loss as a result of a crime. The activity has been in existence since 1974. It is administered by a full time director who reports to a 15 member council appointed by the commissioner of public safety.

The 5 member private detective board activity governs the licensing, regulation and compliance with law of private detectives and protective agencies in Minnesota. It receives applications for licenses from persons or businesses who wish to provide these services in Minnesota. The board interviews and investigates applicants and approves or denies their license requests. This activity is administered by a full time director.

The hazardous substance activity is an 11 member committee appointed by the commissioner of public safety consisting of representation from the fire service, law enforcement, medical and business community. Created by the 1986 legislature, this activity's purpose is to develop training criteria and guidelines and to develop rules and procedures relating to emergency first responder safety in businesses and work places containing hazardous substances.

The 15 member state child abuse council was also created by the 1986 legislature, to promote the prevention of child abuse and neglect. A childrens trust fund was created to provide the funding base for prevention programs including education, information and coordination of local councils.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: ANCILLIARY SERVICES

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
CRIME VICTIMS REPAR	715.7	1,205.1	1,051.5	1,254.7	1,526.6	2,781.3	1,754.7	1,469.2	2,126.2	3,595.4	2,019.2
CHILDRENS TRUST FUND			75.0	100.0		100.0	100.0	100.0		100.0	100.0
HAZARDOUS SUBSTANCES			15.0	15.0		15.0	15.0	15.0		15.0	15.0
PRIVATE DETECTIVE BD	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
TOTAL	755.1	1,246.4	1,192.7	1,421.5	1,526.6	2,948.1	1,921.5	1,635.9	2,126.2	3,762.1	2,185.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	755.1	1,246.4	1,192.7	1,421.5	1,526.6	2,948.1	1,921.5	1,635.9	2,126.2	3,762.1	2,185.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	755.1	1,246.4	1,192.7	1,421.5	1,526.6	2,948.1	1,921.5	1,635.9	2,126.2	3,762.1	2,185.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	753.9	993.4	640.8	864.0	1,026.6	1,890.6	864.0	863.6	1,576.2	2,439.8	863.6
SPECIAL REVENUE					500.0	500.0	500.0		550.0	550.0	550.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		55.0	195.0	200.0		200.0	200.0	200.0		200.0	200.0
GIFTS AND DEPOSITS	1.2	.2									
FEDERAL		197.8	356.9	357.5		357.5	357.5	572.3		572.3	572.3
TOTAL FINANCING	755.1	1,246.4	1,192.7	1,421.5	1,526.6	2,948.1	1,921.5	1,635.9	2,126.2	3,762.1	2,185.9
POSITIONS BY FUND:											
GENERAL	3.0	3.0	3.0	3.0	3.0	6.0	3.0	3.0	3.0	6.0	3.0
SPECIAL REVENUE			2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL		2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	3.0	5.0	7.0	7.0	3.0	10.0	7.0	7.0	3.0	10.0	7.0

ACTIVITY: CRIME VICTIMS REPARATIONS  
 Program: ANCILLARY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

This activity provides three distinct services for crime victims. The crime victim and witness advisory council is a 15 member policy council examining the treatment of crime victims and their involvement in the criminal justice system. The crime victims reparations board provides financial assistance to crime victims through a five member board. The office of the crime victims ombudsman is a source of information and complaint resolution for victims of crime. The objectives are improved criminal justice system handling of crime victims, prevention of financially related secondary trauma of crime victims, assurance of victim access to necessary programs and services, increased compliance with crime victims rights, provision of central referral to all victims of crime, and development of a state-wide clearing-house of information for crime victims.

The activity encompasses the following operations:

- 1) Staffing and management of the centralized crime victim and witness advisory council, including public and professional education regarding crime victims, technical assistance to local programs and interagency coordination of activity.
- 2) Implementation and administration of the crime victims reparations act, including the opening of claims, the investigation and the determination of eligibility, and the payment of claims.
- 3) Receipt and investigation of complaints regarding the treatment of victims by the criminal justice system, and statewide referral of victims of crime.

RECENT BUDGET HISTORY:

In the face of greatly expanded victim's rights, the crime victim and witness advisory council was established as a 12-member council in the 1985 special legislative session. In 1986, the membership of the council was expanded to 15 members. The council received no separate appropriation to support its activities. The crime victims reparations board was expanded by 2 members in 1985. In that year the eligibility criterion and maximum award for reparations were broadened markedly. As part of the statutory changes enacted in 1985, the position of executive director of the reparations board was redistributed, allowing one-third for each of the program's operations. The office of the crime victims ombudsman began operations in May of 1986. The office is fully federally funded including 2 positions with a state-funded administrative match of .33 FTE staff time and 30% agency cash match.

BUDGET ISSUE:

In the past 12 months, the number of claims for reparations have increased significantly. Innovations and diligent processing efforts have reduced the time for claims processing by half. Award size has increased, as have the complexity of investigations. Time and cost saving measures have reduced administrative costs, but claim costs forced the board to request, and be permitted, to "carry back" funds from the biennium's second year, leading to a chronic deficit situation.

Federal funds have served to extend reparations funds by 35% of the previous fiscal year's reparations claims. Under the authority of M.S. 609.101, the commissioner of corrections has granted the reparations board an annual allocation of \$100,000.

The crime victim and witness advisory council has begun its work using .78 FTE, an in-kind arrangement with the crime victims reparations board, which has overlapping membership. Volunteers and interns are utilized to supplement the activity's efforts. Over 200 volunteer hours have been contributed. It is anticipated that the increasing importance of on-site contact with local agencies will require a greater staff complement. Community education contacts are also increasing dramatically.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of claims awarded	395	634	850	1,020	1,650
No. of supplementary awards	120	229	300	350	400
Average process time (mos)	8.95	3.98	2.5	2.5	2.5
Claims pending over 1 year	168	3	0	0	0

## ACTIVITY: CRIME VICTIMS REPARATIONS

1987-89 Biennial Budget

(Continuation)  
 Program: ANCILLARY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Claims received	383	579	753	1,054	1,475
Claims awarded	391	634	850	1,120	1,650
Claims denied	163	121	140	180	265
Claims abandoned	-	105*	150	210	250
Appeal hearings	n/a	8	12	16	20
Community education participants (council)	n/a	4,000	8,500	10,000	12,500
Complaints received (CVO)	n/a	n/a	75	125	150

Numbers will not reconcile due to processed backlog of 195 cases and cases pending at end of fiscal year.

\*Abandoned claims have previously been recorded as denials. An abandoned claim is one where there has been no response to three attempts over 90 days to contact claimant, or where mail to claimant is returned with no forwarding address, and efforts to locate victims are unsuccessful.

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
General Fund:			
3.0 positions and funding	\$ 77.4	\$ 77.1	Activity
Administrative costs	27.3	21.8	
Reparation awards	921.9	1,477.3	
Special Revenue Fund:			
Reparation awards	500.0	550.0	
	<u>\$1,526.6</u>	<u>\$2,126.2</u>	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CRIME VICTIMS REPAR

PROGRAM: ANCILLIARY SERVICES

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	715.7	1,205.1	1,051.5	1,254.7	1,526.6	2,781.3	1,754.7	1,469.2	2,126.2	3,595.4	2,019.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	715.7	1,205.1	1,051.5	1,254.7	1,526.6	2,781.3	1,754.7	1,469.2	2,126.2	3,595.4	2,019.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	70.2	104.0	128.8	130.3	77.4	207.7	130.3	129.8	77.1	206.9	129.8
EXPENSES & CONTRAC. SERV	643.8	1,098.2	896.8	1,118.5	1,441.0	2,559.5	1,618.5	1,333.5	2,046.4	3,379.9	1,883.5
SUPPLIES & MATERIALS	.9	2.0	1.9	1.9	2.7	4.6	1.9	1.9	2.7	4.6	1.9
EQUIPMENT	.8	.9	24.0	4.0	5.5	9.5	4.0	4.0		4.0	4.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	715.7	1,205.1	1,051.5	1,254.7	1,526.6	2,781.3	1,754.7	1,469.2	2,126.2	3,595.4	2,019.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	714.5	952.1	574.6	797.2	1,026.6	1,823.8	797.2	796.9	1,576.2	2,373.1	796.9
SPECIAL REVENUE					500.0	500.0	500.0		550.0	550.0	550.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		55.0	120.0	100.0		100.0	100.0	100.0		100.0	100.0
GIFTS AND DEPOSITS	1.2	.2									
FEDERAL		197.8	356.9	357.5		357.5	357.5	572.3		572.3	572.3
TOTAL FINANCING	715.7	1,205.1	1,051.5	1,254.7	1,526.6	2,781.3	1,754.7	1,469.2	2,126.2	3,595.4	2,019.2
POSITIONS BY FUND											
GENERAL	2.0	2.0	2.0	2.0	3.0	5.0	2.0	2.0	3.0	5.0	2.0
FEDERAL		2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	2.0	4.0	4.0	4.0	3.0	7.0	4.0	4.0	3.0	7.0	4.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CRIME VICTIMS REPARATIONS  
 PROGRAM: ANCILLARY SERVICES  
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Crime Victim Services				
Agency Request				
General Fund	\$1,026.6	3	\$1,576.2	3
Special Revenue Fund	\$ 500.0	-0-	\$ 550.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Special Revenue Fund	\$ 500.0	-0-	\$ 550.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts and positions in order to maintain effective fulfillment of its statutory mandate. The objectives of these services are to assure financial compensation and program services for members of the public whose lives have been disrupted by crime. These amounts assume adequate revenue collection into the fund.

DESCRIPTION/BACKGROUND:

1) Positions. Currently, the crime victims reparations board is operative with an actual staff complement consisting of .33 FTE executive director and .75 clerical. The projected increase in claims, and the maintenance of current processing time (which has been reduced by more than half from the previous biennium) requires additional clerical support. The reparations board has had a reduction of actual staff complement since its inception 13 years ago. Two of the positions requested are clerical positions.

The crime victim and witness advisory council operates with .33 FTE executive director and .25 clerical. Since a large part of the council's mandate requires contact with community agencies, responsiveness to local need and provision of technical assistance has been hampered. Additionally, the anticipated increase in request for community and professional education, as well as the need for council staff time cannot be fulfilled with the existing staff complement. One of the

positions requested is a community services program specialist to supplement existing staff in fulfilling these tasks. \$77.4 in F.Y. 1988 and \$77.1 in F.Y. 1989 is for salaries and fringe benefits relative to these positions.

2) Administrative costs. The expansion of crime victims services, as well as expansion of eligibility for crime victims reparations have resulted in shortfalls in the funding of administrative hearings, printing of forms, and communications costs. This and equipment to support the 3 new positions account for \$27,300 in the first year and \$21,800 in the second year.

3) Reparations awards. Projected increases in reparations claims, and the numbers of those claims to be paid within a year indicate a need for an increase in funds for reparations awards. Public information efforts, professional education, outreach and multi-agency cooperation, as well as legislative expansion of eligibility have resulted in a continuing increase in the number of claims submitted to and paid by the reparations board. A 30 to 50% annual increase in claims to be processed and paid is projected (see table). The request for increased reparations awards is \$1,421,900 in the first year and \$2,027,500 in the second year. The figures requested from the crime victims special revenue account are based upon estimates of fund collections for F.Y. 1988-89. It should be noted that it has become routine for the reparations system to fall short of funds each year for the past 5 years, thus resulting in a chronic deficit situation and necessitating the obligation of future years funding.

THE F.Y. 1988 CHANGE LEVEL INCLUDES AN ESTIMATED \$356,100 DEFICIT FROM F.Y. 1987.

RATIONALE:

Efforts to attain revenue from alternative sources have met with limited success. Federal funds and a grant under the auspice of M.S. 609.101 have supplemented the board's general fund appropriation (see budget issue portion of activity narrative).

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's Special Revenue Fund request. No additional General Fund money is recommended. The Governor expects, however, to support legislation that will provide additional revenue for this program.

ACTIVITY: CHILDREN'S TRUST FUND  
 Program: ANCILLARY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION:

The children's trust fund was established as of July 1, 1986, for the prevention of child abuse and neglect and is directed to: 1) establish and publish criteria for the distribution of trust fund monies; 2) authorize local councils to review programs seeking trust fund money; 3) review and approve grants for primary and secondary child abuse prevention programs to public and private nonprofit agencies; 4) monitor the spending of trust fund monies by prevention programs; 5) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs; 6) provide statewide educational and public informational seminars; 7) make child abuse prevention information available to the public, organizations, and agencies; 8) review and encourage the development of prevention programs; 9) provide technical assistance to local councils and agencies working in the area of child abuse prevention; 10) recommend to the Governor and legislature changes in state programs, statutes, policies, budgets, and standards that will reduce the problems of child abuse, improve coordination among state agencies that provide prevention services, and improve the condition of children, parents or guardians in need of prevention program services.

All of the above services and responsibilities are to be accomplished with the assistance and advice of a 15 member advisory council. The commissioner is to develop a plan to disburse money from the trust fund by June 1, 1987, and biennially thereafter. A procedure for an annual, internal evaluation of the functions, responsibilities and performance of the commissioner is to be coordinated with this plan.

Authority for this activity is found in M.S. 299A.20, 15.059 and 144.226.

FEDERAL (OTHER) FUNDING SOURCES:

Funds for this activity are generated from a \$2 surcharge for each certified birth certificate issued, and from federal money, gifts, donations and bequests received. The children's trust fund may accept federal money, gifts, donations and bequests that must be deposited in the trust fund account and made available annually for disbursement, as are all earnings from the trust fund assets.

BUDGET ISSUE:

Current law allows in F.Y. 1987 only, the first \$75,000 collected to be appropriated to the commissioner for carrying out the assigned responsibilities. Thereafter, up to 5% of trust fund money collected in any year may be appropriated for the purpose of administering and carrying out the responsibilities of this law. Minimally, the \$75,000 will allow for staff requirements, establishing the trust fund office and initiating some of the programs within the last ten months of F.Y. 1987.

Legislative amendments will be sought to strike the 5% limitation as this is estimated to only amount to \$13-14,000 per year, and to request authority to expend up to \$100,000 each year during the 1988-89 biennium. This will allow time to develop a program and fiscal history, track revenue and operating costs and make more realistic projections.

CHANGE REQUESTS:

This activity requests no change level increases.



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILDRENS TRUST FUND

PROGRAM: ANCILLIARY SERVICES

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			75.0	100.0		100.0	100.0	100.0		100.0	100.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES			75.0	100.0		100.0	100.0	100.0		100.0	100.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			57.9	72.7		72.7	72.7	72.4		72.4	72.4
EXPENSES & CONTRAC. SERV			10.4	25.5		25.5	25.5	25.9		25.9	25.9
SUPPLIES & MATERIALS			.5	1.8		1.8	1.8	1.7		1.7	1.7
EQUIPMENT			6.2								
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			75.0	100.0		100.0	100.0	100.0		100.0	100.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			75.0	100.0		100.0	100.0	100.0		100.0	100.0
TOTAL FINANCING			75.0	100.0		100.0	100.0	100.0		100.0	100.0
POSITIONS BY FUND											
SPECIAL REVENUE			2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS			2.0	2.0		2.0	2.0	2.0		2.0	2.0

ACTIVITY: HAZARDOUS SUBSTANCE  
 Program: ANCILLARY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The community emergency response hazardous substances protection act was enacted by the 1986 legislature. It is commonly known as the fire fighters right to know law, and its purpose is to provide protection for fire fighters and other first responders in facilities containing hazardous substances.

The law requires the department to: 1) appoint a hazardous substance notification advisory committee; 2) adopt rules regarding hazard categories, quantities and ranges; 3) print and provide hazardous substance notification forms to individual fire departments; and 4) adopt criteria and guidelines for hazardous substance response training classes. The department, the advisory committee, fire departments, and employers all have duties and responsibilities in the law.

The 11 member hazardous substance notification advisory committee is comprised of fire service, emergency medical service, toxicology, law enforcement and business representatives. It is their responsibility to develop and recommend the content of the hazardous substance notification form and the required rules, prepare reports to the legislature, and recommend the training guidelines. This group meets at least monthly to carry out its business.

Authority for this activity is found in M.S. 299F.091 - 299F.099.

BUDGET ISSUES:

Funds for this activity, in F.Y. 1987 only, were transferred from the department of vocational technical education. This amount does not carry-over as same level funding for the next biennium. It is anticipated that the F.Y. 1987 funds will not be adequate to cover the costs of the rulemaking, forms, printing, etc., that are required of the department of public safety. It is also anticipated that many of those costs will be incurred in F.Y. 1988, and the committee will continue to have recurring costs.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HAZARDOUS SUBSTANCES

PROGRAM: ANCILLIARY SERVICES

AGENCY: PUBLIC SAFETY,OPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			15.0	15.0		15.0	15.0	15.0		15.0	15.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES			15.0	15.0		15.0	15.0	15.0		15.0	15.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			7.0	7.0		7.0	7.0	7.0		7.0	7.0
EXPENSES & CONTRAC. SERV			8.0	8.0		8.0	8.0	8.0		8.0	8.0
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			15.0	15.0		15.0	15.0	15.0		15.0	15.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL			15.0	15.0		15.0	15.0	15.0		15.0	15.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING			15.0	15.0		15.0	15.0	15.0		15.0	15.0
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: BD OF PRIVATE DETECTIVE & PROTECTIVE AGENT SERVICES 1987-89 Biennial Budget  
 Program: ANCILLARY SERVICES  
 Agency: PUBLIC SAFETY, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$61.2	\$60.4	\$65.0	\$65.0	\$65.0

DESCRIPTION:

The purpose of this activity is to provide that private detective and protective agents meet the qualifications for licensing, and maintain the standards of conduct required by state law.

The five member board of private detective and protective agent services is an independent activity housed in the bureau of criminal apprehension. The board administers the licensing, regulatory and legal compliance provisions of M.S. 326.33 - 326.339.

The board meets monthly and in special session to carry out the licensing functions, and to review applications, interview applicants, and issue licenses. Working with the board administrator, the board is responsible for the regulatory functions related to the investigation and resolution of citizen complaints; the investigation of irregularities in the financial, professional and legal conduct of the license holders' businesses as they impact on the consumer and broader citizen community; and the interpretation and enforcement of a reasonable code of conduct and professionalism for the industry. Disciplinary actions, license revocation and contested case hearings are the boards's responsibility.

Board composition is mandated by statute, and includes the superintendent of the bureau of criminal apprehension, a licensed protective agent, a licensed private detective, and two public members appointed by the commissioner of public safety.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of complaints reviewed	25	28	31	34

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of applicants processed	141	155	170	187

BUDGET ISSUES:

The private detective board is submitting separate legislation constituting a major statutory revision of its functions, requirements, and fees. Their revisions will reflect the changing expectations of both private security and investigation companies, in terms of the industry's needs and the public's demands. The revisions will also incorporate a restructuring of the fees.

CHANGE REQUESTS:

This activity requests no change level increases.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PRIVATE DETECTIVE BD

PROGRAM: ANCILLIARY SERVICES

AGENCY: PUBLIC SAFETY,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	26.8	29.1	36.1	36.5		36.5	36.5	36.3		36.3	36.3
EXPENSES & CONTRAC. SERV	12.3	11.5	14.4	14.6		14.6	14.6	14.7		14.7	14.7
SUPPLIES & MATERIALS	.3	.7	.7	.7		.7	.7	.7		.7	.7
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	39.4	41.3	51.2	51.8		51.8	51.8	51.7		51.7	51.7
POSITIONS BY FUND											
GENERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0

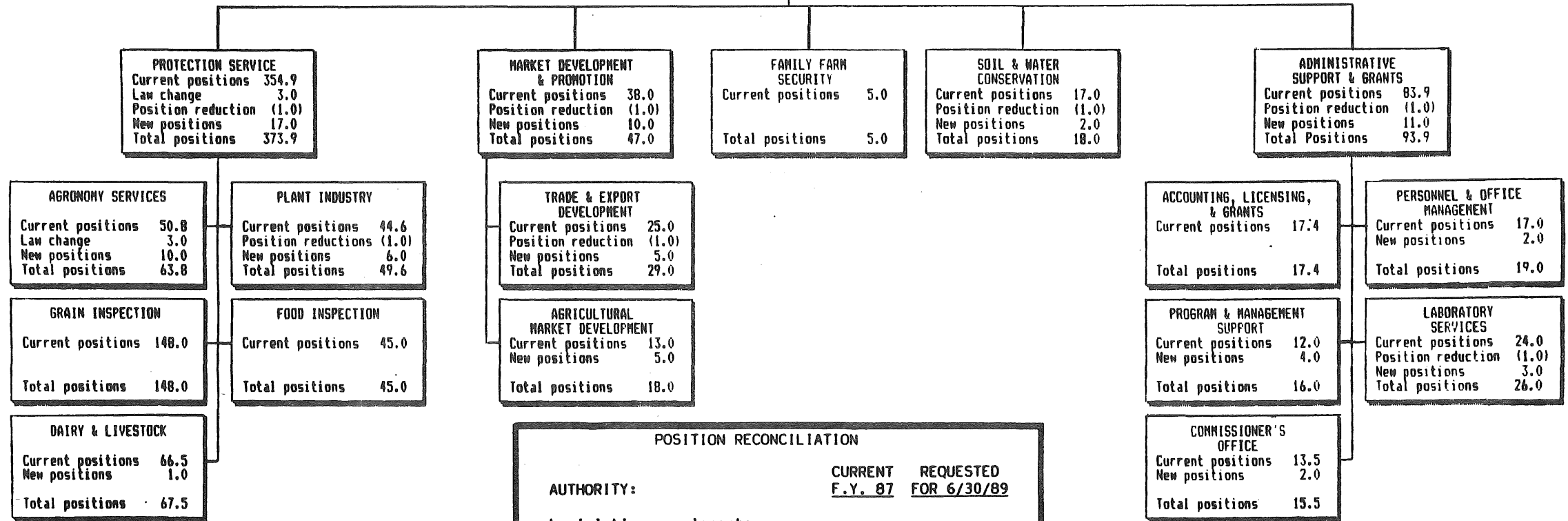
1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: AGRICULTURE, DEPARTMENT OF

<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
	Agronomy Services	5	9
	Plant Industry		14
PROTECTION SERVICE-----	Grain Inspection		20
	Food Inspection		22
	Dairy and Livestock		24
MARKET DEVELOPMENT AND PROMOTION-----	Trade and Export Development		30
	Agricultural Market Development		37
FAMILY FARM SECURITY-----	Family Farm Security Program		44
SOIL AND WATER CONSERVATION -----	Soil and Water Conservation Board		51
ADMINISTRATIVE SUPPORT AND GRANTS-----	Accounting, Licensing and Grants		65
	Personnel and Office Management		71
	Program and Management Support		74
	Laboratory Services		79
	Commissioner's Office		82

DEPARTMENT OF AGRICULTURE

COMMISSIONER



POSITION RECONCILIATION		
AUTHORITY:	CURRENT F.Y. 87	REQUESTED FOR 6/30/89
<b>Legislative complement:</b>		
General fund	255.3	280.3
Special/revolving	216.5	237.2
Federal	16.0	18.3
Minnesota resources	4.0	2.0
LAC authorized - Federal	7.0	0.0
<b>Total permanent positions</b>	<b>498.8</b>	<b>537.8</b>
<b>Other complement (FTE)</b>	<b>55.0</b>	<b>55.0</b>
<b>Total authorized positions</b>	<b>553.8</b>	<b>592.8</b>
<b>Employees on June 30, 1986</b>	<b>468.0</b>	

AGENCY PURPOSE:

The Department of Agriculture is a service and regulatory agency which provides protection and service to the producers, processors, distributors, and consumers of all agricultural products; develops and promotes markets for agricultural and other Minnesota produced products; helps secure the family farm system; and administers soil and water conservation programs which provide support and management to Minnesota agriculture and protect the state's soil and water resources.

OPERATION AND CLIENTELE:

The department enforces laws to protect the public health and prevent fraud and deception in the manufacture and distribution of food, animal feeds, fertilizers, seeds, pesticides, and similar items. It actively promotes the development of agricultural and food industries, including the investigation of marketing conditions; provides information and services, including export assistance, to both agricultural and other Minnesota businesses wishing to sell their products in national or international markets; promotes continued family farm practices; provides protection against unfair economic practices; and develops agricultural statistics for use by consumers, farmers, government, and business.

The department operates in 5 major program areas.

1. Protection Service.
2. Market Development and Promotion.
3. Family Farm Security.
4. Soil and Water Conservation.
5. Administrative Support and Grants.

Regulatory activities in the Protection Service program are directed towards maintaining high quality food and food production, which in turn relate to a healthy agricultural economy and consumer health and welfare, and toward fair economic practices which promote stable and viable agriculture in the state. Market Development and Promotion activities are directed toward assistance for small to medium size businesses wishing to export products in domestic or international markets, as well as encouraging investments to create new businesses or expand existing ones. The Family Farm Security program provides financial assistance to beginning farmers entering agriculture as well as farm crisis assistance services to established farmers in regard to financial counseling and assistance, debt restructuring, etc. The Soil and Water Conservation program administers grants and other assistance to help farmers manage soil and water resources in a productive but environmentally sound manner. The Administrative Support and Grants program provides for overall

administration; policy and program coordination; and fiscal, personnel, planning, and other support services.

The clientele of the department are producers, processors, retailers, exporters, and consumers of agricultural products; agricultural societies and associations; farm groups and organizations; local, state or federal government agencies; and the public-at-large.

An explanation of these program areas as well as more specific details about the department's operations are provided on the program and activity pages which follow.

<u>INDEX</u>	<u>Agency Request 1987-89 Biennium All Funds</u>	<u>Governor's Recommendation 1987-89 Biennium All Funds</u>	<u>Page</u>
Reconciliation of F.Y. 1987 to SAME Level	\$ 62,612.1	\$ 62,612.1	
Agency-Wide CHANGE Request F.Y. 1988 And F.Y. 1989 Travel and Expense Supplement Subtotal	459.4 \$ 459.4	-0- \$ -0-	6
Protection Service			
Noxious Weed Control on Quarantine, Tax Exempt, Tax Forfeited And Indian Lands	52.0	-0-	11
Groundwater Survey and Monitoring For Pesticides and Fertilizer	470.0	-0-	12
Increased Pesticide Control Resources	430.0	-0-	13
Improved Plant Pest Database System	85.0	-0-	16
Area Terminal Produce Inspection	70.0	70.0	17
Biological Control of Pests-LCMR	490.0	-0-	18
Municipal Shade Tree Protection- Oak Wilt	403.5	80.0	19
Dairy Equipment Specialist Subtotal	93.0 \$ 2,093.5	-0- \$ 150.0	26
Market Development and Promotion	-0-	(4,717.9)	29
Move to Minnesota World Trade Center Building	472.0	-0-	32
Continental European Trade Office	150.0	-0-	33
Asian Trade Office	400.0	-0-	34
Technical Specialists	190.0	-0-	35
Port of Duluth Promotional Presentation	80.0	-0-	36



INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
International Trade Show	\$ 50.0	-0-	39
Display			
Forest Products Market	300.0	-0-	40
Development			
Consortium of International	327.5	-0-	41
SBDCs			
Subtotal	\$ 1,969.5	\$ (4,717.9)	
Family Farm Security			
Farm Crisis Assistance	\$ 233.0	(577.8)	47
Subtotal	\$ 233.0	\$ (577.8)	
Soil and Water Conservation	-0-	(6,945.2)	50
Administration	170.0	-0-	55
General Purpose Grants To Districts	700.0	-0-	56
Floodplain Management Grants	603.0	-0-	57
Cost-Share District Grants:	4,000.0	-0-	58
Erosion Control/Water Quality			
Sediment and Erosion Control Grants	682.6	-0-	59
District Grants for Review of	165.2	-0-	60
Water Permits			
Comprehensive Local Water Mgmt.	73.2	-0-	61
Subtotal	\$ 6,394.0	\$ (6,945.2)	
Administrative Support and Grants			
Program-Wide: Agency Indirect	557.0	-0-	64
Cost Reallocation			
Rent Increase	\$ 358.4	\$ 358.4	68
Grants to Agricultural Societies	12.0	-0-	69
FarmAmerica Operational Support	412.5	-0-	70
Office Management Resources Update	185.5	-0-	73
County Livestock Estimates/Printing	105.0	-0-	76
of Ag Statistical Bulletin			
Agricultural Land Preservation	335.0	-0-	77
Regulatory and Program Support	250.0	-0-	78
Improving Laboratory Response	150.0	-0-	81
Minnesota Ag In The Classroom	296.0	68.4	84
Agricultural Development Grants	1,000.0	-0-	85
Subtotal	\$ 3,661.4	\$ 426.8	
DEPARTMENT TOTAL	\$ 77,422.9	\$ 50,948.0	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
AGRIC PROTECTION SVC	12,224.3	11,681.3	11,930.9	12,324.5	1,319.9	13,644.4	12,399.5	12,316.1	1,098.6	13,414.7	12,391.1
MKT DEVELOPMENT AND PROMOTN	2,196.9	2,184.8	2,358.0	2,360.9	982.8	3,343.7		2,357.0	1,007.3	3,364.3	
FAMILY FARM SECURITY	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
SOIL & WATER CONSERV	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
ADMIN SUPPORT & GRANTS	3,862.2	4,386.8	4,272.5	3,994.5	1,849.0	5,843.5	4,179.6	3,987.5	1,872.0	5,859.5	4,229.2
TOTAL	27,138.2	30,518.1	39,151.1	33,861.5	7,506.2	41,367.7	27,998.2	28,750.6	7,304.6	36,055.2	22,949.8
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	23,515.5	26,942.6	35,706.9	30,732.6	3,581.5	34,314.1	27,525.2	25,621.7	3,384.0	29,005.7	22,476.8
LOCAL ASSISTANCE	3,592.9	3,575.5	3,294.2	3,053.9	3,924.7	6,978.6	398.0	3,053.9	3,920.6	6,974.5	398.0
AIDS TO INDS.	29.8		150.0	75.0		75.0	75.0	75.0		75.0	75.0
TOTAL EXPENDITURES	27,138.2	30,518.1	39,151.1	33,861.5	7,506.2	41,367.7	27,998.2	28,750.6	7,304.6	36,055.2	22,949.8
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	15,309.4	15,202.4	15,942.9	18,185.3	7,148.2	25,333.5	12,295.0	18,155.4	7,102.6	25,258.0	12,327.6
MN RESOURCES		111.2	106.8		323.0	323.0			167.0	167.0	
DEDICATED APPROPRIATIONS:											
GENERAL	217.5	360.7	87.3								
SPECIAL REVENUE	10,293.7	13,676.9	21,928.5	14,674.3	229.4	14,903.7	14,895.7	9,593.3	229.4	9,822.7	9,814.7
RURAL REHABILITATION	.1	10.0									
GIFTS AND DEPOSITS	1.4	50.7	26.1	26.1		26.1	26.1	26.1		26.1	26.1
FEDERAL	1,316.1	1,106.2	1,059.5	975.8	194.4-	781.4	781.4	975.8	194.4-	781.4	781.4
TOTAL FINANCING	27,138.2	30,518.1	39,151.1	33,861.5	7,506.2	41,367.7	27,998.2	28,750.6	7,304.6	36,055.2	22,949.8
POSITIONS BY FUND:											
GENERAL	249.3	254.3	255.3	243.3	36.0	279.3	192.3	243.3	37.0	280.3	192.3
MN RESOURCES		4.0	4.0		2.0	2.0			2.0	2.0	
SPECIAL REVENUE	216.5	216.5	216.5	233.5	3.7	237.2	237.2	233.5	3.7	237.2	237.2
FEDERAL	17.0	23.0	23.0	21.0	2.7-	18.3	18.3	21.0	2.7-	18.3	18.3
TOTAL POSITIONS	482.8	497.8	498.8	497.8	39.0	536.8	447.8	497.8	40.0	537.8	447.8

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ALL BUDGET ACTIVITIES

PROGRAM:

AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: FY 1988 AND FY 1989 TRAVEL AND EXPENSE SUPPLEMENT				
Agency Request				
General Fund	\$229.7	-0-	\$229.7	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE: Without the additional travel and expense dollars contained in this CHANGE request, the department will have to reduce inspection activities which are essential in many of the regulatory areas. The reductions in travel and expense budgets previously mentioned are happening at the same time regulatory activities are experiencing losses of federal funds. The combination of events will impact all activities, but with potentially severe impacts upon the food inspection area. Moreover, the department does not feel staff reductions could be absorbed without jeopardizing the fulfillment of basic objectives.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to maintain the present level of inspection travel and enforcement for all budget activities, particularly those which have regulatory responsibility. The objective is to provide funds adequate to maintain departmental activity at FY 1987 levels.

DESCRIPTION/BACKGROUND: The department has received travel funds from the federal government for inspection programs which has enabled the inspection areas to maintain the present level of effort. Major reductions are occurring and will continue to occur in federal contracts and reimbursements for state inspection activity, particularly in the area of food inspection. With inspection activity now at levels considered minimal to protect public health and fulfill statutory mandates, it is critical that further reductions do not occur in these budget areas.

The Department of Finance budget instructions require agencies to fund positions at 97% or lose the complement. In order for the department to fund salaries at 97%, budget activities had travel and expense budgets reduced to provide the necessary salary dollars. During the budget reduction process the department balanced the budget by maintaining position vacancies which have now been filled. However, salary funds were removed from the base level for the new biennium and travel and expense funds were utilized to achieve 97% salary funding.

Public demands, increasing numbers of regulated products, and more complex structures in commerce have created heavier demands upon the department. Pesticide surveillance is not keeping up with changes in public demand and in technological and marketing practices of regulated industries. The incidence of food tampering and unintentional adulteration of food products has risen dramatically over the past few years.

PROGRAM PURPOSE:

This program provides protection and service to producers, processors, distributors, and consumers of agricultural products in Minnesota. The major activities are: 1) Protection for the farmer and public against fraud and deception in the manufacture, distribution, and sale of agricultural inputs and products; 2) provision of regulatory and protection services allowing for orderly movement of graded commodities, protection from economic pests, and free movement and entry of agricultural products in intra-state and foreign commerce; 3) provision of impartial grain inspection and weighing; 4) assurance that food is free from adulteration, properly labeled, and is handled to protect its edible and drinkable quality; 5) assurance of safe and wholesome milk and milk products; and 6) provision of impartial livestock weighing and seller protection by issuing and bonding dealers.

OPERATIONS:

The activities in this program deliver services through field staff or field offices, supported by central office personnel that include technical specialists, laboratory support and administrative support and direction. Direct services are provided by inspectors, samplers, weighers, auditors, and specialists stationed throughout the state. Methodologies of regulation and service vary greatly but basically involve systematic inspection, sampling, education, laboratory testing, and feedback to affected parties. In some cases, service is upon request from the industry affected and, in others, is mandatory due to statutory requirements. Close cooperation in all areas is maintained with other regulatory agencies at federal, state, and local levels in order to reduce duplication and maximize public service. The delivery of services is coordinated with other agencies through inter-agency agreements, contracts for services or memorandums of agreement.

CLIENTELE:

Direct clientele of this program include all farmers and consumers, and all producers, processors, and dealers in regulated products. The regulatory activity involves 1,400 in-state and out-of-state feed manufacturers, processors, and distributors; 875 in-state and out-of-state fertilizer manufacturers, processors, and distributors; 700 restricted use pesticide dealers; 2,000 nurserymen and dealers in nursery stock; 1,050 livestock market agencies; packing companies, and livestock dealers and their agents; 130 certified seed potato growers; 200 fruit and vegetable growers, shippers, and buyers; 750 grain shippers and others involved in grain transactions; and 500 municipal pest control programs.

BUDGET ISSUES:

The program is facing reductions in federal funds, particularly with regard to gypsy moth, pesticide enforcement and food inspection. USDA funds previously obtained through cooperative agreements or contracts, such as the Federal Meat Inspection agreement. Also, the Environmental Protection Agency is reducing federal support for pesticide enforcement.

EXPLANATION OF BUDGET REQUESTS:

Eight CHANGE items are being requested. \$35.0 in F.Y. 1988 and \$17.0 in F.Y. 1989 are requested to provide noxious weed control. \$255.0 in F.Y. 1988 and \$215.0 in F.Y. 1989 and 5.0 positions are requested to conduct groundwater survey and monitoring for pesticides and fertilizer. \$230.0 in F.Y. 1988 and \$200.0 in F.Y. 1989 and 5.0 positions are requested to increase pesticide control and regulatory activity. \$42.5 in F.Y. 1988 and \$42.5 in F.Y. 1989 are requested to improve use of plant pest data by improving the data base system. \$35.0 in F.Y. 1988 and \$35.0 in F.Y. 1989 and 1.0 position are requested for area terminal produce inspection. \$323.0 in F.Y. 1988 and \$167.0 in F.Y. 1989 and 2.0 positions are requested to initiate biological pest control activities. \$191.9 in F.Y. 1988 and \$211.6 in F.Y. 1989 and 3.0 positions are requested for municipal shade tree protection efforts, principally in regard to oak wilt control. \$45.0 in F.Y. 1988 and \$48.0 in F.Y. 1989 and 1.0 position are requested for a dairy equipment specialist to evaluate and certify new pasteurization units.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the area terminal produce inspection request and \$80.0 and 1.0 position for shade tree protection.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
AGRONOMY SERVICES	1,823.3	1,828.7	1,778.1	1,998.2	542.5	2,540.7	1,998.2	1,998.8	454.5	2,453.3	1,998.8
PLANT INDUSTRY	1,624.7	1,845.6	1,844.9	1,920.0	630.1	2,550.1	1,995.0	1,916.4	493.8	2,410.2	1,991.4
GRAIN INSPECTION	5,072.5	4,726.9	4,961.8	4,958.5		4,958.5	4,958.5	4,958.5		4,958.5	4,958.5
FOOD INSPECTION	1,485.2	1,312.3	1,384.8	1,455.6	93.6	1,549.2	1,455.6	1,451.9	93.6	1,545.5	1,451.9
DAIRY & LVSTK	2,218.6	1,967.8	1,961.3	1,992.2	53.7	2,045.9	1,992.2	1,990.5	56.7	2,047.2	1,990.5
<b>TOTAL</b>	<b>12,224.3</b>	<b>11,681.3</b>	<b>11,930.9</b>	<b>12,324.5</b>	<b>1,319.9</b>	<b>13,644.4</b>	<b>12,399.5</b>	<b>12,316.1</b>	<b>1,098.6</b>	<b>13,414.7</b>	<b>12,391.1</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	12,113.1	11,629.6	11,890.9	12,284.5	1,319.9	13,604.4	12,359.5	12,276.1	1,098.6	13,374.7	12,351.1
LOCAL ASSISTANCE	81.4	51.7	40.0	40.0		40.0	40.0	40.0		40.0	40.0
AIDS TO INDS.	29.8										
<b>TOTAL EXPENDITURES</b>	<b>12,224.3</b>	<b>11,681.3</b>	<b>11,930.9</b>	<b>12,324.5</b>	<b>1,319.9</b>	<b>13,644.4</b>	<b>12,399.5</b>	<b>12,316.1</b>	<b>1,098.6</b>	<b>13,414.7</b>	<b>12,391.1</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	3,740.6	4,019.0	4,115.5	3,940.0	961.9	4,901.9	3,980.0	3,923.6	896.6	4,820.2	3,963.6
MN RESOURCES		33.2	40.5		323.0	323.0			167.0	167.0	
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	7,340.9	6,877.7	7,065.9	7,673.0	229.4	7,902.4	7,902.4	7,681.0	229.4	7,910.4	7,910.4
GIFTS AND DEPOSITS	1.4	.4									
FEDERAL	1,141.4	751.0	709.0	711.5	194.4-	517.1	517.1	711.5	194.4-	517.1	517.1
<b>TOTAL FINANCING</b>	<b>12,224.3</b>	<b>11,681.3</b>	<b>11,930.9</b>	<b>12,324.5</b>	<b>1,319.9</b>	<b>13,644.4</b>	<b>12,399.5</b>	<b>12,316.1</b>	<b>1,098.6</b>	<b>13,414.7</b>	<b>12,391.1</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	120.5	120.4	120.4	108.4	14.0	122.4	109.4	108.4	14.0	122.4	109.4
MN RESOURCES		2.0	2.0		2.0	2.0			2.0	2.0	
SPECIAL REVENUE	212.5	210.5	211.5	228.5	3.7	232.2	232.2	228.5	3.7	232.2	232.2
FEDERAL	14.0	21.0	21.0	20.0	2.7-	17.3	17.3	20.0	2.7-	17.3	17.3
<b>TOTAL POSITIONS</b>	<b>347.0</b>	<b>353.9</b>	<b>354.9</b>	<b>356.9</b>	<b>17.0</b>	<b>373.9</b>	<b>358.9</b>	<b>356.9</b>	<b>17.0</b>	<b>373.9</b>	<b>358.9</b>

ACTIVITY: AGRONOMY SERVICES  
 Program: PROTECTION SERVICE  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,108.8	\$ 1,137.6	\$ 1,137.6	\$ 401.1	\$ 401.1

**OBJECTIVE:** To administer regulatory and service functions in 5 areas: pesticides, animal feeds, fertilizers, seeds, and noxious weeds. The goal is to conduct regulatory and service functions so as to protect the public health and environment; and to assist the economic well-being of agricultural producers and their regulated suppliers by enforcing labeling and related economic protection laws.

**DESCRIPTION:** The work of this activity assures consumers, producers, and regulated industries that products are correctly and safely processed, labeled, distributed, and handled. It monitors over 10,000 agri-business firms and users of pesticides; assures quality products; protects the environment through surveillance of fertilizer and pesticide use, handling and storage facilities; and protects the public health and environment through regulation of pesticides, fertilizers, and feed additives.

Other responsibilities include: 1) To control and monitor regulated products by education of clientele, establishment and applicator inspection, sampling and analysis, label review and product registration, and facility permitting; 2) to provide technical assistance to local government and to cooperate with county, state, and federal agencies in the enforcement of laws; and 3) to continue as the federally designated lead state department for pesticide control and to coordinate responses to agricultural chemical incidents.

The general level of surveillance is not keeping up with changes in technological and marketing practices of regulated industries. The division is responding to critical situations and incidents which have increased in part due to the public's perception of harm associated with agricultural chemicals. Major concerns center on the use of pesticides, fertilizer, and medicated feeds. The quantity and quality and efficient delivery of services should be increased and improved through additional staff, specialized duties, effective data management, and training.

Authority for this activity is found in M.S. 18A.21-18A.45, 17.41-17.44, 17.711-17.729, 21.71-21.78, 21.80-21.92, 18.171-18.323, and 25.31-25.44.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Facility Inspections Conducted <sup>1</sup>	4,313	4,500	5,000	5,000
Regulatory Samples <sup>1</sup>	4,380	4,400	4,700	4,800
Stop-Sales	36	30	30	30
Registrations/Licenses <sup>2</sup>				
Pesticide Applicators	33,174	45,500	50,000	50,500
Restricted Use Pesticide Dealers	675	725	800	850
Pesticide Products	7,900	8,000	8,000	8,000
Fertilizer Products	1,000	1,000	1,000	1,000
Feed Products	21,000	20,000	20,000	20,000
Hybrid Seed Corn Varieties	1,457	1,450	1,450	1,450

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Fertilizer Facilities	920	900	900	900
Feed Facilities	880	850	850	850
Pesticide Facilities	507	500	500	500
Seed Service Samples <sup>3</sup>	7,328	7,500	7,750	7,800
Legal Weed Notices	2,110	2,000	2,000	2,000
Local Government Training Sessions	77	75	75	75
Pesticide Misuse Investigations <sup>4</sup>	240	300	600	700

1. Inspections/samples less than projections due to substantially increased work demands in all regulatory activities and staff vacancies.
2. Increased clientele reflect new health and environmental protection laws.
3. Samples reduced from projections due to poor farm economy and user fees.
4. Increase due to greater public concerns and increased agency effort.

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Noxious Weed Control On Quarantine, Tax Exempt, Tax Forfeited and Indian Lands	\$ 35.0	\$ 17.0	Activity Specific
Groundwater Survey and Monitoring For Pesticides and Fertilizer	\$ 255.0	\$ 215.0	Activity Specific
Increased Pesticide Control Resources	\$ 230.0	\$ 200.0	Activity Specific

See CHANGE Request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGRONOMY SERVICES

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,741.9	1,777.0	1,738.1	1,958.2	542.5	2,500.7	1,958.2	1,958.8	454.5	2,413.3	1,958.8
LOCAL ASSISTANCE	81.4	51.7	40.0	40.0		40.0	40.0	40.0		40.0	40.0
AIDS TO INDS.											
TOTAL EXPENDITURES	1,823.3	1,828.7	1,778.1	1,998.2	542.5	2,540.7	1,998.2	1,998.8	454.5	2,453.3	1,998.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,272.1	1,378.6	1,357.6	1,535.2	293.6	1,828.8	1,535.2	1,533.1	301.0	1,834.1	1,533.1
EXPENSES & CONTRAC. SERV	285.7	329.6	329.4	350.2	144.9	495.1	350.2	351.8	105.9	457.7	351.8
SUPPLIES & MATERIALS	39.8	42.4	35.6	38.5	46.0	84.5	38.5	38.9	25.4	64.3	38.9
EQUIPMENT	30.7	15.5	4.9	8.5	58.0	66.5	8.5	8.7	22.2	30.9	8.7
OTHER EXPENSE ITEMS	113.6	10.9	10.6	25.8		25.8	25.8	26.3		26.3	26.3
TOTAL STATE OPERATIONS	1,741.9	1,777.0	1,738.1	1,958.2	542.5	2,500.7	1,958.2	1,958.8	454.5	2,413.3	1,958.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	994.1	1,130.7	1,145.6	799.1	542.5	1,341.6	799.1	791.7	454.5	1,246.2	791.7
MN RESOURCES		33.2	40.5								
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	440.6	429.3	420.1	1,028.1		1,028.1	1,028.1	1,036.1		1,036.1	1,036.1
FEDERAL	388.6	235.5	171.9	171.0		171.0	171.0	171.0		171.0	171.0
TOTAL FINANCING	1,823.3	1,828.7	1,778.1	1,998.2	542.5	2,540.7	1,998.2	1,998.8	454.5	2,453.3	1,998.8
POSITIONS BY FUND											
GENERAL	31.3	32.3	32.3	20.3	10.0	30.3	20.3	20.3	10.0	30.3	20.3
MN RESOURCES		2.0	2.0								
SPECIAL REVENUE	9.5	10.5	11.5	28.5		28.5	28.5	28.5		28.5	28.5
FEDERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	45.8	49.8	50.8	53.8	10.0	63.8	53.8	53.8	10.0	63.8	53.8

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: AGRONOMY SERVICES  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: NOXIOUS WEED CONTROL ON QUARANTINE, TAX EXEMPT, TAX FORFEITED AND INDIAN LANDS				
Agency Request				
General Fund	\$ 35.0	-0-	\$ 17.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to assist landowners and local governments in controlling noxious weeds on quarantine, tax exempt, tax forfeited and Indian lands. The objective is to limit economic damage and personal health problems by achieving compliance with the noxious weed law where this now cannot be achieved.

DESCRIPTION/BACKGROUND: Laws of 1965, Chapter 285, provide for control of noxious weeds on tax forfeited, tax exempt, or Indian reservation lands. A fund was established for this purpose, but there have been no appropriations since 1981. Laws of 1957, Chapter 724, provide for control of noxious weeds on private lands through a quarantine if the landowner is unable to accomplish this. A fund was established for this purpose, but it also has received no appropriations since 1981. The following table illustrates expenditures for noxious weed control on tax exempt, tax forfeited, quarantine, and Indian reservation lands from 1970 through 1985.

STATISTICS:

Average Annual Expenditure:	1970 through 1981:	\$12,000
Annual Expenditure:	1982	5,300
	1983	3,400
	1984	1,300
	1985	1,100

RATIONALE:

Before 1981, state funds and Bureau of Indian Affairs (BIA) funds were available

for noxious weed control on these subject lands. These particular types of lands pose difficult problems such as determination of responsible parties, limited ability to control infestations, and limited financial ability to pay on the part of private land owners and local government.

The BIA contract was approximately \$3,000 annually until 1981 when it was increased about \$1,000 per year. The contract was discontinued in 1984. No organized, effective control program has existed since then on Indian lands.

In 1981, state appropriations for noxious weed control on tax exempt, tax forfeited and quarantine lands were canceled. The major portion of the funds used for control of noxious weeds before that time were state appropriations. The funds were used for noxious weed control on infested lands which have been largely uncontrolled since 1981, except for some very limited local government control programs. On all such properties, advantages of previous control efforts are being lost as infestations are expanding.

The performance indicators used to evaluate this project will be the number of cooperative efforts undertaken between state and local governments to control noxious weeds. It is recommended that this program activity be funded again starting with Fiscal Year 1988. The amount requested for F.Y. 1988 is roughly one half of the amount which would have been spent if the program activity would have continued at levels consistent with the years previous to 1981. The request for F.Y. 1989 represents the estimated commitment needed annually based on pre 1981 expenditures adjusted for inflation.

It is estimated the requested funds will cover over 40 parcels each year.

GOVERNORS RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AGRONOMY SERVICES  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: GROUNDWATER SURVEY AND MONITORING FOR PESTICIDES AND FERTILIZER				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$255.0	5.0	\$215.0	5.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

**STATEMENT OF REQUEST/OBJECTIVE:** The department requests the above funds and positions to conduct groundwater survey and monitoring activities. The objective is to determine the amount and location of pesticides and fertilizers present in Minnesota's groundwater in order to protect public health and the environment from harmful exposure.

**DESCRIPTION/BACKGROUND:** The purpose of this project is to review information, obtain new data, encourage development of relevant information, and monitor pesticide and fertilizer movement into groundwater in Minnesota. Effective management practices and regulations necessary to prevent deterioration of water quality depend upon such information. The coordination and evaluation of information regarding pesticide and fertilizer impacts on groundwater is a new aspect of regulations and is necessary to prevent or minimize irreversible contamination of groundwater and human health hazards. Continued safe use of pesticides and fertilizers in the production of agricultural commodities and the enhancement of urban living is dependent on evaluation of the impacts of these chemicals upon groundwater.

This request addresses the Environmental Quality Board recommendation for accelerated monitoring of toxic compounds in groundwater. Such monitoring is an essential element of the comprehensive State Water Resources Strategy for 1987-1989.

Minnesota Statutes 18A.21-18A.45 and 17.711-17.729 place the responsibility for control of pesticides and fertilizer with the department. Recent work initiated with funding from the Legislative Commission on Minnesota Resources (LCMR) has

demonstrated the importance of the problem and the department's ability to conduct a statewide groundwater monitoring program, to conduct precise laboratory analyses, and to quantify organic pesticide residues for parent compounds and breakdown products in sensitive groundwater. Initial data indicate approximately 40% of the sites surveyed contained groundwater with detectable levels of pesticides. Continued monitoring will provide a basis for evaluation of management and regulatory efforts to protect groundwater and drinking water supplies. Requested funding will provide information necessary for planning and management by means of:

- 1) Groundwater and subsoil monitoring at pesticide storage, loading, mixing and disposal sites.
- 2) Evaluation and monitoring of groundwater protection regulations and practices.
- 3) Monitoring, inspection and enforcement of chemigation equipment and methods.
- 4) Compilation, review and dissemination of pesticide and fertilizer information related to groundwater contamination.

Performance will be measured by an annual report of information obtained and recommendations made to improve management and regulation of pesticides and fertilizers, by the number of samples analyzed and the network design.

<b>STATISTICS:</b>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Wells Sampled	100	105	200	240
Water Samples Analyzed	100	320	650	800
Soil Samples	-0-	-0-	50	50

**RATIONALE:** Pesticides from normal use are being detected in groundwater in increasing amounts since the first report in 1979. Nitrate-nitrogen fertilizer is generally increasing in concentration. Permanent contamination of groundwater and resulting significant health effects are possible. Preliminary work in Minnesota has demonstrated the critical need for a data base and a network of information available to planners and decision makers. This request will establish the means to provide an essential departmental function that will benefit pesticide and fertilizer users, agricultural and urban communities and the citizens of the state of Minnesota by protecting the quality of groundwater resources.

**GOVERNOR'S RECOMMENDATION:** The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: AGRONOMY SERVICES  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: INCREASED PESTICIDE CONTROL RESOURCES				
Agency Request				
General Fund	\$230.0	5.0	\$200.0	5.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to provide substantially greater assurances that risk reduction measures for the use and handling of pesticides are followed to protect public health and the environment. The objective is to increase surveillance and compliance inspections of urban and rural pesticide applicators, restricted use dealers, and storage and transfer sites; and to develop stronger enforcement actions for cases of pesticide misuse. Pesticide training and certification must be expanded. The present level of funds and staff do not provide the means to adequately monitor and enforce pesticide regulations.

DESCRIPTION/BACKGROUND: This request supports the Environmental Quality Board 1987-1989 Water Resources Priority Recommendations and the Non-Point Source Pollution Issues Team report that the Minnesota Pesticide Control Law administered by the department should be strengthened to improve control over the use of pesticides.

Pesticide products have played a key role in increasing food supplies and quality and in reducing illness and deaths from insect borne diseases. Pesticides in Minnesota are regulated by M.S. 18A.21-18A.45, but the state must address growing concerns of safety associated with storage, handling and use of pesticides. Federal law changes have increased the number of licensed pesticide dealers and applicators. Changes in technology, marketing and use of pesticides have increased the need for environmental safeguards.

The department is committed to reducing exposure from pesticide applications to

agricultural crops and also to urban lawns, parks, commercial and residential sites. Departmental rules for bulk storage and irrigation systems (chemigation) will be promulgated in 1987. Additional staffing is needed for permitting and compliance monitoring of an estimated 800 bulk storage facilities and 3,000 irrigators. Recently, several widely used pesticides were classified restricted use, to be applied only by certified applicators and sold only by licensed dealers. From 1984 to 1986 the number of restricted use dealers increased by 33% and the number of commercial, noncommercial, and private applicators increased by almost 400%. Investigations of crop and vegetation damage, unintended human and animal exposure, and environmental contamination are projected to increase from 240 in F.Y. 1986 to 700 in F.Y. 1989. This reflects more suspected violations reported to the agency because of increased public concern and a more active investigation and enforcement program.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Applicator and Restricted Use Dealer Inspections	315	350	900	1,100
Urban Inspections - Lawn, Nursery and Structural	40	50	300	350
Bulk Transfer Sites	-0-	-0-	600	600

RATIONALE: Additional requirements for pesticide storage, use, handling and disposal result in an increased number of clientele and a need for greater surveillance and enforcement efforts by the department. Pesticide use has increased in Minnesota because of the distinct economic advantages to food producers and well documented benefits to public health. Public concern relating to pesticide useage has been growing rapidly; there are demands for increased measures to prevent unintended exposure and threats to human health and the environment.

The additional funding and staff will provide for increased inspections, facilitate appropriate enforcement actions, meet applicator certification needs, and greatly reduce risk.

GOVERNOR'S RECOMMENDATION: The Governor does not support the agency's request for this item, however, the agency should propose legislation to create a dedicated account to fund the pesticide control function.

ACTIVITY: PLANT INDUSTRY  
 Program: PROTECTION SERVICE  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

**OBJECTIVE:** To provide for the orderly movement of commodities into intrastate, interstate, and foreign commerce. To reduce or control the economic impact of endemic plant pests. To prevent the accidental introduction of plant pests.

**DESCRIPTION:** This activity provides a broad range of inspection, certification, and pest control services as authorized by 11 state laws. These services are essential to prevent the accidental introduction of plant pests, to reduce or control the economic impact of endemic pests or diseases, and to provide for the orderly movement of commodities into intrastate, interstate, and foreign commerce. This is accomplished by inspecting crops, grading commodities, approving municipal pest control programs, inspecting facilities, bonding dealers, licensing and issuing of certificates, surveying for pests, and performing laboratory, greenhouse and plot testing.

Clientele for this activity include producers, exporters, agri-businesses, municipalities, and the general public.

Authority for this activity is found in M.S. 17.23, 18.021-18.022, 18.023-18.024, 18.041-18.161, 18.331-18.335, 18.44-18.61, 19.50-19.65, 21.01-21.22, 27.001-27.20, 30.003-30.201, and 473.716.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Clientele Served	6,000	6,000	6,000	6,000
Value of Product Certified (In Millions)	\$ 216.0	\$ 230.0	\$ 240.0	\$ 250.0
Shipping Point Inspections	3,545	4,300	4,300	4,300
Incoming Produce Inspections	5,016	5,200	5,400	5,600
Export Countries	49	50	52	54
Acres Surveyed for Export	2,310	2,500	3,000	4,000
Phytosanitary Certificates Issued	1,751	1,800	1,900	2,000
Municipal Pest Programs Approved	66	70	70	70
New Pests Intercepted Upon Entry	6	10	10	10
Counties Surveyed for Pests	65	68	70	72
% Cropland Surveyed	1.2	1.6	1.8	2.8
Foreign Ship Inspections	154	180	200	200
New Plant Pests Found	2	2	2	2
Technical Tests	1,200	1,500	1,600	1,700
Gypsy Moth Traps Operated <sup>1</sup>	5,299	10,600	10,600	10,600
Bee Colonies Inspected/ Interstate Shipments	22,450	22,000	22,500	23,000
Nurseries Inspected	865	865	865	865
Percent Nurseries Inspected	51	51	50	50

<sup>1</sup> Loss of federal funds will increase the number of traps the state operates.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 420.6	\$ 389.9	\$ 389.9	\$ 389.9	\$ 389.9

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Seed Potato Acres Certified	24,200	22,000	24,000	24,000
Tree Inspectors Certified	400	450	500	550
Shade Tree Disease Information Requests	550	600	650	650

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Improved Plant Pest Database System	\$ 42.5	\$ 42.5	Activity Specific
Area Terminal Produce Inspection	\$ 35.0	\$ 35.0	Activity Specific
Biological Control of Pests - LCMR	\$ 323.0	\$ 167.0	Activity Specific
Municipal Shade Tree Protection - Oak Wilt	\$ 191.9	\$ 211.6	Activity

See the CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PLANT INDUSTRY

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,624.7	1,845.6	1,844.9	1,920.0	630.1	2,550.1	1,995.0	1,916.4	493.8	2,410.2	1,991.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,624.7	1,845.6	1,844.9	1,920.0	630.1	2,550.1	1,995.0	1,916.4	493.8	2,410.2	1,991.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,193.8	1,298.2	1,359.4	1,423.0	173.4	1,596.4	1,478.1	1,419.4	178.7	1,598.1	1,474.5
EXPENSES & CONTRAC. SERV	319.2	420.0	421.9	432.4	283.1	715.5	442.0	432.4	300.8	733.2	447.0
SUPPLIES & MATERIALS	22.1	35.4	37.1	37.1	7.3	44.4	37.4	37.1	7.3	44.4	37.4
EQUIPMENT	7.9	80.3	16.5	16.5	166.3	182.8	26.5	16.5	7.0	23.5	21.5
OTHER EXPENSE ITEMS	81.7	11.7	10.0	11.0		11.0	11.0	11.0		11.0	11.0
TOTAL STATE OPERATIONS	1,624.7	1,845.6	1,844.9	1,920.0	630.1	2,550.1	1,995.0	1,916.4	493.8	2,410.2	1,991.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,011.4	1,292.8	1,301.8	1,363.2	272.1	1,635.3	1,403.2	1,359.6	291.8	1,651.4	1,399.6
MN RESOURCES					323.0	323.0			167.0	167.0	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	302.5	357.6	355.9	356.9	229.4	586.3	586.3	356.9	229.4	586.3	586.3
GIFTS AND DEPOSITS	1.3										
FEDERAL	309.5	195.2	187.2	199.9	194.4-	5.5	5.5	199.9	194.4-	5.5	5.5
TOTAL FINANCING	1,624.7	1,845.6	1,844.9	1,920.0	630.1	2,550.1	1,995.0	1,916.4	493.8	2,410.2	1,991.4
POSITIONS BY FUND											
GENERAL	28.4	33.3	33.3	33.3	3.0	36.3	34.3	33.3	3.0	36.3	34.3
MN RESOURCES					2.0	2.0			2.0	2.0	
SPECIAL REVENUE	7.6	7.6	7.6	7.6	3.7	11.3	11.3	7.6	3.7	11.3	11.3
FEDERAL	3.7	3.7	3.7	2.7	2.7-			2.7	2.7-		
TOTAL POSITIONS	39.7	44.6	44.6	43.6	6.0	49.6	45.6	43.6	6.0	49.6	45.6

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PLANT INDUSTRY  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: IMPROVED PLANT PEST DATABASE SYSTEM

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 42.5	-0-	\$ 42.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to collect, analyze, and rapidly disseminate agricultural pest information. The objective is to provide better and more timely plant pest data to growers for pest control and companies for business uses.

DESCRIPTION/BACKGROUND: The Minnesota Department of Agriculture annually monitors agricultural crops throughout the state of Minnesota. The effort is designed to collect information on endemic pest species and detect new pest species. The information collected is used to meet export certification needs and to define the potential economic impact of pest problems to allow for timely and precise grower response. The provision of timely pest control information to producers can result in substantial savings otherwise lost through pest damage.

The goal of the Minnesota cooperative plant pest survey program is to develop methods for more complete pest information collection and more rapid transfer of this information to the growers of this state. Other agencies within the state of Minnesota are cooperating in this effort, namely the University of Minnesota, USDA, and private industry. Data from field and diagnostic laboratory observations are combined and entered into a national plant pest database (NAPIS). Minnesota receives funding from the USDA for participating in the national program. This national database allows for rapid exchange of plant pest information between states. In addition to entering and retrieving data from NAPIS, Minnesota is developing a historical database and other information systems for plant pests in Minnesota. Such a database will allow greater storage and use of Minnesota plant pest information than possible on the national system. A database of this type

will be valuable in export certification and generating information for grower and other private sector use. Usage of this information by the private sector will eventually be partially fee supported.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Field Observations Recorded	5,169	5,200	6,500	7,000
Light Trap Observations	2,609	2,700	3,000	3,200

RATIONALE: The department's Plant Pest Survey and Detection Program is at a point where expansion is necessary. Data from a variety of sources is being collected and utilized for both grower advisories and database formation. However, increased personnel and computer support are necessary to delimit and utilize pest information within the state.

The pest surveys being conducted at the present time are well run and do collect much important information on plant pests in the state. Because of the amount of survey work which needs to be completed each season and the large number of plant pests which warrant attention, additional seasonal personnel are needed to supplement these surveys. The additional seasonal field personnel will be utilized to cover areas where pest problems exist and further information is needed. In addition, the need exists for seasonal personnel to enter data and utilize database information. The amount of data collected and the anticipated demands on computer time for data entry and usage necessitates a computer dedicated to plant pest survey information.

With the addition of more seasonal personnel and computer equipment, the department will be better able to meet client needs for more rapid and complete plant pest information.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PLANT INDUSTRY  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: AREA TERMINAL PRODUCE INSPECTION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Federal Fund	\$(194.4)	(2.7)	\$(194.4)	(2.7)
Special Revenue Fund	\$ 229.4	3.7	\$ 229.4	3.7
Governor's Recommendation				
Federal Fund	\$(194.4)	(2.7)	\$(194.4)	(2.7)
Special Revenue Fund	\$ 229.4	3.7	\$ 229.4	3.7
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 27.07			

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to inspect produce at area terminal produce markets. The objective is to provide resources adequate to client needs and to reduce USDA charges for processing the receipt of fees.

DESCRIPTION/BACKGROUND: Through a cooperative agreement with the USDA, Minnesota Department of Agriculture Area Terminal Produce Inspectors are licensed by the federal government and, upon request, perform inspections throughout Minnesota, northern Iowa, western Wisconsin, and the eastern Dakotas. These inspections are used by clientele to establish the monetary value of produce. All inspection activities are fee supported.

The department is seeking a dedicated account to receive the receipts in separate legislation. Currently, the receipts are passed through to USDA. Since the receipts currently are not retained by the department, there will not be a reduction in general fund receipts. The net effect will be to provide an additional \$35.0 in each year; the funds will be used to hire an additional inspector.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Incoming Produce Inspections	5,016	5,200	5,400	5,600

RATIONALE: During the past six years the number of terminal market produce inspections (Commercial, Canadian and Peanut) has increased from 3052 in F.Y. 1980 to 5016 in F.Y. 1986 for an increase of 64%. The number of regular or commercial

inspections has doubled since 1977 (2000 to 4000). From 1980 to 1986 the number of inspection personnel has not increased to keep up with such increases in demand.

In this activity there is always a considerable amount of overtime work due to inspections of produce being certified for meeting Canadian import requirements. These loads of produce are assembled on weekday evenings and Saturdays. With present staffing levels, many commercial inspections are being done during overtime hours. The great amount of overtime is becoming increasingly stressful to inspectors since a large percentage of it is unpredictable. With an additional inspector, the department would be able to delay many of these late in the day inspections to the following day, reduce stress on existing inspectors, and prevent complaints from the industry by better serving clientele.

The granting of this request will reduce processing fees USDA-AMS charges the department from 13% to 5% for an overall savings to the state of 8%. In addition, the state has recently benefited by a federally mandated fee increase of 20%. These increases in revenue will provide full support for this request.

GOVERNOR'S RECOMMENDATIONS:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The department will submit legislation to implement these changes.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PLANT INDUSTRY  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: BIOLOGICAL CONTROL OF PESTS - LCMR

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund-LCMR	\$323.0	2.0	\$167.0	2.0
Governor's Recommendation				
General Fund-LCMR	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to initiate biological control for the management of plant and animal pests in Minnesota. The objective is to reduce the need for chemical pesticides, thereby reducing environmental contamination.

DESCRIPTION/BACKGROUND: Biological control encompasses the concept of using naturally occurring insect and microbial organisms (natural enemies) to reduce and regulate population levels of pest organisms. The strategy is based on the natural biological system of population regulation. As most of Minnesota's agricultural pests are not native species, the procedure involves the collection of natural enemies from the region of pest origin, assessing their potential in the new environment, mass rearing them, and releasing them in large numbers over a broad area for permanent establishment.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Biological Control Agents Released	2	2	2	7

RATIONALE: Each year \$250 million is spent on insecticides and herbicides to control pests of field crops in Minnesota. Despite these outlays, millions of dollars are still lost in production. For example, in 1983, \$18 million was spent for insect control in corn, but losses still exceeded \$100 million. Insect pest

damage on alfalfa annually costs over \$36 million and losses to livestock exceed \$60 million per year.

In addition, chemical use places a burden on the environment, especially with regard to water contamination. The use of chemicals also presents a disproportionately higher cost to the small farmer.

Effective natural enemies have been developed in other parts of the country for control of alfalfa weevil and musk thistle. Both of these are potentially important pests, causing significant damage to alfalfa and requiring extensive application of herbicides. The natural enemies of these two pests are not yet well distributed in Minnesota.

Biological control of European corn borer is currently poor. However, three decades ago, a much larger percentage of the borers were killed by natural enemies. Potentially effective parasitoids have been identified and tested on a small scale. These agents need to be tested in Minnesota and released over wide areas.

Filth flies are difficult to control because of their close association with confined livestock. Promising biological control agents have been identified but have not been evaluated or released in Minnesota. Significant variances in performance of several strains have been observed and the best strain for Minnesota must be identified.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PLANT INDUSTRY  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: MUNICIPAL SHADE TREE PROTECTION - OAK WILT

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$191.9	3.0	\$211.6	3.0
Governor's Recommendation				
General Fund	\$ 40.0	1.0	\$ 40.0	1.0

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to facilitate the control of municipal pests through shade tree management strategies. The objective is to promote and maintain Minnesota's shade tree resources, with emphasis on managing oak wilt.

DESCRIPTION/BACKGROUND: Minnesota communities planted over 750,000 shade trees in the wake of the Dutch elm disease epidemic. These new urban forests (both public and privately owned) represent a substantial state asset which must be nurtured, protected, and renewed in a planned and careful manner. By monitoring present and potential threats, and with modest preventative maintenance, this asset will greatly increase in monetary and aesthetic values. If shade tree pests are neglected, or control measures are delayed, urban trees will quickly become liabilities and impose unnecessary financial strain on communities. Oak wilt is one of the most serious diseases of shade trees in Minnesota. It threatens some 527 communities in 66 counties. Increased residential development and use of oak firewood have accelerated the spread of oak wilt. Foreign countries have placed restrictions on our timber industry due to the presence of oak wilt in Minnesota.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Municipalities With Oak Wilt	241	300	275	200
Municipalities With Control Programs	16%	25%	35%	60%

RATIONALE: Under statutory authority (M.S. 18.023), the department is in position to coordinate oak wilt control as part of an expanded shade tree disease/insect detection and management program. Education and demonstration projects are needed to inform local administrators and the general public that through preventative measures oak wilt can ultimately be reduced to non-economic levels, thus preserving a major resource with a minimum of environmental disruption. Furthermore, the surveillance and control of oak wilt is mandatory to keep Minnesota timber in international trade.

Since 1982, shade tree managers (city foresters, tree inspectors, and others) have received little or no technical training or public education support from the state with regard to all shade tree pests. The scope of Tree Inspector Workshops needs to be expanded to provide local managers with more advanced, up-to-date technical training tailored to their particular situations.

Proper tree selection and maintenance, prompt pest detection, and environmentally sound control measures will save thousands of dollars annually and significantly improve the quality of urban life. Print and broadcast media provide the most cost effective and thorough vehicles for public education and information. They are included as a relatively low cost but necessary component of the department's overall effort to meet the needs of municipal tree programs and the general public.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$80.0 for the biennium and 1.0 position to increase the detection and management of oak wilt in the state's shade trees.



ACTIVITY: GRAIN INSPECTION  
 Program: PROTECTION SERVICE  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To assure fairness and facilitate marketing and storage of grain.

DESCRIPTION: This activity provides grain inspection services upon request to individuals and firms marketing grain, as designated and delegated by the U.S. Grain Standards Act. It also enforces laws and regulations relating to grain buyers and warehouse operators.

The grain inspection services provided include sampling, weighing, inspection and grading, and protein and moisture analysis. Clientele include producers, country shippers, terminal elevators, other grain shippers, and commission firms. This activity is required to certify the grade and weight of all grain moving directly from Minnesota into foreign commerce.

Regulatory functions include the licensing, surveillance and bonding of grain buyers, public and terminal grain warehouse operators, and general storage warehouse operators. The required bonds are for the purpose of indemnifying persons suffering losses due to a breach of the conditions of a contract.

Statutory authority for this activity is found in M.S. 17B.03, 223, and 231-236.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Volume or Units Inspected				
Vessels/Barges (In Thousands of Bushels)	388,055	270,467	300,000	300,000
Number of Trucks	7,956	1,217	1,500	1,500
Number of Cars	74,398	81,317	81,500	81,500
Samples Submitted	32,849	52,209	52,500	52,500
Volume or Units Weighed				
Vessels/Barges (In Thousands of Bushels)	74,652	46,381	50,000	50,000
Number of Trucks	8,629	6,435	6,500	6,500
Number of Cars	18,505	13,890	14,000	14,000
Requests for Reinspections	3%	3%	3%	3%
Samples Receiving Same Day Service	95%	95%	95%	95%
Number of Bushels of Grain Certified				
For Export Marketing Channels				
Barges (Thousands)	313,346	222,238	250,000	250,000
Vessels (Thousands)	74,709	48,229	50,000	50,000
Rail Route Samples (Thousands)	260,393	284,393	285,000	285,000
Protein Analysis Tests	66,966	89,491	90,000	90,000

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Public Grain Warehouses and Grain Banks Licensed	585	590	600	600
Private and Terminal Grain Warehouses Licensed	381	335	350	350
Grain Buyers Licensed	460	392	400	400
General Storage Warehouses Licensed	156	157	160	160

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GRAIN INSPECTION

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,072.5	4,726.9	4,961.8	4,958.5		4,958.5	4,958.5	4,958.5		4,958.5	4,958.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>5,072.5</b>	<b>4,726.9</b>	<b>4,961.8</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,122.2	3,888.6	3,965.1	3,965.1		3,965.1	3,965.1	3,965.1		3,965.1	3,965.1
EXPENSES & CONTRAC. SERV	711.4	700.6	747.6	747.6		747.6	747.6	747.6		747.6	747.6
SUPPLIES & MATERIALS	41.2	38.6	50.0	50.0		50.0	50.0	50.0		50.0	50.0
EQUIPMENT	24.3	32.7	129.4	129.4		129.4	129.4	129.4		129.4	129.4
OTHER EXPENSE ITEMS	173.4	66.4	69.7	66.4		66.4	66.4	66.4		66.4	66.4
<b>TOTAL STATE OPERATIONS</b>	<b>5,072.5</b>	<b>4,726.9</b>	<b>4,961.8</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	61.0										
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	5,011.5	4,631.2	4,831.8	4,828.5		4,828.5	4,828.5	4,828.5		4,828.5	4,828.5
FEDERAL		95.7	130.0	130.0		130.0	130.0	130.0		130.0	130.0
<b>TOTAL FINANCING</b>	<b>5,072.5</b>	<b>4,726.9</b>	<b>4,961.8</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>	<b>4,958.5</b>		<b>4,958.5</b>	<b>4,958.5</b>
POSITIONS BY FUND											
GENERAL	2.0										
SPECIAL REVENUE	141.0	141.0	141.0	141.0		141.0	141.0	141.0		141.0	141.0
FEDERAL		7.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0
<b>TOTAL POSITIONS</b>	<b>143.0</b>	<b>148.0</b>	<b>148.0</b>	<b>148.0</b>		<b>148.0</b>	<b>148.0</b>	<b>148.0</b>		<b>148.0</b>	<b>148.0</b>

ACTIVITY: FOOD INSPECTION  
 Program: PROTECTION SERVICE  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 541.4	\$ 658.4	\$ 708.6	\$ 708.6	\$ 708.6

OBJECTIVE: To assure that consumers receive wholesome, quality food products that are properly represented and allow for the movement of Minnesota's food products into interstate and foreign markets.

DESCRIPTION: This activity is responsible for administering state laws and regulations designed to protect consumers from substandard food products and to allow for the movement of food products processed within Minnesota to enter interstate and foreign markets.

Qualified inspectors conduct surveillance inspections on facilities, equipment, food handling practices and products in approximately 8,500 state licensed food, meat, poultry, and beverage establishments. Samples of food, meat, poultry, and beverage products are submitted to the department's laboratory for examination to assure compliance with state and federal standards. Action is taken on all consumer complaints relating to substandard quality, condition, and advertising of food and other potentially illegal operations. Responsibilities are coordinated with federal and state agencies, counties, and municipalities through official contracts and cooperative agreements.

This activity results in immediate corrective action being taken on substandard conditions and food products and assures Minnesota consumers of safe food products.

Authority for this activity is found in M.S. 17, 28, 28A, 29, 30, 31, 31A, and 34.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Inspections/Investigations of Food Establishments	20,398	20,750	21,000	21,250
Samples Collected For Analysis	5,840	6,000	6,500	7,000
Number of Unsatisfactory Sanitation Conditions Corrected	9,177	8,650	8,800	9,000
Number of Times Substandard or Mis-labeled Product Removed From Sale	1,573	1,600	1,600	1,600
Number of Times Improper Facilities and Equipment Corrected	3,608	3,600	3,500	3,500
Pounds of Products Removed From Sale <sup>1</sup>	2,852,757	1,500,000	1,500,000	1,500,000

<sup>1</sup> This unusual amount of food removed from sale was the result of an ammonia leak at a large food warehouse, chemical flavor in canned pop, floor sealer chemical odor in various food products in a food warehouse, rodent contaminated sugar, and insect contaminated rice and corn meal.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Improper Storage Temperatures Corrected	715	750	750	750
Citizen Complaints Investigated	705	725	750	775
International Health Certificates Issued	46	50	60	70

BUDGET ISSUES: This activity is expected to have serious problems maintaining present levels of inspection and regulatory work due to losses of federal funds. Moreover, routine inspection and regulatory tasks are being inhibited by growing numbers of food tampering or adulteration incidents which demand immediate and extensive attention. The activity cannot indefinitely continue to absorb such additional work load demands without increased resources, unless routine inspection and regulatory work are neglected.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FOOD INSPECTION

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,485.2	1,312.3	1,384.8	1,455.6	93.6	1,549.2	1,455.6	1,451.9	93.6	1,545.5	1,451.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,485.2	1,312.3	1,384.8	1,455.6	93.6	1,549.2	1,455.6	1,451.9	93.6	1,545.5	1,451.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,054.5	1,118.9	1,165.3	1,260.3	8.0	1,268.3	1,260.3	1,256.6	8.0	1,264.6	1,256.6
EXPENSES & CONTRAC. SERV	168.0	179.8	207.3	183.5	85.6	269.1	183.5	183.5	85.6	269.1	183.5
SUPPLIES & MATERIALS	19.5	9.6	8.7	8.7		8.7	8.7	8.7		8.7	8.7
EQUIPMENT	15.0										
OTHER EXPENSE ITEMS	228.2	4.0	3.5	3.1		3.1	3.1	3.1		3.1	3.1
TOTAL STATE OPERATIONS	1,485.2	1,312.3	1,384.8	1,455.6	93.6	1,549.2	1,455.6	1,451.9	93.6	1,545.5	1,451.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,001.2	1,045.4	1,096.8	1,176.9	93.6	1,270.5	1,176.9	1,173.2	93.6	1,266.8	1,173.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	40.7	44.7	68.1	68.1		68.1	68.1	68.1		68.1	68.1
FEDERAL	443.3	222.2	219.9	210.6		210.6	210.6	210.6		210.6	210.6
TOTAL FINANCING	1,485.2	1,312.3	1,384.8	1,455.6	93.6	1,549.2	1,455.6	1,451.9	93.6	1,545.5	1,451.9
POSITIONS BY FUND											
GENERAL	36.2	37.2	37.2	37.2		37.2	37.2	37.2		37.2	37.2
SPECIAL REVENUE	2.5	2.5	2.5	2.5		2.5	2.5	2.5		2.5	2.5
FEDERAL	5.3	5.3	5.3	5.3		5.3	5.3	5.3		5.3	5.3
TOTAL POSITIONS	44.0	45.0	45.0	45.0		45.0	45.0	45.0		45.0	45.0

ACTIVITY: DAIRY AND LIVESTOCK  
 Program: PROTECTION SERVICE  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 129.4	\$ 135.8	\$ 135.8	\$ 135.8	\$ 135.8

**OBJECTIVE:** To guarantee dairy product quality, protect public health, and prevent unfair dairy trade practices. To assure that milk and dairy products produced and processed in Minnesota can move freely into interstate and foreign trade. To provide financial protection to farmers and livestock producers through inspection, market surveillance, livestock weighing, and enforcement activities.

**DESCRIPTION:** This activity inspects, permits or certifies all Grade A dairy farms and processing plants and all manufacturing grade farms in accordance with state statute or federally recommended standards. It also conducts the Interstate Milk Shippers Certification Program to assure unrestricted interstate movement of Grade A dairy products and to avoid duplicate inspection by other states or agencies.

Dairy trade practices are monitored to prevent unfair or predatory practices which could upset the orderly marketing of selected dairy products within the state.

The livestock activity assures financial responsibility and fair trade practices in livestock dealing and marketing. The Weighing Section issues certified weights for livestock weighed at the South St. Paul public stockyards and 4 packing companies. These are issued by state weighers on officially tested scales, assuring accurate and impartial weights. The Licensing Section issues licenses, upon application and bonding review, to livestock market agencies (auction markets and sales barns), packing companies and their buyers, and livestock dealers and their agents.

Authority for this activity is found in M.S. 17A., 32, 32A, and 33.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Dairy Inspection Activities</u>				
Grade A Farm Inspections	24,371	24,000	24,000	24,000
Manufacturing Grade Farm Certifications	10,200	9,000	8,200	7,400
Grade A Farms in Compliance	97%	98%	98%	98%
Manufacturing Grade Farms in Compliance	96%	97%	98%	98%
Percent of Milksheds Found in Compliance by FDA Check Ratings	90%	95%	95%	95%
Interstate Milk Shipper Certifications	95	97	100	100
Dairy Plants Licensed	222	220	215	215
Dairy Plant Inspections	507	500	490	490
Samples Submitted	5,700	6,000	6,000	6,000

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Testers and Graders Licensed	1,939	1,900	1,850	1,800
Wholesale Dairy Distribution Centers Licensed	186	180	180	180
<u>Dairy Trade Activities</u>				
Dairy Trade Investigations Not Resulting in Adverse Action	98%	98%	98%	98%
Complaints Received	300	325	350	350
Investigations Conducted	800	850	850	850
<u>Livestock Activities</u>				
Market Agencies	46	42	39	35
Livestock Dealers	448	420	400	390
Livestock Agents	193	160	140	125
Packing Companies	27	25	21	18
Packing Agents	191	170	150	135
Weight Certificates Issued	468,477	435,000	420,000	405,000
Head Weighed	3,460,617	3,200,000	3,000,000	2,800,000

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Dairy Equipment Specialist	\$ 45.0	\$ 48.0	Activity Specific

See CHANGE request sheet following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DAIRY & LVSTK

PROGRAM: AGRIC PROTECTION SVC

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,188.8	1,967.8	1,961.3	1,992.2	53.7	2,045.9	1,992.2	1,990.5	56.7	2,047.2	1,990.5
LOCAL ASSISTANCE											
AIDS TO INDS.	29.8										
<b>TOTAL EXPENDITURES</b>	<b>2,218.6</b>	<b>1,967.8</b>	<b>1,961.3</b>	<b>1,992.2</b>	<b>53.7</b>	<b>2,045.9</b>	<b>1,992.2</b>	<b>1,990.5</b>	<b>56.7</b>	<b>2,047.2</b>	<b>1,990.5</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,782.0	1,587.9	1,525.0	1,549.1	38.0	1,587.1	1,549.1	1,547.4	40.0	1,587.4	1,547.4
EXPENSES & CONTRAC. SERV	343.6	339.1	393.5	398.9	12.7	411.6	398.9	398.9	13.7	412.6	398.9
SUPPLIES & MATERIALS	12.2	8.7	11.7	11.7	3.0	14.7	11.7	11.7	3.0	14.7	11.7
EQUIPMENT	14.7	6.7	7.3	7.3		7.3	7.3	7.3		7.3	7.3
OTHER EXPENSE ITEMS	36.3	25.4	23.8	25.2		25.2	25.2	25.2		25.2	25.2
<b>TOTAL STATE OPERATIONS</b>	<b>2,188.8</b>	<b>1,967.8</b>	<b>1,961.3</b>	<b>1,992.2</b>	<b>53.7</b>	<b>2,045.9</b>	<b>1,992.2</b>	<b>1,990.5</b>	<b>56.7</b>	<b>2,047.2</b>	<b>1,990.5</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	672.9	550.1	571.3	600.8	53.7	654.5	600.8	599.1	56.7	655.8	599.1
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	1,545.6	1,414.9	1,390.0	1,391.4		1,391.4	1,391.4	1,391.4		1,391.4	1,391.4
GIFTS AND DEPOSITS	.1	.4									
FEDERAL		2.4									
<b>TOTAL FINANCING</b>	<b>2,218.6</b>	<b>1,967.8</b>	<b>1,961.3</b>	<b>1,992.2</b>	<b>53.7</b>	<b>2,045.9</b>	<b>1,992.2</b>	<b>1,990.5</b>	<b>56.7</b>	<b>2,047.2</b>	<b>1,990.5</b>
POSITIONS BY FUND											
GENERAL	22.6	17.6	17.6	17.6	1.0	18.6	17.6	17.6	1.0	18.6	17.6
SPECIAL REVENUE	51.9	48.9	48.9	48.9		48.9	48.9	48.9		48.9	48.9
<b>TOTAL POSITIONS</b>	<b>74.5</b>	<b>66.5</b>	<b>66.5</b>	<b>66.5</b>	<b>1.0</b>	<b>67.5</b>	<b>66.5</b>	<b>66.5</b>	<b>1.0</b>	<b>67.5</b>	<b>66.5</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: DAIRY AND LIVESTOCK  
 PROGRAM: PROTECTION SERVICE  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: DAIRY EQUIPMENT SPECIALIST				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 45.0	1.0	\$ 48.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and position to establish the position of Dairy Equipment Specialist and to support the travel and supplies necessary to work with all Minnesota dairy plants which have state certified milk and milk product pasteurization equipment. The objective is to establish the expertise necessary to certify all types of pasteurization units and to evaluate the new technology being installed and operated.

DESCRIPTION/BACKGROUND: Under current Minnesota Statutes, Chapter 32, the state is responsible for the approval and ongoing certification of all milk and milk product pasteurization units. In past years, many manufacturing plants only heat-treated milk; however, most are now changing to official pasteurization. The U.S. Department of Agriculture and the Food and Drug Administration do not inspect these units. Both agencies require this work to be part of the state's program. In the past this inspection and certification has been conducted by each area sanitarian. It is becoming very difficult for area sanitarians to keep up with changes in equipment and designs brought on by rapidly changing technology.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Grade A Pasteurizers <sup>1</sup>	29	30	31	31
Manufacturing Pasteurizers <sup>2</sup>	85	110	115	115
Percent of New Systems (est.)	12	15	18	20

1 Grade A Pasteurizers are checked 4 times a year.  
 2 Manufacturing Pasteurizers are checked twice a year.

RATIONALE: There is growing public concern for the safety of milk and dairy products. Several hundreds of people have become ill drinking milk or eating dairy products which have contained pathogenic bacteria. These organisms are known to be killed by proper pasteurization. Investigations in a number of cases indicate problems with design, construction and operation of pasteurization systems which could result in contamination of the product. Technology is changing very rapidly and it is difficult for area sanitarians to maintain a good working knowledge of the new systems coming on line. They need the support and assistance of a trained specialist.

Many manufacturing plants were only heat-treating milk for making cheese. As a result of recent public health concerns, they are converting to pasteurization systems which require inspection and certification. Plants are also installing new computerized systems which demand a great deal more study and understanding to assure compliance with all state and federal public health laws and regulations.

Minnesota ships 80% of its milk, mostly as cheese and dry milk, to out-of-state locations. It is important that all pasteurization systems are properly inspected and certified by a skilled, well informed technical advisor. This position is very important to the future of Minnesota's dairy industry and to maintaining the integrity of the dairy inspection program, but most of all to protect the public health of consumers of Minnesota dairy products throughout the United States and many foreign countries.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

PROGRAM PURPOSE:

The purpose of this program is to increase the state's domestic and international trade and promotion initiatives.

The primary goal of the program is to increase export sales of Minnesota firms, especially small-to-medium sized businesses. Another goal is to increase foreign investments in Minnesota. To achieve these goals, the program assists firms in developing and promoting their products and services and recruiting foreign firms to invest in Minnesota enterprises.

OPERATIONS:

Operations in this program include organizing trade shows and expositions, recruiting foreign investors, and identifying foreign distributors and marketers. It also organizes foreign trade missions, trade fair delegations, and catalog shows; consults in targeting foreign markets; identifies government procurement programs; operates foreign-based offices; and generates and distributes trade leads. Training programs are provided for program participants.

The Export Finance Authority, which provides financial counseling and loan guarantees for small orders, also operates within this program.

CLIENTELE:

The principle clientele for trade assistance are Minnesota business firms that are small-to-medium sized and interested in entering export markets, or who are currently exporting and gain assistance from the Minnesota Trade Office in penetrating a new market or resolving a particular foreign trade problem. Minnesota industries that are targeted for assistance are high technology and medical technology firms, agriculture, and manufacturing.

The principle clientele for "reverse investment" are businesses located in northern and western Europe as well as Japan and Taiwan. They are encouraged and assisted to invest in Minnesota either through joint ventures or direct investment. The result is the location of new operations in the state or the expansion of existing businesses.

Agricultural promotion activities encourage and promote agriculture and food industries and investigate marketing conditions. This is accomplished through food shows, national and international market development, and other forms of marketing assistance to food processors, commodity organizations, producer organizations, and other groups.

BUDGET ISSUES:

Expanded resources are necessary to meet increasing client demands and to exploit trade and export opportunities. Increased technical support for trade

representatives is necessary to maximize their efforts. Additionally, other states have or are establishing trade offices in foreign countries. Minnesota companies currently do not have an equivalent resource to assist them.

EXPLANATION OF BUDGET REQUEST:

Eight CHANGE request items are requested for this program. \$275.0 in F.Y. 1988 and \$197.0 in F.Y. 1989 are requested to pay for rental space in the World Trade Center Building. \$150.0 in F.Y. 1989 and 1.0 position in F.Y. 1989 are requested to establish a Continental European Trade Office. \$200.0 in F.Y. 1988 and \$200.0 in F.Y. 1989 and 1.0 position are requested to establish an Asian Trade Office. 95.0 in F.Y. 1988 and \$95.0 in F.Y. 1989 and 3.0 positions are requested to provide technical trade specialists. \$40.0 in F.Y. 1988 and \$40.0 in F.Y. 1989 are requested for funds to upgrade the Port of Duluth's promotional presentation. \$50.0 in F.Y. 1988 is requested to purchase an International Trade Show display. \$150.0 in F.Y. 1988 and \$150.0 in F.Y. 1989 and 2.0 positions are requested for forest products market development. \$162.5 in F.Y. 1988 and \$165.0 in F.Y. 1989 and 3.0 positions are requested to establish a consortium of International Small Business Development Centers.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this program be transferred to the Department of Energy and Economic Development (DEED) in accordance with Reorganization Order Number 138. The Governor also recommends that the balance in the Export Finance Authority Working Capital account be reduced to \$250.0 in F.Y. 1988. The Governor's recommendation on the proposed move to the World Trade Center Building will be addressed in the Department of Administration's Capital Budget, while his recommendations on the Small Business Development Centers is included in the Department of Energy and Economic Development's budget.



PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: MKT DEVELOPMENT AND PROMOTN

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
TRADE & EXPORT DEVELOPMENT	1,639.2	1,568.7	1,647.7	1,637.6	614.2	2,251.8		1,635.2	686.2	2,321.4	
AGRIC MARKET DEVELOPMENT	557.7	616.1	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
TOTAL	2,196.9	2,184.8	2,358.0	2,360.9	982.8	3,343.7		2,357.0	1,007.3	3,364.3	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,186.9	2,184.8	2,358.0	2,360.9	982.8	3,343.7		2,357.0	1,007.3	3,364.3	
LOCAL ASSISTANCE	10.0										
AIDS TO INDS.											
TOTAL EXPENDITURES	2,196.9	2,184.8	2,358.0	2,360.9	982.8	3,343.7		2,357.0	1,007.3	3,364.3	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,151.4	2,162.2	2,325.1	2,352.9	982.8	3,335.7		2,349.0	1,007.3	3,356.3	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		1.0	8.0	8.0		8.0		8.0		8.0	
FEDERAL	45.5	21.6	24.9								
TOTAL FINANCING	2,196.9	2,184.8	2,358.0	2,360.9	982.8	3,343.7		2,357.0	1,007.3	3,364.3	
POSITIONS BY FUND:											
GENERAL	37.0	36.0	37.0	37.0	9.0	46.0		37.0	10.0	47.0	
FEDERAL	1.0	1.0	1.0								
TOTAL POSITIONS	38.0	37.0	38.0	37.0	9.0	46.0		37.0	10.0	47.0	

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

RATIONALE:

The current overlap among state agencies in international trade activities results in no clear delineation of activities and prevents the state from having an identifiable presence in the international trade community. The transfer of the Minnesota Trade Office to the Department of Energy and Economic Development, in conjunction with the recommendations regarding the World Trade Center Board, will serve to focus the state's international trade activities, and make the most efficient and effective use of state resources.

ACTIVITY:

PROGRAM: MARKET DEVELOPMENT AND PROMOTION

AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: TRANSFER OF MINNESOTA TRADE OFFICE				
Governor's Recommendation:		F.Y. 1988		F.Y. 1989
ENERGY & ECON DEV	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
- General Fund	\$ 2,314.8	36.0	\$ 2,310.9	36.0
- Special Revenue	\$ 8.0	-0-	\$ 8.0	-0-
*AGRICULTURE, DEPT OF				
- General Fund	(\$ 2,352.9)	(37.0)	(\$ 2,349.0)	(37.0)
- Special Revenue	(\$ 8.0)	-0-	(\$ 8.0)	-0-
*Difference in dollars & positions amounts transferred due to administrative positions still under consideration.				
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 17 and 116M				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the Minnesota Trade Office be transferred from the Department of Agriculture to the Department of Energy and Economic Development. The Governor recommends SAME level funding except for a biennial increase of \$320.0 for a Consortium of International SBDCs, and the Governor's recommendation on the proposed move to the World Trade Center Building will be addressed in the Department of Administration's Capital Budget.

This CHANGE request only contains funding and staff for the Minnesota Trade Office. A supplemental CHANGE request containing staff and budget for fiscal and administrative support for the Department of Energy and Economic Development will be submitted by the Governor during the legislative session.

The Governor further recommends reducing to \$250.0 the balance in the Export Finance Authority's working capital account.

DESCRIPTION/BACKGROUND:

As presently organized, the Department of Energy and Economic Development's general development and financing powers could be interpreted to include international trade activities and thereby encompass the Minnesota Trade Office's specific international development powers. The statutory powers of the Tourism Office directly overlap the Minnesota Trade Office's international trade authority.

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 Program: MARKET DEVELOPMENT AND PROMOTION  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**OBJECTIVE:** The major objectives of this activity are to assist companies of the state increase export trade activity and to recruit overseas investment into Minnesota. A related objective is to provide export financial assistance in the form of loan guarantees, insurance and counseling.

**DESCRIPTION:** This activity assists Minnesota companies identify new markets, increase market share, and develop and adapt products and services to meet market needs. Conducting trade missions, hosting overseas buying teams, participating in trade shows/promotional events, communicating trade leads and information and providing financial advice and loan guarantees are the most effective activities.

Information services are provided through trade leads and trade data, country files, newsletters and press releases. Data and information is likewise provided to overseas parties regarding Minnesota's trade resources, products, and companies.

Training of Minnesota companies and their employees regarding trade is also carried out. Seminars, workshops, publications, classes, meetings, and on-the-job assistance are used to teach small and new-to-export firms the skills needed to engage in international trade.

Operation of the Minnesota Export Finance Authority (MEFA) is included in this activity. MEFA was created to meet the needs of small and medium-sized exporters that cannot be served by commercial banks (because of the lack of profitability for the bank) and by federal agencies such as the Export-Import Bank of the U.S. (Eximbank), the SBA, and the Foreign Credit Insurance Association (FCIA) (because of logistics, priorities, and general lack of interest).

Authority for this activity is found in M.S. 17.103, M.S. 17.105, Laws of 1983, Ch. 289, as amended by Laws of 1984, Ch. 461.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Companies Assisted In Export Promotion Activities	900	950	1,200	1,250
% Minnesota Companies Exporting	14	15	16	18
Number of Guarantees Issued	20	20	30	40
Dollar Amounts (In Thousands)	\$ 2,000.0	\$ 2,500.0	\$ 3,750.0	\$ 5,000.0
Number of Insured Exporters	10	10	20	30
Dollar Amounts (In Thousands)	\$ 5,000.0	\$ 5,000.0	\$10,000.0	\$15,000.0
Number of Foreign Country Visits	36	38	38	38
By Trade Missions				
Number of Foreign Delegations Hosted	30	35	40	45
Number of Trade Shows/Promotional Events Participated In	18	24	24	24
Number of Trade Leads Referrals	14,000	16,000	18,000	20,000

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Circulation of World Trade Update	24,000	28,000	28,000	56,000
Circulation of International Business Services Directory	6,000	-0-	7,000	-0-
Applications Received for Loan Guarantees	8	25	35	45
Applications Approved	7	20	30	40
Applications Received for Insurance	3	12	23	34
Applications Approved	2	10	20	25
Number/Financial Assistance Contacts Made	2,000	2,500	2,500	2,500

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Move to MN World Trade Center Building	\$ 275.0	\$ 197.0	Activity Specific
Continental European Trade Office	-0-	\$ 150.0	Activity Specific
Asian Trade Office	\$ 200.0	\$ 200.0	Activity Specific
Technical Specialists	\$ 95.0	\$ 95.0	Activity Specific
Port of Duluth Promotional Presentation	\$ 40.0	\$ 40.0	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRADE & EXPORT DEVELOPMENT

PROGRAM: MKT DEVELOPMENT AND PROMOTN

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,629.2	1,568.7	1,647.7	1,637.6	614.2	2,251.8		1,635.2	686.2	2,321.4	
LOCAL ASSISTANCE	10.0										
AIDS TO INDS.											
TOTAL EXPENDITURES	1,639.2	1,568.7	1,647.7	1,637.6	614.2	2,251.8		1,635.2	686.2	2,321.4	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	683.3	761.6	746.3	764.4	118.5	882.9		762.0	175.0	937.0	
EXPENSES & CONTRAC. SERV	719.4	770.0	802.5	788.5	466.4	1,254.9		788.5	473.3	1,261.8	
SUPPLIES & MATERIALS	95.7	34.4	90.7	76.5	15.3	91.8		76.5	31.3	107.8	
EQUIPMENT	130.5	2.7	8.2	8.2	14.0	22.2		8.2	6.6	14.8	
OTHER EXPENSE ITEMS	.3										
TOTAL STATE OPERATIONS	1,629.2	1,568.7	1,647.7	1,637.6	614.2	2,251.8		1,635.2	686.2	2,321.4	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,608.4	1,546.4	1,614.8	1,629.6	614.2	2,243.8		1,627.2	686.2	2,313.4	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		1.0	8.0	8.0		8.0		8.0		8.0	
FEDERAL	30.8	21.3	24.9								
TOTAL FINANCING	1,639.2	1,568.7	1,647.7	1,637.6	614.2	2,251.8		1,635.2	686.2	2,321.4	
POSITIONS BY FUND											
GENERAL	24.0	23.0	24.0	24.0	4.0	28.0		24.0	5.0	29.0	
FEDERAL	1.0	1.0	1.0								
TOTAL POSITIONS	25.0	24.0	25.0	24.0	4.0	28.0		24.0	5.0	29.0	

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

The Trade Office will act as a catalyst, presenting educational and exporting programs from a central location that will feature advanced telecommunications, worldwide marketing information and referral services; an amphitheater; display areas showcasing state trade programs, industries and agriculture. Located in the World Trade Center, the Trade Office will be able to generate increased visibility for Minnesota services and products; and provide Minnesota businesses easier access to new resources and introductions to potential markets and contacts. At the same time, foreign governments and businesses will have an identifiable place to contact Minnesota businesses by the presence of the World Trade Center.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation on this item will be addressed in the Department of Administration's Capital Budget.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MOVE TO MINNESOTA WORLD TRADE CENTER BUILDING				
Agency Request				
General Fund	\$275.0	-0-	\$197.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to cover increased rent and expenses associated with relocating the Minnesota Trade Office from offices in the Department of Agriculture building to the new Minnesota World Trade Center. The objective is to establish a location in a structure that will be the center of international trade activity in Minnesota. The move has been scheduled for October 1, 1987.

DESCRIPTION/BACKGROUND: The Minnesota Trade Office now occupies space in the building leased by the Department of Agriculture on Plato Boulevard. The Trade Office staff are dispersed at three locations within the building on two different floors. In addition to the physical consolidation of existing staff, location in the Trade Center presents a unique opportunity to be located with potential clients and those who will utilize state services. A similar experience has occurred at the other 39 World Trade Centers located around the globe, with the number of businesses affiliated with these centers up to more than 45,000.

RATIONALE: The Minnesota World Trade Center will be the geographic focus of government and private trade development programs within the state. The Minnesota Trade Office should be located there in order to effectively perform its functions.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CONTINENTAL EUROPEAN TRADE OFFICE				
Agency Request				
General Fund	\$ -0-	-0-	\$150.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the funds and position in F.Y. 1989 to establish a continental European trade office. The objective is to seek expanded markets and increased exports for Minnesota companies and agricultural concerns within the European Economic Community (EEC). It is more effective to have an office within the EEC than to add staff within the state.

DESCRIPTION/BACKGROUND: A CHANGE level is requested by the department to fund a Continental European office in an EEC country. The office would be responsible for all departmental trade development activities in continental Europe, providing medium and small businesses and industry with increased industrial and agricultural exports to ECC countries.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Minnesota Firms Served by Minnesota Office	-0-	-0-	170	250

RATIONALE: Minnesota's small and medium-sized companies have made limited entry into the European market on a hit-or-miss basis through individual trips not connected with the state or by attending trade shows. While some contacts have been established in this fashion, follow-up is severely restricted. Twenty-one other states, including Iowa and Wisconsin, have located foreign offices in the EEC, placing Minnesota companies at a distinct disadvantage by not having full-time representation abroad.

In accordance with long range plans, continental Europe is scheduled for increased market penetration in F.Y. 1988 and F.Y. 1989. Since early 1986, the U.S. dollar has declined an average of 30% against European currencies. Accordingly, U.S. products and services are less expensive for European companies. This new price competitiveness, combined with an economic upswing in Europe and the respect and reputation of U.S. technology and reliability, is making American products more desirable.

And, faster European economic growth and the declining dollar are increasing the price competition and demand for U.S. manufactured exports to the region. Leading Europe's growth will be Germany, Turkey, and Denmark, with GNP growth rates of 3.5% or more.

Also, the EEC, in exchange for reduced U.S. agricultural imports, has offered compensation under the General Agreement of Tariffs and Trade (GATT) in the form of increased imports of manufactured goods from the United States.

With an objective of increased opportunities for the export of Minnesota products, the expectation is that Minnesota will capture a greater share of U.S. exports to the European community and the resultant 1.2 million U.S. jobs.

Finally, six Minnesota trade missions and participation in several trade shows are scheduled for Europe in fiscal years 1988 and 1989. Positioning an office within the EEC is considered the least costly method of executing these activities.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

STATISTICS:

Number of Minnesota Firms Served by Minnesota Asian Trade Office

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Minnesota Firms Served by Minnesota Asian Trade Office	-0-	-0-	85	150

RATIONALE: Trade efforts have increased Far Eastern activity to the point where a full-time presence in the area is needed. Several trips and delegations are needed each year to accomplish the needed work and follow-up activity suffers from the excessive distance and time difference between Minnesota and the Orient. The establishment of an area office is the least-cost solution to the problem while at the same time establishing a continuing presence for the state among the Asian nations.

Continued growth of trade between Minnesota and the Far East is dependent upon the physical presence of the state in the region. Minnesota's office in the Far East would plan and host trade missions from Minnesota, or provide the proper introduction to the appropriate business and government leaders. This would result in a considerable savings to the state in that it would not be necessary for a state trade representative to accompany businesses and agricultural concerns to Asia.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

Request Title: ASIAN TRADE OFFICE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$200.0	1.0	\$200.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and position to establish an office in Asia. The objective is to increase sales of Minnesota products and services in Asian markets; open new markets to state businesses and agriculture; and encourage Asian countries to consider joint ventures and investment in Minnesota.

DESCRIPTION/BACKGROUND: More than 30 states maintain offices in the Far East, primarily in Japan, Taiwan, Hong Kong and Korea. (Wisconsin has an office in Hong Kong, while Iowa has offices at Hong Kong and Tokyo.) Asian delegations that visit Minnesota express surprise at the lack of a Minnesota presence in their home countries. With the threat of protectionist U.S. legislation, there is an increased effort by Pacific Rim countries to increase the level of imports from the United States and, at the same time, place considerable amounts of money into ventures within the United States. Another factor to be considered is the intent by Asian governments to improve the diets of their people with Americanized foods.

The U.S. dollar has declined rapidly since early 1986, and there is considerably more demand for high technology and medical technology, and grain and livestock. There is an unlimited potential in the People's Republic of China, which recently has opened its doors to international trade. It has invoked a policy of improving its style of living, not only for the latest of state-of-the-art technology, but for equipment that has been outdated in the United States.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

RATIONALE:

1. Two of the State's five target industries for export promotion include medical technology and high technology for which the Minnesota Trade Office (MTO) has no technical staff.
2. The industries are relatively large: 450 medical firms and between 2,000 and 10,000 high tech firms.
3. Geographic trade representatives that work abroad lack information on a company/product basis.

The Agricultural Trade Division in the MTO is used as the model for this request. That division is organized around industry specialists (i.e., livestock, horticultural crops, processed foods, etc.). The livestock specialist, for example, works with Minnesota producers and the MTO Asian Trade Representative to develop China markets. This approach has been extremely effective and can be implemented for other industries.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

Request Title: TECHNICAL SPECIALISTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 95.0	3.0	\$ 95.0	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to provide professional staff with technical skills in the areas of medical technology, high technology and trade lead systems operations. The objectives are to increase the exports of Minnesota goods and services; develop working knowledge of the firms and the products in Minnesota's target industries; and develop and maintain a data base that will allow quick access to information about firms and products.

DESCRIPTION/BACKGROUND: The positions will match foreign requests for products with Minnesota producers so that: (1) Proper matches are made; (2) staff expertise will identify viable leads; (3) staff will identify companies with products having viable export potential; (4) staff will know joint venture/licensing possibilities and interests; and (5) staff will assess strengths and limitations of Minnesota companies as they relate to trade.

Staff members will contact 500 to 1,500 high-tech industrial clients in each of the next three years; 100 to 450 medical technology development industry clients; and 450 to 750 industrial clients. The purpose of the contacts will be to maintain knowledge and increase trade lead volume over the next three years.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Trade Lead Referrals	14,000	16,000	18,000	20,000



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: TRADE AND EXPORT DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

<u>Tonnage Trending (In Thousands)</u>	<u>Total Tonnage</u>	<u>Overseas Tonnage</u>
1983	28,824	6,870
1984	32,503	6,771
1985	25,791	4,297
1986	25,000	4,800
1987	28,500	5,250
1988	31,000	6,200
1989	32,500	6,800

Request Title: PORT OF DULUTH PROMOTIONAL PRESENTATION

Agency Request	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 40.0	-0-	\$ 40.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to update the Port of Duluth's marketing and promotion presentation. The objective of the presentation is to introduce potential port users to the Port's capabilities.

DESCRIPTION/BACKGROUND: The Seaway Port Authority of Duluth is Minnesota's only port authority actively engaged in maritime commerce and port operations. Since 1963 the Seaway Port Authority of Duluth has received partial reimbursements directly from the legislature or through state agencies for its marketing and promotional efforts. Due to new developments on the Duluth waterfront and to new marketing technology, the Port needs to update its promotional presentations. Of the total estimated cost of \$170,000, the Port is seeking \$80,000 of additional state support during the biennium. Failure to approve this request will cause needed promotional packages to remain on the drawing boards.

STATISTICS:

Port of Duluth

<u>Tonnage Trending (In Thousands)</u>	<u>Total Tonnage</u>	<u>Overseas Tonnage</u>
1979*	43,814	9,943
1980	37,853	9,204
1981	36,407	8,352
1982	25,620	6,439

\*Seaway Port Authority Fiscal Year is April 1 thru March 31.

RATIONALE: The statistics show the total tonnage for 1985 was at its second lowest point in the last seven years. The overseas segment had an even poorer showing in 1985 reaching its lowest point in 7 years at less than one half the high figure of 1979. The primary cause is a slump in the Port of Duluth's two mainstay commodities, taconite and bulk grain. The cause of this slump did not occur overnight and the trend will not reverse overnight. The Seaway Port Authority of Duluth realizes that to help maintain economic stability in northeast Minnesota, new commodities must be attracted to the port. Recent successes include certain agricultural products, forest product, western coal and cement. Three new projects are currently being pursued and show promise, two of which would utilize northeast Minnesota's natural resources to be processed locally for overseas export.

The effectiveness of the new marketing and promotion program will be measured by the number and volume of new commodities crossing the docks.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

ACTIVITY: AGRICULTURAL MARKET DEVELOPMENT  
 Program: MARKET DEVELOPMENT AND PROMOTION  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: The objective of the Agricultural Market Development activity is to increase the sales of Minnesota agricultural commodities, livestock, processed foods, agricultural inputs, and technology in both domestic and overseas markets.

DESCRIPTION: Agricultural market development activity by the state assists Minnesota companies in identifying new markets, increasing market share in existing markets, and in developing and adapting products to meet the needs of these markets. Much of the effort centers on arranging contacts between Minnesota sellers and buyers from outside the state and country.

Advice and services relating to tariffs, health regulations, pricing, labeling requirements, transportation, and financing are given.

Arrangements are made for and various degrees of sponsorship are offered to trade shows, trade missions to foreign countries, and hosting of buying missions visiting the state.

The Minnesota Food Expo, a 20-year cooperative state and industry promotion of Minnesota processed foods, continues to receive support and is now openly imitated by at least three other states.

Joint venture partners are also sought. Technical services relating to marketing are offered to new and emerging companies. Governmental presence in negotiations, especially in those involving purchases by foreign governments, is provided in many cases.

Authority for this activity is contained in M.S. 17.101.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Minnesota Food Expos	3	3	4	4
Number of Buyers Attending Minnesota Food Expos	600	650	800	900
Number of Foreign Country Visits By Trade Missions	22	26	30	30
Number of Buying Missions Hosted	48	63	60	75
Number of Trade Shows/Promotions	7	8	9	9

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
International Trade Show Display	\$ 50.0	\$ -0-	Activity Specific
Forest Products Market Development	\$ 150.0	\$ 150.0	Activity Specific
Consortium of International Small Business Development Centers (SBDCs)	\$ 162.5	\$ 165.0	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGRIC MARKET DEVELOPMENT

PROGRAM: MKT DEVELOPMENT AND PROMOTN

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	557.7	616.1	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	557.7	616.1	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	331.3	371.7	431.6	451.0	152.0	603.0		449.5	159.6	609.1	
EXPENSES & CONTRAC. SERV	170.3	221.5	271.0	264.6	129.7	394.3		264.6	137.7	402.3	
SUPPLIES & MATERIALS	48.5	21.5	7.7	7.7	15.5	23.2		7.7	13.0	20.7	
EQUIPMENT	7.0	1.4			71.4	71.4			10.8	10.8	
OTHER EXPENSE ITEMS	.6										
TOTAL STATE OPERATIONS	557.7	616.1	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	543.0	615.8	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
DEDICATED APPROPRIATIONS:											
FEDERAL	14.7	.3									
TOTAL FINANCING	557.7	616.1	710.3	723.3	368.6	1,091.9		721.8	321.1	1,042.9	
POSITIONS BY FUND											
GENERAL	13.0	13.0	13.0	13.0	5.0	18.0		13.0	5.0	18.0	
TOTAL POSITIONS	13.0	13.0	13.0	13.0	5.0	18.0		13.0	5.0	18.0	

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AGRICULTURAL MARKET DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: INTERNATIONAL TRADE SHOW DISPLAY				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 50.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to purchase a modular display for use at regional, national and international expositions. The objective is to present an image of Minnesota agriculture and industry that is more competitive with the displays of other states, regions, and nations. This is a one-time capital purchase.

DESCRIPTION/BACKGROUND: With increasing emphasis on trade promotional activity, the state must present the appropriate visual image to visitors at trade shows and exhibitions. The current catalog of shows under consideration by the Minnesota Trade Office runs 28 pages with hundreds of opportunities for small and medium firms to exhibit agricultural and manufactured products. In many cases, display sponsorship provides a small firm the opportunity to participate in trade shows which they otherwise could not afford or for which they have no training or expertise.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Minnesota Firms Utilizing Display Space	4	8	20	40

RATIONALE: The purchasing of the display will be less costly than other alternatives, such as renting the same materials from show organizers or constructing a new display for each major show attended. The life value of the

display is unlimited and would be purchased so that it would be adaptable to modernization at little or no cost. When not in use at a trade show or exhibition, the display could be used for selected events. With a quality modular display, more businesses would be willing to have their industry and products showcased at catalog and trade shows, where Minnesota firms have had success in conjunction with Minnesota Trade Office activities.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: AGRICULTURAL MARKET DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Trade Missions	1	1	2	3
Number of Trade Shows	-0-	-0-	2	3
Number of Trade Leads	20	50	500	700
Number of Buying Missions	1	2	8	15

RATIONALE: In the past two years, the Departments of Agriculture and Natural Resources have started a joint program to identify firms which have an interest in market development and to assist them with very limited resources. This appropriation would formalize that assistance, and provide staff to support these efforts.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation to transfer the Market Development and Promotion Program to the Department of Energy and Economic Development does not include funding or positions for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: FOREST PRODUCTS MARKET DEVELOPMENT				
Agency Request				
General Fund	\$150.0	2.0	\$150.0	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions for a new initiative within the state's trade development framework. While some forest product international trade development was initiated in F.Y. 1987, the majority of the work to date has been accomplished by diverting resources from other agricultural market development programs and with technical services provided by the Department of Natural Resources (DNR).

DESCRIPTION/BACKGROUND: With over 50,000 Minnesotans employed in the forest products industries and with the value of the finished products exceeding \$2 billion per year, the time has come for a forest product trade development commitment by the state similar to that given to agricultural and manufacturing industries in the state. Both the Minnesota Trade Office and the DNR have assisted the industry in its efforts to organize the Minnesota Wood Promotion Council. Both agencies continue to provide service of differing natures. This proposal is meant to develop international trade within the forest products industry of the state. At present, very few activities such as trade lead referrals, trade missions, trade shows, and buying missions are organized by the state for the forest products industry. This initiative expects to meet those unmet needs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: AGRICULTURAL MARKET DEVELOPMENT  
 PROGRAM: MARKET DEVELOPMENT AND PROMOTION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: CONSORTIUM OF INTERNATIONAL SBDCs				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$162.5	3.0	\$165.0	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to support the operation of a State University System/Minnesota Trade Office consortium to extend operation of existing Small Business Development Centers (SBDCs) into international areas. The objective is to develop programs to meet the educational needs of Minnesota firms desiring to expand sales into foreign markets.

DESCRIPTION/BACKGROUND: The development of international trade capability within Minnesota companies requires a formal training and educational program. To maximize the effectiveness of existing resources and to reach clients on a statewide basis, an international program should be developed and conducted by existing educational institutions in conjunction with appropriate state agencies. This request provides support for such an arrangement.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of State University	2	2	6	7
Instructors Offering				
International Trade Studies				

RATIONALE: There is a need for coordination in providing international business education programs. The Minnesota Trade Office is contacted regularly by small and medium sized firms from throughout the state which are seeking to enter foreign export markets. In many cases, employees of these firms need extensive education in various aspects of exporting before they can begin actual trade negotiations.

Coordination with the Minnesota Trade Office is essential and close proximity of this staff to the Minnesota Trade Office and the Trade Center is essential. A small staff as well as rental of office space is needed. The State University System will provide the instructors for the courses from their respective budgets.

The geographic proximity of SBDC facilities to small companies can be provided by several state universities. The benefits of coordinating this "consortium" with the Minnesota Trade Office are twofold: 1) The Minnesota Trade Office has a highly developed database of Minnesota firms that would be potential users of the programs and this information could be shared with the consortium planning group; and 2) the consortium member institutions and SBDCs could refer their clients to appropriate services offered by the Minnesota Trade Office.

This system would provide greater networking capability between state government, the private sector and academia. The centralization of this activity at the Minnesota World Trade Center would provide a vital linkage to international trade services and access to foreign business delegations.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation on this CHANGE request is included in the Department of Energy and Economic Development's budget.

PROGRAM: FAMILY FARM SECURITY  
Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

This program helps secure the stability of the family farm system. The activities encompass: 1) Assistance to beginning farmers to enter farming as a vocation; 2) protection and maintenance of the family farm production system through the administration of the Corporate and Alien Farm Acts; and 3) farm crisis assistance to established farmers in need of financial counseling and related assistance. These activities help assure the continuation of a viable family farm system of agriculture within the state.

OPERATIONS:

Protection and maintenance of the family farm system is accomplished by administering the Family Farm Security Program and by regulating alien and corporate farm ownership. The purpose of the Family Farm Security Program is to help beginning farmers obtain credit for the acquisition of farm real estate by guaranteeing loans and deferring interest payments. The Program is administered by the Commissioner of Agriculture with the advice and counsel of the Family Farm Advisory Council. The Advisory Council is composed of 7 members, appointed by the Commissioner, who are representative of agriculture and agricultural lending institutions. The Advisory Council reviews all applications for Family Farm Security loans and makes recommendations to the Commissioner as to their disposition.

The Alien Farm Act (M.S. 500.221) restricts alien ownership of Minnesota agriculture land. It provides that no natural person shall acquire directly or indirectly any interest in agricultural land unless the person is a citizen or permanent resident alien of the United States. The law also restricts ownership on the part of corporations, partnerships, etc., which are predominantly owned by aliens. The Corporate Farm Act (M.S. 500.24) restricts farming and ownership of agricultural land by corporations, and provides for disposition of properties in cases where corporations do acquire title to agricultural land.

The Farm Crisis Assistance function provides a statewide network of farm advocates who provide financial counseling and related assistance directly to farm families, as well as referrals to other agencies or resources for specialized services. Farm Advocates are generally located throughout the state in an effort to provide geographic distribution of services. The department gives administrative direction to the Advocates, and provides training in financial management, agricultural law and other informational areas. All administrative costs are absorbed by the department.

CLIENTELE:

Direct clientele of this program include all existing farmers, those farmers who are experiencing financial and related stress and approximately 400 beginning farmers who are participants in the Family Farm Security Program.

Clientele for Farm Crisis Assistance services are farmers and farm families in need of financial planning assistance, referral to supportive social service agencies, assistance on debt restructuring or obtaining operating capital, etc. A major responsibility is to provide assistance to farmers in mediation, as directed by Laws of 1986, Chapter 398.

BUDGET ISSUES:

The major budget issues for this program involve the Family Farm Security guarantee fund and adequate funding for the Farm Crisis Assistance activity. The current financial crisis affecting agriculture and subsequent structural changes that will occur make it imperative that the state continue to make a commitment to help beginning farmers enter agriculture. However, many current participants in the Family Farm Security Program are facing defaults on their loans due to financial conditions. The same crisis has also created demands for financial counseling assistance on the part of established farmers. Demands for Farm Advocate services exceed the present level of resources. There also is a need for coordination of state services to farmers and rural communities severely affected by the farm financial crisis.

EXPLANATION OF BUDGET REQUEST:

One CHANGE item is requested for this program. \$130.4 in F.Y. 1988 and \$102.6 in F.Y. 1989 are requested for farm crisis assistance.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the authority for the state to enter into new Family Farm Security loans be terminated. The agency has been directed to submit legislation to implement this recommendation and to restrict its program activities to loans that are currently outstanding.

The Governor also recommends that the Farm Crisis Assistance function be transferred to the Area Vocational Technical Institute to provide better coordination with their other programs to aid farmers.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: FAMILY FARM SECURITY

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY: FAMILY FARM SECURITY	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
TOTAL	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
EXPENDITURES BY CATEGORY: STATE OPERATIONS	5,404.7	8,693.5	16,746.1	11,633.0	108.4	11,741.4	11,344.1	6,543.4	79.6	6,623.0	6,254.5
LOCAL ASSISTANCE			10.0		22.0	22.0			23.0	23.0	
AIDS TO INDS.			150.0	75.0		75.0	75.0	75.0		75.0	75.0
TOTAL EXPENDITURES	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	2,606.6	2,391.0	2,791.4	5,208.0	130.4	5,338.4	4,919.1	5,207.4	102.6	5,310.0	4,918.5
DEDICATED APPROPRIATIONS: SPECIAL REVENUE	2,798.1	6,302.5	14,114.7	6,500.0		6,500.0	6,500.0	1,411.0		1,411.0	1,411.0
TOTAL FINANCING	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
POSITIONS BY FUND: GENERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0



ACTIVITY: FAMILY FARM SECURITY PROGRAM  
 Program: FAMILY FARM SECURITY  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5

**OBJECTIVE:** To assist qualifying beginning farmers in the purchase of farm real estate and to administer the Corporate and Alien Farm Acts so as to control corporate or alien ownership of farmland.

**DESCRIPTION:** This activity assists qualifying persons to purchase farm real estate by guaranteeing loans and making interest deferment payments. The activity was created out of concern that economic factors were making it impossible for many young people to enter farming. Clientele are beginning farmers who are credit worthy, demonstrate need, intend to farm the land, agree to participate in an approved farm management program, and have a beginning net worth of less than \$75,000.

Through this activity, a 90% guaranty can be provided to a lender or seller on the unpaid balance of a farm real estate loan or contract for deed on behalf of a qualified buyer. A 4% interest adjustment payment may be paid by the state on behalf of the buyer, provided the loan is repaid in 10 years or less with or without a balloon payment, or 20 years or less with equal amortized payments. The 4% interest adjustment payments must be repaid to the state at a future date.

Participants facing severe cash flow problems may apply for Special Payment Assistance to help meet their farm payments. Also, sellers that agreed to reduce the principal balance remaining by at least ten percent are granted a 100% guarantee. As of 6-30-86, 29 loan amendments had been processed with an average reduction of over 16%.

This activity also administers corporate and alien farm ownership laws.

Authority for this activity is found in M.S. 41.51-41.61 and 500.221-500.24.

The Farm Crisis Assistance function is part of this budget activity. The program provides a statewide network of farm advocates who provide financial counseling and assistance directly to farm families, as well as referrals to other agencies or resources for specialized services. Clientele for these services are farmers and farm families in need of financial planning assistance, referral to supportive social service agencies, assistance on debt restructuring or obtaining operating capital, etc. A major responsibility is to provide assistance to farmers in mediation, as directed by Laws of 1986, Chapter 398.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
FAMILY FARM SECURITY				
Active Participants/End of Year	392	332	310	318
Loan Guarantees in Force, Initial Bal. (In Thousands)	\$ 63,086	\$ 53,286	\$ 49,166	\$ 49,446
Applications Received	18	-0-	30	45

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Applications Approved	8	-0-	18	28
New Guarantee Amounts (In Thousands)	\$790.0	-0-	\$1,800.0	\$3,080.0
Acres Purchased	1,371	-0-	2,880	4,480
Participant Files Evaluated	400	340	320	325
Loan Defaults Processed	33	60	40	20
Special Payment Applications	40	30	15	5
Contract Reductions Processed	29	40	5	-0-
Mediation Sessions Attended	-0-	50	30	-0-
FARM CRISIS ASSISTANCE				
Number of Advocates	14	24	24	24
Number of Clients per Advocate/Year	840	840	840	840
Number of Telephone Contacts/Year	462	462	462	462
Number of One-to-One Contacts/Year	378	378	378	378

CORPORATE FARMS: End of Year	C.Y. 1985	C.Y. 1986	C.Y. 1987	C.Y. 1988
Landowners Registered				
Family & Authorized Farm Corporations	1,000	1,000	1,000	1,000
General Business Corporations	180	180	175	175
Financial Institutions, Others	210	250	275	300
Alien, non-resident	16	16	16	16
Acreage Owned				
Family & Authorized	432,000	432,000	432,000	432,000
General Business	105,000	105,000	103,000	103,000
Financial Institutions & Others	213,000	300,000	350,000	400,000
Alien, non-resident	13,847	13,847	13,847	13,847

**SUMMARY OF REQUEST:** The department requests SAME level funding for the Family Farm Security program. This level of funds will provide for administrative support and interest adjustment payments for participants currently in the program, as well as for adding 46 new participants during the biennium. It will also provide the funds necessary to meet guarantee payoff obligations and expenses involved with acquired properties, provide special payment assistance for eligible participants, and meet obligations for state income tax refunds as authorized by Laws of 1986, Special Session H.F. No. 2, Art. 1.

Laws of 1986, Special Session H.F. No. 2, Art. 1, provided that under certain circumstances, sellers on a seller-sponsored loan guarantee could apply to the department for an amount equivalent to the state income tax they paid on the interest earned on the contract. Applications for this refund and future refunds were to be sent to the department by 10-1-86. With the applications currently in, and potential ones yet to come, it is now estimated that \$150.0 will be needed for F.Y. 1987. The original appropriation was \$740.0 for F.Y. 1987. The Biennial

ACTIVITY: FAMILY FARM SECURITY PROGRAM  
 (Continuation)  
 Program: FAMILY FARM SECURITY  
 Agency: AGRICULTURE, DEPARTMENT OF

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The interest adjustment payment is based on 4% of the balance of the farm security loan at the beginning of the year. Payments continue for at least the first 10 years of the loan provided the participant: 1) Continues to have farming as the principal occupation and personally maintains the purchased farm in agricultural production; 2) has a net worth less than \$135,000; 3) participates in a farm management program acceptable to the Commissioner; and 4) does not default on the farm security loan.

SUMMARY OF REQUEST (Cont.)

Budget Expenditure Detail printout shows \$150.0 being spent in F.Y. 1987. The remaining amount of \$590.0 has been cancelled to the general fund in F.Y. 1987, and has been removed from the 1987-89 budget request. The department's request does contain \$75.0 in F.Y. 1988 and \$75.0 in F.Y. 1989 to meet projected obligations.

1) PAYMENT ADJUSTMENT:

Statutory Reference: M.S. 41.51-41.61.

The payment adjustment assists individuals to purchase real estate by lessening the immediate burden of high interest rates. The Family Farm Security Act authorizes the payment adjustment which allows payments annually equivalent to 4% of the outstanding balance of the real estate debt directly to the lender or seller on behalf of participants in the program, subject to later repayment. The adjustment payment represents significant financial assistance to individuals entering the Family Farm Security Program.

The final recipients of this direct aid are individuals who have been approved into the Family Farm Security Program and have met all participation requirements. A family farm security loan approval may be granted if the following criteria are satisfied: 1) The applicant is a resident of Minnesota; 2) the applicant has sufficient education, training, or experience in the type of farming for which he/she wishes the loan and will continue participation in a farm management program approved by the Commissioner for the first 10 years of the family farm security loan; 3) the applicant, his/her dependents, and spouse have total net worth valued at less than \$75,000 and have demonstrated a need for the loan; 4) the applicant intends to purchase farmland to be used by the applicant for agricultural purposes; and 5) the applicant is credit worthy.

In addition to the above criteria, to be eligible for payment adjustment, a family farm security loan shall have a maximum term of 20 years and shall provide for payments at least annually so that the loan shall be amortized over its term with equal annual payments of principal and interest except that a loan to be amortized over a term of 10 years or less need not provide for equal annual payments of principal and interest.

<u>Grants By Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 2,030.4	\$ 2,124.0	\$ 2,124.0	\$ 2,124.0
TOTAL	\$ 2,030.4	\$ 2,124.0	\$ 2,124.0	\$ 2,124.0

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Farm Crisis Assistance	\$ 130.4	\$ 102.6	Activity Specific

See CHANGE request sheet following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FAMILY FARM SECURITY

PROGRAM: FAMILY FARM SECURITY

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,404.7	8,693.5	16,746.1	11,633.0	108.4	11,741.4	11,344.1	6,543.4	79.6	6,623.0	6,254.5
LOCAL ASSISTANCE			10.0		22.0	22.0			23.0	23.0	
AIDS TO INDS.			150.0	75.0		75.0	75.0	75.0		75.0	75.0
TOTAL EXPENDITURES	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	147.5	139.8	159.7	161.4		161.4	161.4	160.8		160.8	160.8
EXPENSES & CONTRAC. SERV	207.1	316.1	474.1	341.2	108.4	449.6	57.3	341.2	79.6	420.8	57.3
SUPPLIES & MATERIALS	5.1	12.3	8.4	6.4		6.4	1.4	6.4		6.4	1.4
EQUIPMENT	4.4	.2									
OTHER EXPENSE ITEMS	5,040.6	8,225.1	16,103.9	11,124.0		11,124.0	11,124.0	6,035.0		6,035.0	6,035.0
TOTAL STATE OPERATIONS	5,404.7	8,693.5	16,746.1	11,633.0	108.4	11,741.4	11,344.1	6,543.4	79.6	6,623.0	6,254.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,606.6	2,391.0	2,791.4	5,208.0	130.4	5,338.4	4,919.1	5,207.4	102.6	5,310.0	4,918.5
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	2,798.1	6,302.5	14,114.7	6,500.0		6,500.0	6,500.0	1,411.0		1,411.0	1,411.0
TOTAL FINANCING	5,404.7	8,693.5	16,906.1	11,708.0	130.4	11,838.4	11,419.1	6,618.4	102.6	6,721.0	6,329.5
POSITIONS BY FUND											
GENERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: FAMILY FARM SECURITY PROGRAM  
 PROGRAM: FAMILY FARM SECURITY  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: FARM CRISIS ASSISTANCE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$130.4	-0-	\$102.6	-0-
Governor's Recommendation				
General Fund	(\$288.9)	-0-	(\$288.9)	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

**STATEMENT OF REQUEST/OBJECTIVE:** The department requests the above funds to increase the ability of the Farm Advocates to meet increasing demands for services and to provide funds for coordinating the development of Ag Information Centers. The objective is to provide increased technical and monetary support for Advocates and thereby reduce turnover while serving more clientele. The creation of Ag Information Centers will provide a mechanism for coordinated delivery of information on available programs as well as immediate access to state or other programs which serve farm families in need.

**DESCRIPTION/BACKGROUND:** The duration of the farm crisis places additional stress on people in rural communities. This added stress creates needs for information and services of all kinds. Rural communities are addressing the needs which result from farm crisis related stress. Through local fund raising, some communities are creating Ag Information Centers, places where people have access to a broad range of information and services. Lawyers, psychologists, extension agents, social service agencies and Farm Advocates donate their expertise to the centers. The first center opened in Thief River Falls in December, 1985. Another center opened in Elbow Lake in June, 1986. Three other communities are in the process of starting a center as well. Statewide coordination is critical during these early stages to give each center information, communication, and fund raising services. State funds of \$22,000 per year are needed to provide the stability which is necessary for statewide center development.

The duration of the farm crisis presents new needs for the Farm Advocate Program as well. The program needs additional resources to meet client needs. The number of individuals that each Advocate can help is limited because the Advocates do not have access to the Minnesota Extension Service's FINPAC technology. Generally, computers are essential to work out complex cash flows. Also, lenders are requiring FINPAC projections specifically, both inside and outside of mediation. Advocates' access to FINPAC software and extension computers is limited primarily by their lack of FINPAC training. Training and subsequent access to FINPAC software will help Advocates to work more efficiently and therefore to serve more farmers.

A wage increase to \$8/hour for experienced Advocates accounts for the final portion of this request. The higher wage will allow the program to better retain experienced and trained Advocates. Also, the wage increase will help them to absorb the costs of purchasing a computer for advocacy-related use.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Advocates	14	24	24	24
Number of Clients/Year	840	840	1,200	1,200
Number of Telephone Contacts/Year	462	462	660	660
Number of One-to-One Contacts/Year	378	378	540	540
Ag Information Centers:				
Number of Persons Served	3,600	6,000	12,000	18,000

**RATIONALE:** State support of Ag Information Center development will provide a joint public and private sector response to address one of the state's largest problems. The state will benefit because the Farm Advocate Program funds will be maximized and the public costs of the rural crisis can be lessened by providing a support structure through which community members can seek assistance of all kinds.

The Farm Advocates provide financial and related information to farmers. This request will help Advocates improve their service and increase the number of people they can serve. With FINPAC training and increased access to computers, Farm Advocates can help facilitate farmers' decision-making process.

**GOVERNOR'S RECOMMENDATION:** The Governor recommends that the Farm Crisis Assistance function be transferred to the Area Vocational Technical Institute to provide better coordination with their other programs to aid farmers.

PROGRAM: SOIL AND WATER CONSERVATION  
Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

The Soil and Water Conservation program serves as the state administrative entity for 91 Soil and Water Conservation Districts (SWCDs). A 12 member Soil and Water Conservation Board (SWCB) consists of 7 representatives of SWCDs appointed by the Governor and representatives from the Department of Agriculture, Department of Natural Resources, Pollution Control Agency, the Institute of Agriculture, and the Cooperative Extension Service of the University of Minnesota.

The SWCB is responsible for providing policies, rules, and leadership necessary to reduce soil erosion and protect water quality on rural and urban lands in the state. Programs are implemented through the 91 SWCDs. Each SWCD has a 5 member governing board of publicly elected officials which make local policy decisions and develop conservation efforts. The SWCB provides financial and technical assistance to individual landowners and other units of government having soil and water management problems. In addition, the SWCB coordinates the soil and water conservation activities of state and federal agencies and provides training opportunities for SWCD officials and their employees. Due to the complexity of soil and water conservation programs, it is essential that the activities of the SWCB and local SWCDs are coordinated with local, state, and federal agencies.

The continued productivity of Minnesota's soil resources, and the quality of water resources, are dependent upon effective control of soil erosion, proper management of livestock waste, and appropriate storm water management.

OPERATIONS:

The SWCB is the only activity included in this program. Operations include administrative assistance to 91 SWCDs. This is accomplished through general purpose grants to SWCDs and technical assistance by field staff. Other operations include policy development and coordination of efforts of state, federal, or local agencies regarding soil and water conservation. Activities also include reviewing plans of local districts and the administration of grants for the installation of conservation measures, flood plain management and erosion and sediment control.

CLIENTELE:

The primary clientele of the SWCB are 455 elected supervisors which comprise the governing bodies of 91 SWCDs. There are a total of 235 district employees who receive training in SWCD operations on a regular basis.

Any land occupier or group of land occupiers requiring assistance in managing their soil and water resources are also considered clientele, although direct service is provided by the local SWCDs. Other clientele consist of state and federal agencies with which the SWCB cooperates. A close working relationship exists with the U.S. Soil Conservation Service which provides technical assistance and design standards for land treatment measures.

BUDGET ISSUES:

The major budget issue involves providing adequate levels of state assistance for SWCB programs, as well as providing adequate state administrative and technical support. Another issue is in regard to reductions in the level of support the federal government has provided for soil erosion and conservation efforts, and the effect such decreases will have upon Minnesota resources generally and the programs of the SWCB specifically. A third major budget issue includes permanent funding for the conservation reserve part of the Reinvest In Minnesota program.

EXPLANATION OF BUDGET REQUESTS:

Seven CHANGE items are requested for this program. \$85.0 in F.Y. 1988 and \$85.0 in F.Y. 1989 and 1.0 position are requested for an education position to promote an understanding of soil and water conservation issues and provide clerical support for field staff. \$350.0 in F.Y. 1988 and \$350.0 in F.Y. 1989 are requested for general purpose grants to districts. \$301.5 in F.Y. 1988 and \$301.5 in F.Y. 1989 are requested to increase the construction of flood control structures in southwest Minnesota. \$2,000.0 in F.Y. 1988 and \$2,000.0 in F.Y. 1989 are requested to increase cost-share grants. \$341.3 in F.Y. 1988 and \$341.3 in F.Y. 1989 are requested to increase streambank, lakeshore and roadside protection. \$82.6 in F.Y. 1988 and \$82.6 in F.Y. 1989 are requested to increase SWCD participation in DNR's water permit review program. \$36.6 in F.Y. 1988 and \$36.6 in F.Y. 1989 and 1.0 position are requested for comprehensive local water management.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Soil and Water Conservation Board, the Water Resources Board, and the Southern Minnesota Rivers Basin Council be merged into a new Board of Water and Soil Resources. Funding and staff for the new board are based on the SAME level requests by the three existing boards, with the exception of a biennial reduction of \$30.0 for estimated cost savings due to a reduction of total board members from 23 to 13.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: SOIL & WATER CONSERV

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY: SOIL & WATER CONSERV	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
TOTAL	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
EXPENDITURES BY CATEGORY: STATE OPERATIONS	738.0	790.3	797.4	817.7	148.7	966.4		815.7	148.7	964.4	
LOCAL ASSISTANCE	2,712.1	2,781.4	2,886.2	2,655.9	3,075.4	5,731.3		2,655.9	3,075.4	5,731.3	
AIDS TO INDS.											
TOTAL EXPENDITURES	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	3,232.5	3,193.7	3,568.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
MN RESOURCES		17.3	27.7								
DEDICATED APPROPRIATIONS: GENERAL	217.5	360.7	87.3								
RURAL REHABILITATION	.1										
TOTAL FINANCING	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
POSITIONS BY FUND: GENERAL	17.0	16.0	16.0	16.0	2.0	18.0		16.0	2.0	18.0	
MN RESOURCES		1.0	1.0								
TOTAL POSITIONS	17.0	17.0	17.0	16.0	2.0	18.0		16.0	2.0	18.0	

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM: SOIL AND WATER CONSERVATION

AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: MERGER OF THE SOIL AND WATER CONSERVATION BOARD, SO. MINNESOTA RIVERS BASIN COUNCIL, AND WATER RESOURCES BOARD INTO THE BOARD OF WATER AND SOIL RESOURCES.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation:				
Bd. of Wat. & Soil Res.	\$3,629.5	19.0	\$3,627.3	19.0
Agriculture-SWCB	(\$3,473.6)	(16.0)	(\$3,471.6)	(16.0)
Water Resources Board	(\$ 138.9)	( 3.0)	(\$ 138.7)	( 3.0)
Planning-SMRBC	(\$ 32.0)	--	(\$ 32.0)	--
General Fund	(\$ 15.0)	--	(\$ 15.0)	--

Request requires statutory change:  Yes  No

Statutes Affected: M.S. 40, 104.42-104.50, 105.71, 110B, 112, 116C, 473.875-478.883

The new Board of Water and Soil Resources would continue to administer the major programs now conducted by the three individual boards. Its duties from the Soil and Water Conservation Board would include administration of the soil and water conservation grant programs and the southwestern Minnesota flood control grant program. From the Water Resources Board, the new board would continue to guide the activities of watershed districts, administer a water policy intervention process, and administer the Metropolitan Surface Water Management and Comprehensive Local Water Management Acts. Duties assumed from the Southern Minnesota Rivers Basin Council would include working with local governments to raise and address water resources concerns. While remaining independent, the Board of Water and Soil Resources could contract with another state agency to provide administrative and financial services.

RATIONALE:

The merger would aid in making the water management structure in Minnesota more understandable. It would further (1) help to unify a fragmented state approach to local government, (2) encourage local and state governments to work together, (3) provide local governments a better voice in water and soil management decisions, (4) improve working relationships among local water and soil management authorities, and (5) make better use of staff currently spread among the three boards. The state must foster a strong local-state partnership in water and soil resources management. The merged board is an important step toward accomplishing this goal.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Soil and Water Conservation Board in the Department of Agriculture, the Water Resources Board, and the Southern Minnesota Rivers Basin Council in the State Planning Agency be merged into a new Board of Water and Soil Resources. The objective is to provide better coordination of water and soil related programs between state and local government units. The Governor recommends funding and staff for this new agency based on the SAME level requests by the three existing boards, with the exception of a biennial reduction of \$30.0 for estimated cost savings due to a reduction of total board members from 23 to 13.

DESCRIPTION/BACKGROUND:

Currently the state operates a variety of water and soil related programs in conjunction with local government units. This structure perpetuates a fragmented approach to the water and soil management activities of counties, soil and water conservation districts, watershed districts, and other local government units. Fragmentation also reduces opportunities for meaningful participation of local government in state decisions. To address these concerns, the Governor recommends that a single, independent 13-member state board be created by merging three water and soil related boards: the Soil and Water Conservation Board in the Department of Agriculture, the Water Resources Board, and the Southern Minnesota Rivers Basin Council in the State Planning Agency.

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 Program: SOIL AND WATER CONSERVATION  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**OBJECTIVE:** To assist in the promotion and installation of soil and water conservation practices and agricultural waste management systems in order to reduce soil erosion and sedimentation and protect water quality; and to provide policies, leadership, and assistance to soil and water conservation districts (SWCDs) in order to implement conservation efforts consistent with state statutes and policy.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Acres Benefited	60,000	65,000	75,000	85,000
Agricultural Waste Systems Installed	60	60	60	60

**DESCRIPTION:** The Soil and Water Conservation Board (SWCB) provides the following grants to control soil erosion, prevent sedimentation, protect water quality, and implement structural floodplain management.

1) General Purpose Grants to Districts:

Statutory Reference: M.S. 40.03, Subd. 4(2).

Provides funds to SWCDs for the following: 1) Statewide administrative and technical support for 91 SWCDs and their 455 elected supervisors; 2) operation and maintenance of local SWCD offices; 3) training concerning erosion control and administration for SWCD personnel and supervisors; and 4) educational efforts to alert the public of soil and water resource problems and solutions.

SWCDs are the final recipients of this grant. All SWCDs are eligible provided a comprehensive plan, annual plan, and annual report are submitted to the SWCB.

All districts generally receive the same allocation. This grant provides the necessary funds to enable all districts to provide a minimal level of assistance to clientele.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
SWCD Offices	92	92	92	91
Land Occupiers Receiving Assistance	3,300	3,400	3,420	3,420
Units of Government Receiving Assistance	200	225	230	230
SWCD Employees	235	235	235	235
Training Sessions For SWCD Supervisors and Staff	40	40	40	40
Rain Guages Monitored	500	575	575	575
Conservation Tillage Demonstrations	65	75	75	75

Grants By Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 641.9	\$ 664.2	\$ 664.2	\$ 664.2
TOTAL	\$ 641.9	\$ 664.2	\$ 664.2	\$ 664.2

2) Technical Assistance, Education and Demonstration Grants

Statutory Reference: M.S. 40.03, Subd. 4(2) and M.S. 40.035, Subd. 1.

Provides funds to SWCDs for additional technical assistance, development and expansion of education information programs and/or demonstration projects on production options and conservation benefits.

SWCDs are the final recipients of these grant funds. All SWCDs are eligible provided a comprehensive plan, annual plan and annual report are submitted to the SWCB. All SWCDs receive the same allocation to maintain baseline promotional activities statewide.

Grants By Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 152.1	\$ 152.3	\$ 152.3	\$ 152.3
TOTAL	\$ 152.1	\$ 152.3	\$ 152.3	\$ 152.3

3) Floodplain Management Grants:

Statutory Reference: M.S. 104.42-104.50; Laws of 1976, Chapter 82.

To provide leadership and financial assistance to local units of government for flood control on 300,000 acres within Study Area II of the Southern Minnesota Rivers Basin. This includes the Yellow Bank, Lac Qui Parle, Yellow Medicine, Redwood, and Cottonwood River Watersheds.

Local governmental units, such as counties or watershed districts, are the final recipients of these funds. Units located within the Yellow Bank, Lac Qui Parle, Yellow Medicine, Redwood, and Cottonwood Watersheds are eligible to participate. This area includes all of Lac Qui Parle, Yellow Medicine, and Redwood Counties, and parts of Lincoln, Lyon, Pipestone, Murray, Cottonwood, Blue Earth, and Brown Counties.

Project sites are selected according to a priority system developed by the SWCB in cooperation with the United States Army Corps of Engineers, Department of Natural Resources, United States Department of Agriculture-Soil Conservation Service, and a local citizens coordinating group. Grants cannot exceed 75% of the total cost of each project. If federal funds are utilized, the state contribution cannot exceed 50% of the total cost.



ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
(Continuation) 1987-89 Biennial Budget  
Program: SOIL AND WATER CONSERVATION  
Agency: AGRICULTURE, DEPARTMENT OF

3) Floodplain Management Grants (Cont.)

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Flood Control Structures Installed	-0-	-0-	-0-	1
<u>Grants By Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 148.9	\$ 259.7	\$ 198.5	\$ 198.5
TOTAL	\$ 148.9	\$ 259.7	\$ 198.5	\$ 198.5

4) Cost-Share District Grants: Erosion Control/Water Quality:

Statutory Reference: M.S. 40.036, 40.038, 40.07; Laws of 1982, Chapter 512.

To significantly increase the number of acres protected with conservation treatment and to accelerate water quality protection efforts through the application of soil and water conservation and water quality practices. This is accomplished by providing grants to SWCDs for local implementation of a cost-sharing program with land occupiers. Grants include funds for administrative and technical assistance costs that are necessary to plan, design, and apply treatment measures.

SWCDs are the final recipients of the technical and administrative funds but act as fiscal agents in disbursing monies to land occupiers for erosion control and water quality improvement measures.

A. Criteria for SWCB review of SWCD requests for financial assistance:

1. Before the SWCB can allocate funds to a SWCD, it must approve the SWCD's comprehensive and annual plans, and receive an annual report.
2. The SWCB reviews all SWCD allocations of funds with respect to the following criteria:
  - a. Extent of soil erosion, sedimentation and other water pollution problems.
  - b. Historical success of the SWCD in applying soil and water conservation practices.
  - c. Readiness of the SWCD to effectively utilize the funds.

B. Criteria for SWCD review of land occupier requests for cost-share assistance:

1. The applicant must be a SWCD cooperator.
2. The desired practice must be on the list of approved practices.
3. The primary purpose of the desired practice must be the control of soil erosion, reduction of sediment delivery, or protection of water quality.
4. The desired practice must be consistent with SWCD plans and priorities.

5. The practice must be maintained by the land occupier who is responsible for operation and maintenance of practices applied under this program.
6. Priority consideration is given to land occupiers or groups of land occupiers who demonstrate the ability to meet matching requirements.
7. The practice must comply with the specifications of the Field Office Technical Guide where applicable, or a registered professional engineer may be utilized.

The SWCB allocates more funds to SWCDs exhibiting the greatest soil erosion and agriculturally related water quality problems. This information is obtained from soil erosion and feedlot surveys of various natural resource agencies.

The maximum share of the total cost of practices funded by state cost-share funds is 75%. Where state and federal monies are utilized on the same project, their combined amount cannot exceed 75% of the total cost of the project.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Individuals and Groups Assisted (Number)	1,400	1,400	1,400	1,400
Governmental Agencies Assisted (Number)	70	70	70	70
Land Occupiers Installing a State Cost-Shared Practice (Number)	700	700	725	725
Acres Benefited	55,000	55,000	55,000	55,000
Technical Assistance (SWCDs) (Manhours/Year)	20,000	20,000	20,000	20,000
Administrative Assistance (SWCDs) (Manhours/Year)	17,500	17,500	17,500	17,500
<u>Grants By Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 1,325.1	\$ 1,582.8	\$ 1,501.0	\$ 1,501.0
TOTAL	\$ 1,325.1	\$ 1,582.8	\$ 1,501.0	\$ 1,501.0

5) Sediment and Erosion Control Grants:

Statutory Reference: M.S. 40.03(11).

To assist SWCDs and local units of government in solving sediment and erosion control problems occurring on streambank, lakeshore, or roadside sites.

Local units of government are the final recipients of this grant; SWCDs act as fiscal agents in disbursing the grant. All local units are eligible. Priority is given to projects designed to solve lakeshore, streambank, and roadside erosion and to projects eligible for federal matching money.

Project payments cannot exceed 50% of the total project cost or 50% of the local share if federal money is involved in the project.

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 (Continuation) 1987-89 Biennial Budget  
 Program: SOIL AND WATER CONSERVATION  
 Agency: AGRICULTURE, DEPARTMENT OF

Grants By Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 12.4	\$ 12.4	\$ 12.4	\$ 12.4
TOTAL	\$ 12.4	\$ 12.4	\$ 12.4	\$ 12.4

5) Sediment and Erosion Control Grants (Cont.)

Project applications are ranked and approved on the basis of the extent of sediment and erosion problems; public benefits; availability of local matching money; and eligibility for federal funding.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Local Units of Government Assisted Projects Completed	8	10	8	8
	8	8	8	8

Grants By Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 155.7	\$ 158.7	\$ 158.7	\$ 158.7
TOTAL	\$ 155.7	\$ 158.7	\$ 158.7	\$ 158.7

6) District Grants for Review of Water Permits:

Statutory Reference: M.S. 105.415, 105.44; Laws of 1977, Chapter 466.

To provide SWCD input to the Department of Natural Resources (DNR) water permit process by underwriting a portion of the costs (to SWCDs) associated with reviewing water permit applications.

Districts are the final recipients of this grant. All districts are eligible to participate in this program.

The SWCB allocates funds in the following manner:

1. DNR provides the SWCB with the number of permit applications sent to the SWCD for review;
2. Types of permit applications received by the SWCD are weighted as follows:
 

Points	Type
4	= Irrigation Appropriation
2	= Non-Irrigation Appropriation
1	= Work in "Beds" of Protected Waters
3. After determining a base allocation to each eligible SWCD, the balance is disbursed based on the weighted permit types described above.
4. To receive a grant, a district must be eligible for a minimum of \$100.

To remain eligible, a SWCD must continue to review and comment on water permits.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Water Permit Applications Reviewed	600	600	600	600

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	TYPE
Administration	\$ 85.0	\$ 85.0	Activity Specific
General Purpose Grants to Districts	\$ 350.0	\$ 350.0	Activity Specific
Floodplain Management Grants	\$ 301.5	\$ 301.5	Activity Specific
Cost-Share District Grants: Erosion Control/ Water Quality	\$ 2,000.0	\$ 2,000.0	Activity Specific
Sediment and Erosion Control Grants	\$ 341.3	\$ 341.3	Activity Specific
District Grants for Review of Water Permits	\$ 82.6	\$ 82.6	Activity Specific
Comprehensive Local Water Management	\$ 36.6	\$ 36.6	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SOIL & WATER CONSERV

PROGRAM: SOIL & WATER CONSERV

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	738.0	790.3	797.4	817.7	148.7	966.4		815.7	148.7	964.4	
LOCAL ASSISTANCE	2,712.1	2,781.4	2,886.2	2,655.9	3,075.4	5,731.3		2,655.9	3,075.4	5,731.3	
AIDS TO INDS.											
TOTAL EXPENDITURES	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	526.6	596.0	542.2	618.2	61.6	679.8		616.2	61.6	677.8	
EXPENSES & CONTRAC. SERV	158.8	174.4	210.6	183.1	73.0	256.1		183.1	73.0	256.1	
SUPPLIES & MATERIALS	20.4	16.6	38.1	16.4	11.4	27.8		16.4	11.4	27.8	
EQUIPMENT	32.1	3.3	6.5		2.7	2.7			2.7	2.7	
OTHER EXPENSE ITEMS	.1										
TOTAL STATE OPERATIONS	738.0	790.3	797.4	817.7	148.7	966.4		815.7	148.7	964.4	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,232.5	3,193.7	3,568.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
MN RESOURCES		17.3	27.7								
DEDICATED APPROPRIATIONS:											
GENERAL	217.5	360.7	87.3								
RURAL REHABILITATION	.1										
TOTAL FINANCING	3,450.1	3,571.7	3,683.6	3,473.6	3,224.1	6,697.7		3,471.6	3,224.1	6,695.7	
POSITIONS BY FUND											
GENERAL	17.0	16.0	16.0	16.0	2.0	18.0		16.0	2.0	18.0	
MN RESOURCES		1.0	1.0								
TOTAL POSITIONS	17.0	17.0	17.0	16.0	2.0	18.0		16.0	2.0	18.0	

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Recent studies indicate that farmers are not aware that soil erosion is a problem on their land. Much of this attitude can be attributed to concepts learned in school. It is, therefore, important to prepare children to make proper land use decisions. Children can influence their parents attitudes. Linking agriculture to conservation is possible - and potentially very successful - if incorporated into elementary curriculum.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: ADMINISTRATION				
Agency Request				
General Fund	\$ 85.0	1.0	\$ 85.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and position to: 1) Provide clerical support for 7 field staff located in regional offices throughout the state; and 2) add one additional staff person and budget to develop an education program. The objective is to increase the department's ability to provide soil and water conservation programs to its clientele.

DESCRIPTION/BACKGROUND: Seven regional professional staff are operating on limited clerical contracts. Staff effectiveness is limited as new programs require increased clerical support. An education specialist is needed to integrate agriculture and conservation into elementary classrooms. Ag Stravaganza and Ag In The Classroom are two examples of the kinds of efforts needing additional promotion and development.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Clerical Assistance Available (Hrs./Field Staff/Yr.)	400	400	1,000	1,000

RATIONALE: As shown above, the amount of clerical time currently available to field staff is significantly below half-time. Increased funding is requested to provide a half-time level of assistance, or approximately 1000 hours of contracted clerical assistance per staff member. Half-time clerical assistance would support regional demands and reduce the need to seek additional state office clerical personnel.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: GENERAL PURPOSE GRANTS TO DISTRICTS				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$350.0	-0-	\$350.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE: Declining USDA-SCS budgets, and an overall increase in administrative and technical requirements have added to SWCD operating costs. Since SWCDs do not have taxing authority, they must rely, in large part, on state funding to operate their programs. In addition, SWCDs have been requested by SCS to pay rent. Traditionally, federal funding has been available for office space and SWCDs are invited to co-occupy. If SWCDs are expected to carry out state mandates in addition to local demands, rent increases cannot be absorbed.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to increase allocations to Soil and Water Conservation Districts (SWCDs) through the General Purpose Grants to Districts Program. The objective is to maintain the SWCDs ability to provide financial assistance to landowners for controlling soil erosion and protecting water quality by offsetting fund losses due to federal budget reductions.

DESCRIPTION/BACKGROUND: Due to declining USDA - Soil Conservation Service (SCS) budgets, SWCDs are facing unprecedented increases in the cost of maintaining local offices. Historically, SCS provided the office space and invited SWCDs to co-occupy. SWCDs are now being requested to pay rent. In addition, technical assistance requests are increasing; yet, the number of SWCD employees remains constant and SCS employee numbers decline. If effective services are to be maintained, SWCDs must assume a larger financial role in maintaining local offices.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Landowners Receiving Technical Assistance	3,420	3,420	3,700	4,400
Units of Government Receiving Technical Assistance	230	230	250	250
SWCD Employees	235	235	250	260

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

measures, increased funding is necessary. Since all structural sites are on tributaries to the Minnesota River, flood control benefits accrue to an area much larger than the ten counties.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: FLOODPLAIN MANAGEMENT GRANTS				
Agency Request				
General Fund	\$301.5	-0-	\$301.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds through the floodplain management grants program to increase the construction of flood control structures in southwest Minnesota. This level of funding will provide sufficient state funds to fully utilize matching funds committed by counties.

DESCRIPTION/BACKGROUND: An unusual combination of topography and drainage patterns result in a significant acreage of flood-prone cropland, roads and villages in a ten county area of southwest Minnesota. Initial funding of the program in the late 1970's was sufficient to build one structure each biennium. Remaining structure sites are more complex and construction costs have escalated. Consequently, current funding results in one structure being built every three to four years. County governments are committed to raise the necessary local matching funds to accelerate construction.

STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Flood Control Structures Installed	-0-	1	1	1

RATIONALE: The need for flood control has not abated. Site requirements and construction costs have increased dramatically. Local governments are contributing 25 percent of the total construction cost and are willing to increase their contributions to meet an accelerated schedule and escalating construction costs. To maintain local support and provide timely implementation of flood control

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

RATIONALE: Inflation has had a dramatic effect on the cost of installing soil and water conservation practices. This increased cost has resulted in a "status quo" of practices installed and acres benefited. Also, the cost of designing practices and administering the program has risen, resulting in no additional hours being devoted to the program. However, despite a sluggish farm economy, landowner demand for conservation practices remains active. This program is directed to problems, not symptoms. Additional benefits are gained from keeping sediment out of drainage and road ditches, lakes and streams. Controlling soil erosion has multiple benefits such as: maintaining soil productivity; improving water quality and fish and wildlife habitat; and enhancing aesthetics.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COST SHARE DISTRICT GRANTS: EROSION CONTROL/WATER QUALITY				
Agency Request				
General Fund	\$2,000.0	-0-	\$2,000.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds for Cost-Share District Grants to increase the number of acres protected with adequate levels of conservation treatment and to accelerate water quality protection efforts through the application of soil and water conservation and water quality practices.

DESCRIPTION/BACKGROUND: M.S. Chapter 40.036 provides for a 75% cost-share with land occupiers to cover the cost of installing permanent non-production soil and water conservation practices. Because of the fiscal condition of the state, the level of funding (\$1,541.4) has remained constant since 1980. As a result, the number of individuals receiving financial assistance and the number of acres benefited has not increased. This does not bode well for accelerating the land treatment time frame, which is estimated to take 120 to 150 years at current funding levels. The grant includes SWCDs administrative costs and technical assistance necessary to plan, design, and apply treatment measures.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Acres Benefited	55,000	55,000	80,000	88,000
Agricultural Waste Systems Installed	60	60	90	100
Land Occupiers Installing A State Cost-Shared Practice	700	700	1,000	1,100
Technical/Administrative Assistance (Staff Hours/Year)	20,000	20,000	25,000	28,000

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

long term maintenance costs. Increased funding would therefore take advantage of local concern and commitment for these projects of broad public benefit.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

Request Title: SEDIMENT AND EROSION CONTROL GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$341.3	-0-	\$341.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds through the sediment and erosion control grants program to increase the protection of streambanks, lakeshores and roadsides. The objective is to increase the level of SWCD and local government activity in this program, and thereby have a greater impact on solving sediment and erosion control problems.

DESCRIPTION/BACKGROUND: Water quality concerns and increasing willingness of local government to control erosion and sediment problems has resulted in SWCD project requests exceeding \$500,000 annually. Current appropriations result in the denial of two-thirds of those applications.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Local Units of Government Assisted	8	8	16	16
Projects Completed	8	8	16	16

RATIONALE: Interest in erosion and sediment control projects by local government is at a historic high. The decline in federal funding for these projects coupled with water quality concerns has generated interest in this program. Highway officials, in particular, realize that early control of erosion problems prevent



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

streambank. The current funding prevents a comprehensive statewide review program. Consequently, many opportunities for agency cooperation and comments normally obtainable are lost.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: DISTRICT GRANTS FOR REVIEW OF WATER PERMITS				
Agency Request				
General Fund	\$ 82.6	-0-	\$ 82.6	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to increase the thoroughness of SWCD review of water permit applications. The funds will be used through the water permit review grants program to compensate for district review of state water permits and improve the quality of comments.

DESCRIPTION/BACKGROUND: Land use activities such as filling, dredging, channeling or water appropriations may affect water quality and quantity. These activities require state permits. SWCDs, by statute, must review and comment on the proposed activity. Funds for the program were reduced in 1981. Current funding provides SWCDs with funds to perform only a cursory review and offer limited comments. Hence, an often useful local comment may not be provided to the Department of Natural Resources (DNR).

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Water Permit Applications	600	600	600	600
Reviewed by SWCDs				

RATIONALE: Their location throughout the state and knowledge of local resource conditions make SWCDs valuable contributors to other agencies resource management decisions. Comments by SWCDs to DNR often lead to low cost solutions to potential problems; for example, a comment may offer a low cost alternative to stabilizing a

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SOIL AND WATER CONSERVATION BOARD  
 PROGRAM: SOIL AND WATER CONSERVATION  
 AGENCY: AGRICULTURE, DEPARTMENT OF

of the comprehensive state water resources strategy set forth in its "1987-1989 Water Resources Priority Recommendations" report.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation for merger of the Soil and Water Conservation Board into a newly-created agency, the Board of Water and Soil Resources, does not include funding for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COMPREHENSIVE LOCAL WATER MANAGEMENT				
Agency Request				
General Fund	\$ 36.6	1.0	\$ 36.6	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and position to promote the use of technical soils information in developing comprehensive local water management plans.

DESCRIPTION/BACKGROUND: In developing plans, county officials will rely heavily on state agencies for technical information. Typical requests will include geological, hydrological, water quality and soils information. Although soils information is available from soil and water conservation districts, many plans will involve multi-counties and include soils information not locally available.

RATIONALE: This request addresses the Environmental Quality Board (EQB) recommendation for increased state capability to provide coordinated technical assistance to local governments involved in water resources planning. The EQB considers the development and use of comprehensive local water plans to be an important part

PROGRAM PURPOSE:

This program provides agriculture and the department with multiple services and makes various payments and reimbursements which support Minnesota agriculture. The activities conducted involve: 1) Administration of appropriations for agricultural societies, associations, and timber wolf caused livestock losses; 2) laboratory services for regulatory and inspection activities; 3) production of Minnesota agricultural data; 4) support for promotion councils consistent with statutory responsibilities; and 5) assistance to all departmental activities regarding administration, planning, personnel, office management, and accounting.

OPERATIONS:

Operations in this program include financial assistance to agricultural societies and associations and commodity promotion and marketing organizations; administrative assistance and overview in the preparation of rules, legislation, budgets, and departmental policy; analysis and research of management and policy issues; personnel support for hiring, union negotiations, and other personnel functions; office management support in the form of maintaining equipment and word processing; administrative assistance for promotion councils regarding elections, referendums and refunds; support in financial activities such as payroll, travel, licensing, and expenditure review; the provision of laboratory services to all other divisions of the department; and the production and distribution of agricultural statistics.

CLIENTELE:

Direct clientele include all activities of the department, 93,000 farming units, commodity research and promotion councils, agri-businesses, the Legislature, and consumers. Clientele service demands for service are expected to increase in most areas.

BUDGET ISSUES:

Increased regulatory activities have strained the department's laboratory capability. Expanding demands from regulatory activities, such as in the pesticide area, have created a need to increase inspection support resources. While the laboratory is able to respond to most requests, some work cannot be completed within required timeframes.

Another budget issue involves decreasing federal support for departmental inspection activities. This has a direct impact upon those activities which provide support services due to decreases in indirect costs. The decreases have been magnified because dedicated receipts have also declined.

The legislature passed 2 laws regarding agricultural land protection (the 1982 Agricultural Land Protection and 1984 Agricultural Land Preservation Acts), and provided funds only for a pilot county demonstration program. Statewide implementation of the agricultural land preservation program awaits funding.

Producers and agri-businesses continue to request agricultural data, but recent budget reductions have reduced county livestock estimate data. The data is used by producers to make management and marketing decisions, while agri-businesses use the data to assist with business decisions.

EXPLANATION OF BUDGET REQUEST:

Eleven CHANGE items are requested for this program. \$278.5 in F.Y. 1988 and \$278.5 in F.Y. 1989 are requested for change in department indirect costs. \$150.9 in F.Y. 1988 and \$207.5 in F.Y. 1989 are requested to offset rent increases. \$6.0 in F.Y. 1988 and \$6.0 in F.Y. 1989 are requested for Grants to Agricultural Societies, Associations, and Claims. \$201.3 in F.Y. 1988 and \$211.2 in F.Y. 1989 are requested for FarmAmerica operations. \$91.0 in F.Y. 1988 and \$94.5 in F.Y. 1989 and 2.0 positions are requested for Office Management Resources Update. \$50.0 in F.Y. 1988 and \$55.0 in F.Y. 1989 are requested to improve county agricultural statistics and print the ag statistical bulletin. \$193.5 in F.Y. 1988 and \$141.5 in F.Y. 1989 and 1.0 position are requested for agricultural land protection. \$125.0 in F.Y. 1988 and \$125.0 in F.Y. 1989 and 3.0 positions are requested to increase program and regulatory support, including analyzing the effects of bio-technology upon regulatory functions. \$75.0 in F.Y. 1988 and \$75.0 in F.Y. 1989 and 3.0 positions are requested for laboratory support. \$148.0 in F.Y. 1988 and \$148.0 in F.Y. 1989 and 2.0 positions are requested for the Ag In The Classroom Program. \$500.0 in F.Y. 1988 and \$500.0 in F.Y. 1989 are requested for Agricultural Development Grants.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the rent increase request and \$68.4 and 1.0 position for the Ag in the Classroom program.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY ACTIVITY:</b>											
ACNTNG, LICENSING & GRNTS	1,051.9	1,382.0	1,526.4	1,253.2	481.4	1,734.6	1,404.1	1,253.0	547.9	1,800.9	1,460.5
PERSONNEL & OFFICE MGMT	441.7	434.5	477.1	490.8	127.2	618.0	490.8	489.3	130.7	620.0	489.3
PROGRAM & MGMT SUPPORT	501.5	663.6	559.9	561.1	374.7	935.8	561.1	559.8	327.7	887.5	559.8
LABORATORY SERVICES	901.8	1,137.8	1,199.1	1,185.8	87.4	1,273.2	1,185.8	1,183.4	87.4	1,270.8	1,183.4
COMMISSIONERS OFFICE	965.3	768.9	510.0	503.6	778.3	1,281.9	537.8	502.0	778.3	1,280.3	536.2
<b>TOTAL</b>	<b>3,862.2</b>	<b>4,386.8</b>	<b>4,272.5</b>	<b>3,994.5</b>	<b>1,849.0</b>	<b>5,843.5</b>	<b>4,179.6</b>	<b>3,987.5</b>	<b>1,872.0</b>	<b>5,859.5</b>	<b>4,229.2</b>
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	3,072.8	3,644.4	3,914.5	3,636.5	1,021.7	4,658.2	3,821.6	3,629.5	1,049.8	4,679.3	3,871.2
LOCAL ASSISTANCE	789.4	742.4	358.0	358.0	827.3	1,185.3	358.0	358.0	822.2	1,180.2	358.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>3,862.2</b>	<b>4,386.8</b>	<b>4,272.5</b>	<b>3,994.5</b>	<b>1,849.0</b>	<b>5,843.5</b>	<b>4,179.6</b>	<b>3,987.5</b>	<b>1,872.0</b>	<b>5,859.5</b>	<b>4,229.2</b>
<b>SOURCES OF FINANCING:</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	3,578.3	3,436.5	3,142.3	3,210.8	1,849.0	5,059.8	3,395.9	3,203.8	1,872.0	5,075.8	3,445.5
MN RESOURCES		60.7	38.6								
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	154.7	495.7	739.9	493.3		493.3	493.3	493.3		493.3	493.3
RURAL REHABILITATION		10.0									
GIFTS AND DEPOSITS		50.3	26.1	26.1		26.1	26.1	26.1		26.1	26.1
FEDERAL	129.2	333.6	325.6	264.3		264.3	264.3	264.3		264.3	264.3
<b>TOTAL FINANCING</b>	<b>3,862.2</b>	<b>4,386.8</b>	<b>4,272.5</b>	<b>3,994.5</b>	<b>1,849.0</b>	<b>5,843.5</b>	<b>4,179.6</b>	<b>3,987.5</b>	<b>1,872.0</b>	<b>5,859.5</b>	<b>4,229.2</b>
<b>POSITIONS BY FUND:</b>											
GENERAL	69.8	76.9	76.9	76.9	11.0	87.9	77.9	76.9	11.0	87.9	77.9
MN RESOURCES		1.0	1.0								
SPECIAL REVENUE	4.0	6.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
FEDERAL	2.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
<b>TOTAL POSITIONS</b>	<b>75.8</b>	<b>84.9</b>	<b>83.9</b>	<b>82.9</b>	<b>11.0</b>	<b>93.9</b>	<b>83.9</b>	<b>82.9</b>	<b>11.0</b>	<b>93.9</b>	<b>83.9</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ACCOUNTING, LIC., & GRANTS/PERSONNEL & OFFICE MGMT./COMMISSIONERS OFFICE  
 PROGRAM: ADMINISTRATIVE SUPPORT & GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CHANGE IN INDIRECT COSTS				
Agency Request				
General Fund	\$278.5	-0-	\$278.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

RATIONALE: For the 1985-87 Biennial Budget, the Grain Inspection Dedicated Fund activities were estimated to have expenditures of \$6,084,200 for F.Y. 1986 and \$6,147,100 for F.Y. 1987. However, actual expenditures were \$4,726,900 for F.Y. 1986 and estimated expenditures for F.Y. 1987 are \$4,961,800. This change request will reduce the department's assignment of indirect costs to dedicated funds by \$217,200 each year, and reduce indirect costs to the federal fund by \$61,300 each year. This change allows for the correction of indirect costs necessitated by declining federal and dedicated revenue.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to compensate for changes in indirect cost assignments in the dedicated and federal fund areas of the department based upon projected expenditures for F.Y. 1988 and F.Y. 1989.

DESCRIPTION/BACKGROUND: For each biennial budget, the expenditures for the dedicated and federal funds are estimated to determine department indirect costs that can be assigned to these areas consistent with federal and state requirements. The effect has been to lower general fund appropriations to this program. However, federal funds and dedicated receipts are now decreasing. Because of the loss of some federal funds and a significant reduction in the Grain Inspection service levels, less funds will be available for indirect cost reallocation. Services performed by this program will not be reduced as the work load factors will not change, only the availability of indirect cost funds from the dedicated and federal budget areas.

This change item is divided among the following activities in this manner:

	F.Y. 1988	F.Y. 1989
Accounting, Licensing and Grants	\$ 121.5	\$ 121.5
Personnel and Office Management	30.6	30.6
Commissioner's Office	126.4	126.4
Program Total	\$ 278.5	\$ 278.5

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS  
 Program: ADMINISTRATIVE SUPPORT AND GRANTS  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 3.3	\$ 47.0	\$ 5.3	\$ 5.3	\$ 5.3

**OBJECTIVE:** This activity administers the accounting, budgeting, and auditing functions of the department, as well as makes grants for livestock compensation claims and to agricultural societies and associations. It provides professional accounting and financial services to activity managers and the Commissioner's Office; and issues licenses for divisions using the Statewide Licensing System and department mini-computer systems.

**DESCRIPTION:** This activity administers pass-through grants to state agricultural societies and associations and aids in the payment of county fair premiums. In addition, compensation is provided to livestock owners whose livestock have been destroyed or crippled, to the extent that they must be destroyed, by an animal classified as endangered under the Federal Endangered Species Act of 1973. The owner is entitled to the fair market value of the destroyed livestock, not to exceed \$400 per animal destroyed less any insurance coverage.

Authority for this activity is found in M.S. 17.58 and 38.13.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Requisitions Processed	600	650	700	750
Supplemental Budgets Processed	475	500	500	500
Number of Appropriation Accounts	56	60	60	60
Number of Account Identifiers	145	150	150	150
Audits Conducted	12	12	12	12
Licenses and Permits Issued	26,000	26,000	26,000	26,000

1) Grants to Agricultural Societies and Associations:

Statutory Reference: M.S. 17.07 and 38.02

To aid county and district agricultural societies and associations in order to promote agricultural development and to pay premium cash awards to exhibitors for the merit of an exhibit of livestock, livestock products, grains, fruits, flowers, vegetables, articles of domestic science, handicrafts, hobbies, fine arts, and articles made by school pupils, or cash awards paid to the merit winner of events such as 4-H Club or Future Farmer Contest, etc. Recipients are county and district agricultural societies, poultry associations, and agricultural associations as authorized by law and those receiving an appropriation. Eligibility criteria are as follows: 1) Present statement of premium allocations, records, and/or payments; 2) financial statement reviewed by the department; and 3) allocations made in accordance with law. The criteria and formula used to determine the amount of payment are prescribed by law or the appropriation provided the association. Societies are required to submit annual reports to the Commissioner.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Red River Valley Livestock Assn.	\$ 6.0	\$ 5.9	\$ 5.9	\$ 5.9
NE MN Junior Livestock Show Assn.	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2
County and District Ag Societies	\$ 252.9	\$ 248.8	\$ 248.8	\$ 248.8
Livestock Premiums/Boys & Girls	\$ 3.8	\$ 3.7	\$ 3.7	\$ 3.7
Red Lake Band of Chippewa Indians	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9
Poultry Associations	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
Minnesota Poultry Association	\$ 0.9	\$ 0.8	\$ 0.8	\$ 0.8
Northern Poultry Association	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Red River Valley Dairymen's Assn.	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2
Minnesota Livestock Breeders Assn.	\$ 19.2	\$ 18.9	\$ 18.9	\$ 18.9
Northern Sheep Growers Assn.	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
Southern Sheep Growers Assn.	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Grants by Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 289.0	\$ 284.3	\$ 284.3	\$ 284.3
TOTAL	\$ 289.0	\$ 284.3	\$ 284.3	\$ 284.3

2) Livestock Compensation Claims:

Statutory Reference: M.S. 3.737

This program compensates livestock owners whose livestock was destroyed, or crippled so that it had to be destroyed, by an animal classified as endangered under the federal Endangered Species Act of 1973, which include the Eastern Timberwolf and American Bald Eagle. The owner's compensation is limited to the actual fair market value of the destroyed livestock, not to exceed \$400 per animal less any insurance coverage. Fair market value is established by the county extension director.

Recipients of compensation are livestock owners mainly from northern Minnesota. Eligibility criteria are as follows: 1) Livestock loss must be caused by an endangered species (livestock is defined to mean cattle, sheep, poultry, swine, horses, mules, and goats); 2) the local conservation officer must make a determination that the loss was caused by an endangered species; 3) the local county extension director determines the fair market value of the livestock destroyed; and 4) the department reviews the determinations made and the information contained in the claim and pays in accordance with the law.

Grants by Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 21.9	\$ 32.5	\$ 30.9	\$ 30.9
TOTAL	\$ 21.9	\$ 32.5	\$ 30.9	\$ 30.9

ACTIVITY: ACCOUNTING LICENSING AND GRANTS  
(Continuation)

1987-89 Biennial Budget

Program: ADMINISTRATIVE SUPPORT AND GRANTS  
Agency: AGRICULTURE, DEPARTMENT OF

DESCRIPTION (Contd.):

3) Northern Crops Institute

Statutory Reference: M.S. 17.03 and 17.101

The Northern Crops Institute (NCI) is an international marketing and learning center located at North Dakota State University. The two primary functions are hosting foreign trade teams and offering short courses targeting on the availability and uses of northern crops. The NCI benefits Minnesota growers by its promotional and educational activities.

<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 75.0	\$ 73.7	\$ 73.7	\$ 73.7
TOTAL	\$ 75.0	\$ 73.7	\$ 73.7	\$ 73.7

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Rent Increase	\$ 150.9	\$ 207.5	Agency- Wide
Grants to Agricultural Societies	\$ 6.0	\$ 6.0	Activity Specific
FarmAmerica Operational Support	\$ 201.3	\$ 211.2	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ACCTING, LICENSING & GRNTS

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	767.5	1,017.1	1,168.4	895.2	274.1	1,169.3	1,046.1	895.0	330.7	1,225.7	1,102.5
LOCAL ASSISTANCE	284.4	364.9	358.0	358.0	207.3	565.3	358.0	358.0	217.2	575.2	358.0
AIDS TO INDS.											
TOTAL EXPENDITURES	1,051.9	1,382.0	1,526.4	1,253.2	481.4	1,734.6	1,404.1	1,253.0	547.9	1,800.9	1,460.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	371.2	419.3	489.2	499.1		499.1	499.1	497.6		497.6	497.6
EXPENSES & CONTRAC. SERV	538.8	241.6	303.9	302.5	152.6	455.1	453.4	303.8	209.2	513.0	511.3
SUPPLIES & MATERIALS	6.8	11.1	8.0	4.7		4.7	4.7	4.7		4.7	4.7
EQUIPMENT	15.8	.5-	1.6	1.6		1.6	1.6	1.6		1.6	1.6
OTHER EXPENSE ITEMS	165.1-	345.6	365.7	87.3	121.5	208.8	87.3	87.3	121.5	208.8	87.3
TOTAL STATE OPERATIONS	767.5	1,017.1	1,168.4	895.2	274.1	1,169.3	1,046.1	895.0	330.7	1,225.7	1,102.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,017.1	824.7	840.3	850.0	481.4	1,331.4	1,000.9	849.8	547.9	1,397.7	1,057.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	32.9	390.8	519.6	298.0		298.0	298.0	298.0		298.0	298.0
FEDERAL	1.9	166.5	166.5	105.2		105.2	105.2	105.2		105.2	105.2
TOTAL FINANCING	1,051.9	1,382.0	1,526.4	1,253.2	481.4	1,734.6	1,404.1	1,253.0	547.9	1,800.9	1,460.5
POSITIONS BY FUND											
GENERAL	13.3	15.0	15.4	15.4		15.4	15.4	15.4		15.4	15.4
SPECIAL REVENUE	1.0	1.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	14.3	16.0	17.4	17.4		17.4	17.4	17.4		17.4	17.4



CHANGE REQUEST

1987-89 Biennial Budget

Agency     Program     Activity

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: RENT INCREASE				
Agency Request				
General Fund	\$150.9	-0-	\$207.5	-0-
Governor's Recommendation				
General Fund	\$150.9	-0-	\$207.5	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to enable it to pay for leased space occupied by the department based upon current leases in effect and rent increases projected to occur during the biennium.

DESCRIPTION/BACKGROUND: Building leases for the rental of non-state owned space contain clauses which provide for increases in property taxes, maintenance, fuel and insurance, etc. Some leases are subject to renegotiation as to rental cost for office locations and storage space located outside of the metropolitan area. The funds requested are the estimated funds needed for the biennium for increased costs of leasing non-state owned space.

The funds, while requested for the entire department, are shown under this activity and will be transferred to each budget activity based upon actual square footage occupied for the applicable fiscal year.

RATIONALE: Adequate funding must be available to pay for leased space.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

RATIONALE: These funds will allow grants to be at the level appropriated for F.Y. 1986.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 6.0	-0-	\$ 6.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds for agricultural societies to restore the grant amounts to F.Y. 1986 levels.

DESCRIPTION/BACKGROUND: During the budget reduction process the grants to agricultural societies were reduced and these societies have requested that their grants be raised to the level originally appropriated. The following agricultural societies would need the following increases:

	F.Y. 1988	F.Y. 1989
Red River Valley Livestock Assn.	\$ 0.1	\$ 0.1
County Agricultural Societies	4.1	4.1
Livestock Premiums Boys and Girls	0.1	0.1
Minnesota Poultry Assn.	0.1	0.1
Minnesota Livestock Breeders' Assn.	0.3	0.3
Northern Crops Institute	1.3	1.3
TOTAL	\$ 6.0	\$ 6.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: FARMAMERICA OPERATIONAL SUPPORT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$201.3	-0-	\$211.2	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected: MS 138.92, 138.93

STATEMENT OF REQUEST/OBJECTIVE: The purpose of this request is for operational support for FarmAmerica. The granting of the request is intended to produce a predictable stream of income from which to pay approximately one-half of the day-to-day expenses associated with administration and program preparation/presentation. The objectives sought are to produce income which will pay for primary staff positions; and to produce the "core element" in program income which will stimulate private sector donors to offer grants and donations.

DISCUSSION/BACKGROUND: FarmAmerica, conceived as a statewide outdoor agricultural learning center, was dedicated in 1986. The Center is one among several outdoor museums which characterize Minnesota's economy and historical heritage. FarmAmerica focuses upon the transitions in agriculture, and the relevance of its people and land to the state of Minnesota as a whole. Located on a 360 acre farm in Waseca County, FarmAmerica offers two historic farmsteads, a modern grain farm operation, restored blacksmith shop/town hall, a 10 acre prairie and pond site, and a roadway network and 700 car parking area. A visitor center, church and DNR-assisted reforestation program will be added in 1987.

FarmAmerica has hosted thousands of visitors in highly successful weekend events during 1984, 1985 and 1986 including the featuring of Minnesota's annual Horse Plowing Contest. Now open on a regular basis, it is projected that up to 75,000 people will annually visit this statewide exhibit.

RATIONALE: FarmAmerica is in the "start up" period. The institution is partially built and is currently initiating day-to-day interpretive programs, seasonal events and a marketing strategy designed to attract tourists, professional groups and school children.

During this period, visitor and related revenue produce a very small part of operating income. Many Minnesota based agri-businesses and individuals have underwritten early development planning and administration. However, current economic conditions negate reliance on the private sector as a sole source to support basic program costs. The gifts of non-state contributors to date exceed \$1.5 million. Major foundations have shown interest in offering operating support. Such institutions demand, however, that core financing be available from a predictable source such as the state. With state income, key staff positions can be maintained and completion of capital facilities and program development will occur.

With the aid of these funds, FarmAmerica will have the capacity to produce the following within two years: (1) Complete primary development administration and interpretive program implementation, including the training of a site staff; (2) provision of a facility which can initially market to and appropriately support 30,000 people annually in 1987 and 1988, and move toward its projected audience of 75,000 people each year; (3) provide a school program complimenting environmental education and Minnesota history modules, and agriculturally-related learning programs; and (4) serve as an extension of Minnesota's World Trade Center, functioning as a communication link for agriculture to an interstate and international audience.

GOVERNOR'S RECOMMENDATION: The Governor does not support the agency's request for this item. Current law prohibits the use of state money for operating or maintenance expenses of historical interpretive centers not owned by the state or the Minnesota Historical Society.

ACTIVITY: PERSONNEL AND OFFICE MANAGEMENT  
 Program: ADMINISTRATIVE SUPPORT AND GRANTS  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To provide personnel and office management services so the department will have qualified staff and sufficient supplies to accomplish its objectives in an effective and efficient manner.

DESCRIPTION: This activity provides personnel and office management support services to the department and approximately 475 employees located throughout the state in 145 separate job classifications. The effect of this activity is to increase the efficiency and effectiveness of the department by centralizing reoccurring personnel and office management functions so as to minimize the amount of time managers and supervisors spend on administrative matters.

The Personnel Section prepares forms and reports necessary for hiring, promoting, and terminating employees; informs employees of personnel policies, union contract matters, and laws which may affect them; assists employees with questions about fringe benefits; and advises supervisory and management staff on union contract language, interpretation, grievance provisions, and other matters.

The Office Management Section assists other activities to resolve clerical and office management problems and to maintain adequate supplies and equipment. Other services provided include clerical overload; building maintenance and security coordination; space allocation and utilization; consumable inventory control; central purchasing of supplies; records and forms management; maintaining a federal and inter-office mail distribution system; and providing for a central receptionist. This section includes a Word Processing Center which provides typing, copying, and related services to the entire department.

The volume of service provided to employees has been increasing at a rate of 15% per year.

Authority for this activity is found in M.S. 43A and 179.61.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Personnel Documents Processed	4,500	4,700	4,800	5,000
All Personnel				
Number of New Hires	27	30	35	40
Number of Promotions	42	44	48	50
Hours Counseling	450	475	500	500
Protected Group Members				
New Hires	7	7	9	10
Promotions	13	15	15	15

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

CHANGE LEVELS:	F.Y. 1988	F.Y. 1989	LEVEL
Office Management Resources Update	\$ 91.0	\$ 94.5	Activity Specific

See CHANGE request sheet following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PERSONNEL & OFFICE MGMT

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	441.7	434.5	477.1	490.8	127.2	618.0	490.8	489.3	130.7	620.0	489.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>441.7</b>	<b>434.5</b>	<b>477.1</b>	<b>490.8</b>	<b>127.2</b>	<b>618.0</b>	<b>490.8</b>	<b>489.3</b>	<b>130.7</b>	<b>620.0</b>	<b>489.3</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	361.8	400.4	427.3	445.3	39.0	484.3	445.3	443.8	39.0	482.8	443.8
EXPENSES & CONTRAC. SERV	89.3	75.1	113.5	114.8	52.0	166.8	114.8	114.8	55.5	170.3	114.8
SUPPLIES & MATERIALS	10.3	13.5	8.1	2.5	5.6	8.1	2.5	2.5	5.6	8.1	2.5
EQUIPMENT	16.6		2.6	2.6		2.6	2.6	2.6		2.6	2.6
OTHER EXPENSE ITEMS	36.3-	54.5-	74.4-	74.4-	30.6	43.8-	74.4-	74.4-	30.6	43.8-	74.4-
<b>TOTAL STATE OPERATIONS</b>	<b>441.7</b>	<b>434.5</b>	<b>477.1</b>	<b>490.8</b>	<b>127.2</b>	<b>618.0</b>	<b>490.8</b>	<b>489.3</b>	<b>130.7</b>	<b>620.0</b>	<b>489.3</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	441.7	434.5	477.1	490.8	127.2	618.0	490.8	489.3	130.7	620.0	489.3
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>441.7</b>	<b>434.5</b>	<b>477.1</b>	<b>490.8</b>	<b>127.2</b>	<b>618.0</b>	<b>490.8</b>	<b>489.3</b>	<b>130.7</b>	<b>620.0</b>	<b>489.3</b>
POSITIONS BY FUND											
GENERAL	14.0	16.9	17.0	17.0	2.0	19.0	17.0	17.0	2.0	19.0	17.0
<b>TOTAL POSITIONS</b>	<b>14.0</b>	<b>16.9</b>	<b>17.0</b>	<b>17.0</b>	<b>2.0</b>	<b>19.0</b>	<b>17.0</b>	<b>17.0</b>	<b>2.0</b>	<b>19.0</b>	<b>17.0</b>

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PERSONNEL AND OFFICE MANAGEMENT  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

RATIONALE: Requests for clerical assistance have continued to increase each year. Requests for clerical assistance from different sources go unfilled. There is a definite need and demand for more part-time positions. The Word Processing Center (WPC) production has steadily increased and the present printer is not capable of meeting demand. This update will provide the necessary turnaround time for work submitted to WPC. The number of copies made has continued to increase each year. The department can expect to have more downtime because of overuse on our present copier. This may result in deadlines not being met and possibly greater cost to the department.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: OFFICE MANAGEMENT RESOURCES UPDATE				
Agency Request				
General Fund	\$ 91.0	2.0	\$ 94.5	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to provide continuing centralized office support to other divisions. The objectives are to provide part-time clerical assistance during peak work load periods and rush projects, and upgrade the Word Processing and Copy Center with improved technical software and an upgraded copier to meet the increasing demands for these services.

DESCRIPTION/BACKGROUND: In March, 1984, the department hired its first part-time clerical employees to meet divisional needs with sporadic work loads. The use of this resource has proven beneficial for the department because of the seasonality of work loads, but demand has now exceeded available resources. The Word Processing Center work load has been increasing by 28 percent each year which has often resulted in costly turn around time delays. More advanced software will enable the department to meet its needs.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Part-time Clerical People	2	2	4	4
Requests for Assistance	208	234	266	303
Lines Printed	2,112,794	2,400,000	2,800,000	3,200,000

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT  
 Program: ADMINISTRATIVE SUPPORT AND GRANTS  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**OBJECTIVE:** To improve the efficiency and effectiveness of the department by providing program and management support services. The activity is assigned ongoing and repetitive departmental administrative tasks and responsibilities not program-matically related to other activities, and the responsibility to conduct surveys of Minnesota farmers and agricultural industries.

**DESCRIPTION:** This activity provides staff support to departmental administrators regarding environmental review; identification and analysis of issues affecting agriculture; preparation of administrative rules, legislation, and budgets; and supplies Minnesota farmers, agri-businesses, governments and other institutions with statistics on Minnesota agriculture. It provides a centralized resource for the promulgation of administrative rules, preparation of work programs, budgets, and legislation. The activity also has been assigned implementation of departmental responsibilities under the 1982 Agricultural Land Protection and the 1984 State Agricultural Land Preservation and Conservation Acts.

The Agricultural Statistics Division is part of this activity. It provides estimates of crop acreage and yield, livestock inventories, farm prices/expenses/income, weekly crop-weather conditions, pesticide use, and exports as well as a broad information series. The major goals are to: 1) Help farmers and agri-businesses make planning and marketing decisions, 2) determine volume and value of agricultural products, 3) assist agri-businesses in locating farm-related industries, 4) provide data to institutions and government, and 5) coordinate data processing throughout the department and provide assistance in statistical sampling, printing, etc.

Authority for this activity is found in M.S. 17.03; 17.80-17.84; 42.01-42.14, and Laws of 1984, Chapter 654, Secs. 31-47.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Environmental Documents Reviewed	192	180	180	180
Environmental Quality Board Briefings/Mtgs	11	11	11	11
Administrative Rules Promulgated	3	8	8	8
Activities Assisted with Budget	-0-	14	-0-	14
Bills/Legislation Drafted	5	10	5	10
Fiscal Notes Prepared/Assisted With	9	18	9	18
Counties Receiving Ag Land Plng. Grants	5	-0-	-0-	-0-
Counties Receiving Technical Assistance	7	7	7	7
Number of County Plans/Controls Completed	-0-	5	3	3
Agricultural Land/Number of State Agency Actions or Rules Reviewed	9	6	6	6
Total Surveys Conducted	310	315	315	310

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Crops for Which County Estimates Produced	21	21	21	21
Number of Livestock/Dairy/Poultry Estimates Produced	6	6	-0-	-0-
Ag Statistical Bulletins Published	4,000	4,000	-0-	-0-
Telephone/Mail Data Requests	4,200	4,300	4,500	4,600
Requests/Statistical Sampling Asst.	12	14	18	20
Divisions Receiving Assistance On Computers and Related Software	8	10	10	10

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
County Livestock Estimates/Printing of Ag Statistical Bulletin	\$ 50.0	\$ 55.0	Activity Specific
Agricultural Land Preservation	\$ 193.5	\$ 141.5	Activity Specific
Regulatory and Program Support	\$ 125.0	\$ 125.0	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PROGRAM & MGMT SUPPORT

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	501.5	563.6	559.9	561.1	254.7	815.8	561.1	559.8	222.7	782.5	559.8
LOCAL ASSISTANCE		100.0			120.0	120.0			105.0	105.0	
AIDS TO INDS.											
TOTAL EXPENDITURES	501.5	663.6	559.9	561.1	374.7	935.8	561.1	559.8	327.7	887.5	559.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	301.8	374.4	384.1	402.7	125.6	528.3	402.7	401.4	125.6	527.0	401.4
EXPENSES & CONTRAC. SERV	192.3	176.1	158.1	147.6	112.4	260.0	147.6	147.6	78.4	226.0	147.6
SUPPLIES & MATERIALS	8.7	11.9	16.1	8.3	15.7	24.0	8.3	8.3	17.7	26.0	8.3
EQUIPMENT	9.7		1.0	1.0	1.0	2.0	1.0	1.0	1.0	2.0	1.0
OTHER EXPENSE ITEMS	11.0-	1.2	.6	1.5		1.5	1.5	1.5		1.5	1.5
TOTAL STATE OPERATIONS	501.5	563.6	559.9	561.1	254.7	815.8	561.1	559.8	222.7	782.5	559.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	415.5	552.9	487.8	494.4	374.7	869.1	494.4	493.1	327.7	820.8	493.1
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		23.6	12.9	7.5		7.5	7.5	7.5		7.5	7.5
GIFTS AND DEPOSITS		2.0									
FEDERAL	86.0	85.1	59.2	59.2		59.2	59.2	59.2		59.2	59.2
TOTAL FINANCING	501.5	663.6	559.9	561.1	374.7	935.8	561.1	559.8	327.7	887.5	559.8
POSITIONS BY FUND											
GENERAL	10.0	12.5	12.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0
SPECIAL REVENUE		2.0									
FEDERAL	1.0										
TOTAL POSITIONS	11.0	14.5	12.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: COUNTY LIVESTOCK ESTIMATES/PRINTING AG STATISTICAL BULLETIN				
	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 50.0	-0-	\$ 55.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds to respond to requests for a wide variety of information and services. The objective is to provide for greater dissemination of agricultural data by maintaining current county livestock estimates and through printing of the Minnesota Agricultural Statistics bulletin, as well as meeting over-time requests from state administrators, the legislature, agri-business firms, farmers and the general public.

DESCRIPTION/BACKGROUND: During the past biennium, the Minnesota Agricultural Statistics Division responded to a number of requests that required additional expenses paid for from the general fund. A list of similar anticipated requests in the next biennium includes:

- 1) Agricultural Statistics bulletin
- 2) Livestock county estimates
- 3) Quick turnaround printing inhouse
- 4) Computer programming
- 5) Systems analysis
- 6) Pesticide use survey
- 7) Commodity ballot referendums
- 8) Farm-related surveys

Requests for information and services are expected to expand; requests come from all segments of the economy. Accurate, reliable data are essential to: 1) locate new processing plants; 2) promote agricultural trade; and 3) formulate

administrative and legislative programs to address the agricultural economy. The Agricultural Statistics Service provides consultation and assistance to the department in computer management, procurement, systems analysis, programming, and printing. The major emphasis is procurement of coordinated data processing equipment and the development of consistent information management procedures across all divisions in the department.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Livestock/Dairy/Poultry Estimates Produced	6	6	6	6
Ag Statistical Bulletins Published	4,000	4,000	4,000	4,000
Requests for Statistical Sampling Assistance	12	14	18	20
Divisions Receiving Assistance on Computer/Related Software	8	10	12	12

RATIONALE: The department needs an efficient and effective information management system to handle the quickly changing needs of Minnesota's agricultural economy. This work must be coordinated so that reliable information is available to make state level policy decisions as well as individual farm or agribusiness firm decisions. A coordinated data processing network within the department is a top priority for serving the public efficiently at minimal expense.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of County Plans/Controls Completed	-0-	5	-0-	8
*Pilot Counties (separately funded)				

RATIONALE: Local governments are recognizing the need to control non-farm rural growth because of the higher costs of providing public services to those land uses. This emerging awareness builds upon the traditional agricultural land preservation concerns over the loss of the most productive land and land use conflicts. Also, among counties with agricultural land preservation programs, there is very little consistency in the methods and standards used, and most of those measures are in need of updating or improving. In addition, outside the metro area, very little is known about the effectiveness of these measures. Many counties are also unfamiliar with recent changes and improvements in agricultural land preservation techniques and laws.

The requested funds will provide resources for counties to develop plans and ordinances for agricultural land preservation. In addition, they will provide for a study of public service costs, which will help counties pinpoint the costs versus revenues of non-farm rural land uses. The funds also will enable the department, using the experiences gained in the pilot county program, to develop a program of coordinated agricultural land preservation planning assistance by state and federal agencies to local governments. This assistance program will include a handbook covering recent advancements in the field, recent changes in pertinent state laws, and suggestions on the planning process. Finally, the funds will allow the department to better monitor the amount of land preserved. Based upon contacts with counties, the department estimates that 15 would be interested in the program during the next two years.

Other expected benefits of the program are decreasing amounts of agricultural and timberlands being converted to other uses, greater utilization by local governments of the technical and informational resources available from a variety of sources, and the utilization of available property tax credits by eligible farm and timberland property owners.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: AGRICULTURAL LAND PRESERVATION

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$193.5	1.0	\$141.5	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and position to carry out responsibilities assigned by the Agricultural Land Preservation Policy Act (M.S. 40A). The objective is to provide financial and technical assistance to counties wishing to develop agricultural and timber land protection programs.

DESCRIPTION/BACKGROUND: Minnesota Statutes, chapter 40A, directs the department to develop and administer a statewide program of technical and financial assistance to local governments for developing plans and official controls to preserve agricultural and timber lands from unnecessary conversion to other uses. Funds were appropriated during the 1985-87 biennium to fund five pilot counties. This request will provide the assistance the law directs to be made available to other counties throughout the state. The funding of this request would allocate the resources necessary to provide grant funds to 15 counties to cover 50 percent of the cost of preparing plans and official controls (as specified in the law); provide for the development and printing of a handbook for local governments and informational brochures for affected landowners; provide for the development and printing of a study outlining the costs of providing public service to non-farm rural land uses; develop and provide other forms of technical assistance; and carry out other mandated activities.

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Counties Receiving Planning Grants	5*	-0-	8	7
Informational Meetings with Counties	12	10	15	25
Counties Receiving Technical Assistance	7	7	14	20

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: REGULATORY AND PROGRAM SUPPORT				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$125.0	3.0	\$125.0	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to provide administrative planning support to regulatory and service divisions, and to investigate the potential impacts of bio-technology upon departmental regulatory programs. The objective is to increase the level of strategic planning used in delivering departmental services or conducting departmental regulatory activities. Another objective is to examine the administrative and regulatory ramifications of bio-technology upon the departmental regulatory programs.

DESCRIPTION/BACKGROUND: The regulatory and service divisions of the department have responsibilities that range from plant pest survey and detection through international market development for Minnesota agricultural commodities. However, efficient and cost-effective program delivery depends upon a range of technical and scientific backgrounds. The operational and/or scientific expertise to develop strategic plans resides within each division, but administrative planning support is needed in the areas of statistical methodology and program planning and design.

The department is the regulatory agency regarding producers, processors, distributors, and consumers of agricultural products. Developments in bio-technology have the potential to alter the amount and type of commodities produced, types of inputs, forms of ownership, marketing methods and organizations, etc. The department will attempt to define the impact these events will have upon regulatory programs, and begin to develop plans to adjust to the anticipated changes, particularly in regard to personnel and capital (equipment) needs.

The funding of this request would provide resources to analyze the impacts of bio-technology upon departmental services, and assistance on developing strategic service delivery plans.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Divisional Plans Completed	-0-	-0-	5	10
Bio-technology Study Completed	-0-	-0-	1	-0-

RATIONALE: The successful and efficient use of departmental resources is critical to the well-being of Minnesota agriculture and agri-businesses, and has direct environmental and public health benefits.

Approximately 25.8% of the department's budget is spent on regulatory activities, such as inspections, licensing, etc. A major proportion of these activities are supported by dedicated accounts which are fee supported through license fees, etc. A substantial portion of the activities are supported by the general fund, with legislative appropriations "off-set" to some degree by non-dedicated revenues. In addition, about 70.7% of the department's total complement is utilized in conducting regulatory or inspection activities.

The bio-technology revolution has the potential to change products and ownership patterns, which could affect both dedicated and general fund fee receipts and inspection activities. The economic and public health responsibilities related to the products could also change, placing greater burdens upon the department for laboratory work, level and type of technical expertise of inspection staff, etc. The department wishes to anticipate these changes in order to fulfill responsibilities regarding consumer protection and industry regulation, while also providing for the protection of public health and the environment. Successful completion of this project will give the necessary lead time to identify and work towards: selection and training of qualified staff; capital investment in needed laboratory equipment; internal administrative changes; and assessment of budget impacts upon fee supported activities.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: LABORATORY SERVICES  
 Program: ADMINISTRATIVE SUPPORT AND GRANTS  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

**OBJECTIVE:** To analyze samples within the time requirements and specifications of the requesting division in order to protect the health, safety, and economic well-being of Minnesota consumers, farmers, and processors.

**DESCRIPTION:** The Laboratory Services Division provides comprehensive laboratory testing of samples submitted by regulatory divisions. Chemical, microbiological, and physical tests are conducted each year on samples of food, meat, dairy, canned products, beverages, water, fertilizer, feed, pesticides and pesticide residues, grain, and other agricultural and food products. These tests determine quality and conformance to state and federal laws and regulations. Another major service provided includes the certification of other laboratories that test dairy products for Grade A labeling every 2 years in order to maintain consistent standards throughout the state. The laboratory maintains a technically certified staff through professional development and provides scientific expertise and technical knowledge for the department as a whole.

These activities support the regulatory activities of the department by protecting consumers, farmers, and processors through the elimination of fraud and error in the marketing of agricultural products. Products that violate standards are removed from sale, thus assuring that Minnesota agricultural and food products meet state and federal standards for quality and safety.

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Improving Laboratory Response	\$ 75.0	\$ 75.0	Activity Specific

See CHANGE sheet following the fiscal page for this activity.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Samples Analyzed	28,864	30,000	30,500	31,500
Total Microbiological Tests	76,798	80,000	83,000	83,000
Total Chemical Tests	24,533	25,000	26,000	26,000
Pesticide Residue Samples Analyzed	558	1,200	1,500	1,550
Number of Grade A Milk and/or Water Laboratories Evaluated and Certified	17	23	20	20
Number of Quality Assurance Programs	15	16	17	17
Number of Fertilizer Samples Analyzed	884	950	1,000	1,200
Percent Within 22 Days	62.6%	65%	70%	70%
Number of Feed Samples Analyzed	1,160	1,200	1,300	1,350
Percent Within 22 Days	52.4%	50%	55%	60%
Number of Environmental Pesticide Samples Analyzed	368	900	1,000	1,000
Number of Fluid Milk Samples Analyzed	2,490	2,500	2,500	2,500
Percent Within 10 Days	98.9%	99%	99%	99%
Percent of Split Samples of Grade A Milk Evaluated Within Report Time	100%	100%	100%	100%

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LABORATORY SERVICES

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	901.8	1,137.8	1,199.1	1,185.8	87.4	1,273.2	1,185.8	1,183.4	87.4	1,270.8	1,183.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	901.8	1,137.8	1,199.1	1,185.8	87.4	1,273.2	1,185.8	1,183.4	87.4	1,270.8	1,183.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	695.1	726.7	724.0	732.9	56.3	789.2	732.9	730.5	56.3	786.8	730.5
EXPENSES & CONTRAC. SERV	76.9	260.1	295.3	291.2	4.1	295.3	291.2	291.2	4.1	295.3	291.2
SUPPLIES & MATERIALS	43.5	72.5	111.0	99.9		99.9	99.9	99.9		99.9	99.9
EQUIPMENT	189.2	77.9	68.2	61.2	27.0	88.2	61.2	61.2	27.0	88.2	61.2
OTHER EXPENSE ITEMS	102.9-	.6	.6	.6		.6	.6	.6		.6	.6
TOTAL STATE OPERATIONS	901.8	1,137.8	1,199.1	1,185.8	87.4	1,273.2	1,185.8	1,183.4	87.4	1,270.8	1,183.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	860.5	995.1	1,039.2	1,064.5	87.4	1,151.9	1,064.5	1,062.1	87.4	1,149.5	1,062.1
MN RESOURCES		60.7	38.6								
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS			21.4	21.4		21.4	21.4	21.4		21.4	21.4
FEDERAL	41.3	82.0	99.9	99.9		99.9	99.9	99.9		99.9	99.9
TOTAL FINANCING	901.8	1,137.8	1,199.1	1,185.8	87.4	1,273.2	1,185.8	1,183.4	87.4	1,270.8	1,183.4
POSITIONS BY FUND											
GENERAL	23.0	22.0	22.0	22.0	3.0	25.0	22.0	22.0	3.0	25.0	22.0
MN RESOURCES		1.0	1.0								
FEDERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	24.0	24.0	24.0	23.0	3.0	26.0	23.0	23.0	3.0	26.0	23.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: LABORATORY SERVICES  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: IMPROVING LABORATORY RESPONSE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 75.0	3.0	\$ 75.0	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to improve service to regulatory divisions, increase efficiency, and better utilize existing professional laboratory staff. The objective is to add 3.0 non-professional laboratory technicians and other resources to the laboratory.

DESCRIPTION/BACKGROUND: The legislature has required the department to regulate pesticides, feeds, fertilizers, and foods. Historically much of the work has been of a routine nature. In recent years, however, much of the laboratory work has been in response to emergency situations such as EDB in grains; strychnine and razor blades in Hormel products; and, in increasing importance, pesticide misuse incidents. Rapid analytical work is required in much of the work the laboratory is involved with to provide investigators with information to deal with emergency situations. Divisions submitting investigative samples have requested 5 day turn around time from the laboratory. Increased sample load, the increased complexity and difficulty of sample analysis, and accomplishing multiple tests on individual samples result in a backlog of samples and delayed reporting of analytical results. Current staffing is insufficient to meet the demand.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
% of Environmental Pesticide Residue Samples Reported Within 10 Days.	22%	30%	50%	50%
Professional Man Hours Required To Analyze One Pesticide Residue Sample.	16	16	8	8

RATIONALE: The feed, fertilizer, pesticide, and food sections of the laboratory currently employ 15 professional chemists, intermediate chemists, senior chemists and analytical laboratory specialists. Some of their time is spent on duties such as washing glassware, cleaning the lab, and preparing samples for analysis. Laboratory technicians could be added to the staff to relieve the chemists of some of their less demanding work as well as help to deal with increased time demands for preparation and cleanup brought about by more samples and more toxic material. This would allow them to spend more time on technically demanding projects for which they have been trained. For example, recently acquired equipment for feed and fertilizer analysis can be utilized to a greater degree if one professional can be dedicated full time to its operation. The tremendous backlog during the spring fertilizer season would be greatly reduced. The hiring of 3.0 laboratory technicians would free up professional scientists to make use of additional analytical instrumentation to speed up work and meet (or in some cases exceed) the desired turnaround times. The result would be improved service to the investigative divisions, permitting decisions on a timely basis where the environment and health are concerned.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: COMMISSIONER'S OFFICE  
 Program: ADMINISTRATIVE SUPPORT AND GRANTS  
 Agency: AGRICULTURE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To administer all departmental activities so that statutory obligations are met within budgetary limitations. To encourage the development and appropriate management of food and agricultural products. To promote and support the needs and concerns of Minnesota agriculture at all levels of society.

DESCRIPTION: The Commissioner's Office is responsible for the overall management of departmental responsibilities and authorities. Major responsibilities include overseeing the enforcement of statutes or rules assigned to the department; maintaining cooperation with federal, state, and local agricultural agencies or organizations; establishing department objectives and policies; integrating activities organizationally for effective and efficient operations; and developing legislation and regulations.

The administration of the Commodities Promotion Act (M.S. 17.51) is part of this activity. The department is required to conduct research and promotion council elections and referendums, and to certify eligibility of applicants who wish to have checkoff money refunded. A related responsibility is to monitor basic operations of councils as well as to provide technical assistance. The activity presently serves 9 councils (beef, dairy, turkey, egg, potato, soybean, wheat, wild rice, and dry edible bean) with participation of 95,000 producers. All expenditures under this activity are returned in costs charged to the councils.

Authority for the research and promotion activity is found in M.S. 17.51.

The Agricultural Development Grant Program allows the state to assist in projects which show potential for significant improvement in domestic or foreign marketing of Minnesota agricultural products. The Program provides matching grants to agricultural organizations, cooperatives, processors and other entities. The Program is extremely popular with grant requests exceeding funds by four times.

Authority for this activity is contained in M.S. 17.101 and in Laws of 1983, Chapter 293, Secs. 5 and 29.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Council Elections/Referendums Conducted	14	12	11	12
Refund Applications Processed	7,000	7,000	8,000	10,000
Producer Refunds Processed Within 4 days of Receipt of Application	90%	92%	95%	95%

1) Agricultural Development Grants:

Statutory Reference: Laws of 1983, Chapter 293, Secs. 5 and 29.

Provides grants to agricultural organizations to expand, improve, or develop

markets for products of Minnesota agriculture. Funds are used to advertise products in domestic and foreign markets; assist direct farm marketing efforts; develop international market development tools; and investigate new marketing technology. Grants are limited to \$70,000 for the biennium for each applicant, and state assistance may not exceed 75% of the project's cost.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Applications Received	35	-0-	-0-	-0-
Number of Grants Made	7	-0-	-0-	-0-
Amount Grant Assistance Requested	\$ 1,277.7	\$ -0-	\$ -0-	\$ -0-
Amount Assistance Granted	\$ 152.5	\$ -0-	\$ -0-	\$ -0-

<u>Grants By Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 152.5	\$ -0-	\$ -0-	\$ -0-

TOTAL	\$ 152.5	\$ -0-	\$ -0-	\$ -0-
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<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Minnesota Ag In The Classroom	\$ 148.0	\$ 148.0	Activity Specific
Agricultural Development Grants	\$ 500.0	\$ 500.0	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMMISSIONERS OFFICE

PROGRAM: ADMIN SUPPORT & GRANTS

AGENCY: AGRICULTURE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	460.3	491.4	510.0	503.6	278.3	781.9	537.8	502.0	278.3	780.3	536.2
LOCAL ASSISTANCE	505.0	277.5			500.0	500.0			500.0	500.0	
AIDS TO INDS.											
TOTAL EXPENDITURES	965.3	768.9	510.0	503.6	778.3	1,281.9	537.8	502.0	778.3	1,280.3	536.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	452.0	503.3	543.1	534.6	63.8	598.4	568.8	533.0	63.8	596.8	567.2
EXPENSES & CONTRAC. SERV	184.5	248.2	242.5	245.7	82.1	327.8	245.7	245.7	82.1	327.8	245.7
SUPPLIES & MATERIALS	18.5	22.1	12.2	11.2	6.0	17.2	11.2	11.2	6.0	17.2	11.2
EQUIPMENT	38.5	2.7									
OTHER EXPENSE ITEMS	233.2-	284.9-	287.8-	287.9-	126.4	161.5-	287.9-	287.9-	126.4	161.5-	287.9-
TOTAL STATE OPERATIONS	460.3	491.4	510.0	503.6	278.3	781.9	537.8	502.0	278.3	780.3	536.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	843.5	629.3	297.9	311.1	778.3	1,089.4	345.3	309.5	778.3	1,087.8	343.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	121.8	81.3	207.4	187.8		187.8	187.8	187.8		187.8	187.8
RURAL REHABILITATION		10.0									
GIFTS AND DEPOSITS		48.3	4.7	4.7		4.7	4.7	4.7		4.7	4.7
TOTAL FINANCING	965.3	768.9	510.0	503.6	778.3	1,281.9	537.8	502.0	778.3	1,280.3	536.2
POSITIONS BY FUND											
GENERAL	9.5	10.5	10.5	10.5	2.0	12.5	11.5	10.5	2.0	12.5	11.5
SPECIAL REVENUE	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	12.5	13.5	13.5	13.5	2.0	15.5	14.5	13.5	2.0	15.5	14.5



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: COMMISSIONER'S OFFICE  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: MINNESOTA AG IN THE CLASSROOM				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$148.0	2.0	\$148.0	2.0
Governor's Recommendation				
General Fund	\$ 34.2	1.0	\$ 34.2	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds and positions to continue this education program and assure statewide implementation of Minnesota Ag In The Classroom. The objective is to help students in grades K-12 and educators learn more about agriculture.

DESCRIPTION/BACKGROUND: Ag In The Classroom is a general education program of national scope, having been established by the U.S. Department of Agriculture. The program is now active in all 50 states, the Virgin Islands and Canada. The Minnesota program (M-AITC) developed out of the USDA initiative and its desire to put control of the program at the state level. Based upon the recommendations of a volunteer task force, the department has spearheaded the effort since September, 1985.

The program now has a Board of Directors and a coordinator sustained through the support of the department, the Department of Education, the University of Minnesota, educators, ag commodity groups and farm organizations, and major Minnesota agri-businesses. The program is funded by the Minnesota Department of Agriculture and through private donations.

Major program areas include:

- \*The development of the "MINNESOTA AGRICULTURE MAGAZINE" for use by higher elementary educators and students statewide as a teaching supplement. This magazine will be used in both public and non-public schools through elementary/middle school principals with issues in September, November, January, and

March of the 1986-87 school year. Sixth grade, the target audience, has a potential reach of 60,000 students. The magazine will continue each year as a teaching aid and will be distributed free to the target audience.

- \*Teacher training and development of an agriculture scope and sequence for local school district use.
- \*Development of a Minnesota Ag Resource Guide.
- \*Coordinating and cooperating with existing ag-related education programs.

RATIONALE: A broader knowledge base for students and educators about agriculture and how it affects their world will help them make intelligent decisions about it in the future. Today less than 3% of the population is involved in production agriculture. Yet, agriculture as an industry accounts for 40% of Minnesota products exported and 20% of employment. As more students are reared in the metropolitan setting, it is important they have the opportunity to further explore agriculture's importance to Minnesota.

References to agriculture have decreased dramatically in classroom textbooks. Thus educators do not have up-to-date resources available to them. In a questionnaire sent by M-AITC to 300 educators, the responses indicated a majority felt they need to teach more on agriculture and wanted supplemental curriculum materials that could be easily integrated into curriculums. Teachers also encouraged M-AITC to help increase teacher awareness of and access to statewide resources augmented by additional teacher training.

A number of Minnesota school districts are trying to implement curriculum on agriculture into the various grade levels. M-AITC gets calls regularly from educators seeking materials for classroom use. The continuation of the program will assure adequate and consistent support to educators. A consistent curriculum will assist local educators as well as decrease costs to individual districts by providing readily available resource materials, etc. The costs of designing and developing a curriculum will be greatly minimized.

GOVERNOR'S RECOMMENDATION: The Governor recommends that the agency continue the Ag in the Classroom program with 1.0 position and \$68.4 for the biennium.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: COMMISSIONER'S OFFICE  
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS  
 AGENCY: AGRICULTURE, DEPARTMENT OF

Request Title: AGRICULTURAL DEVELOPMENT GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$500.0	-0-	\$500.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds for the Agricultural Development Grant program. The objective is to provide funds which can be used to make grants to projects which have significant potential to enhance the profitability or marketing capability of Minnesota agricultural products.

DESCRIPTION/BACKGROUND: The Agricultural Development Grant program provides matching grants to organizations to initiate new marketing activities with the potential to result in increased sales of Minnesota agricultural products. The program proved very popular and effective in the 2-1/2 years of operation before funding was suspended as part of the department's budget reduction.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Funds Available	\$ 152.5	\$ -0-	\$ 500.0	\$ 500.0
Number of Applications	35	-0-	60	60
Number of Grants Funded	7	-0-	20	20
% Match by Grantee (25% required)	46%	-0-	50%	50%

RATIONALE: The current financial state of Minnesota's agricultural economy is at the lowest level since the Great Depression. A major factor leading to this condition was Minnesota's financial dependence upon the export market for the sale of major agricultural commodities. However, present demand as well as short term projections of export demand for major Minnesota commodities indicate the situation will not change for several years. All of this indicates a need for

diversification of both the uses of traditional crops as well as the production of new crops. This grant program provides funds for these purposes, such as promoting more locally grown produce by stimulating public identification and demand for such products.

During the 2-1/2 years when funding was available, program applicants requested assistance four times the amount of grant assistance available. Clients were provided incentives to conduct marketing activities which they had previously been unable to perform. Much of the benefit of the program is in the grantee learning marketing skills.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation for transfer of the Market Development and Promotion Program to Department of Energy and Economic Development includes the Agricultural Development Grant function. Funding for this request is not included in the transfer recommendation.

AGENCY: ANIMAL HEALTH, BOARD OF

1985-87 BIENNIAL BUDGET  
PROGRAM STRUCTURE

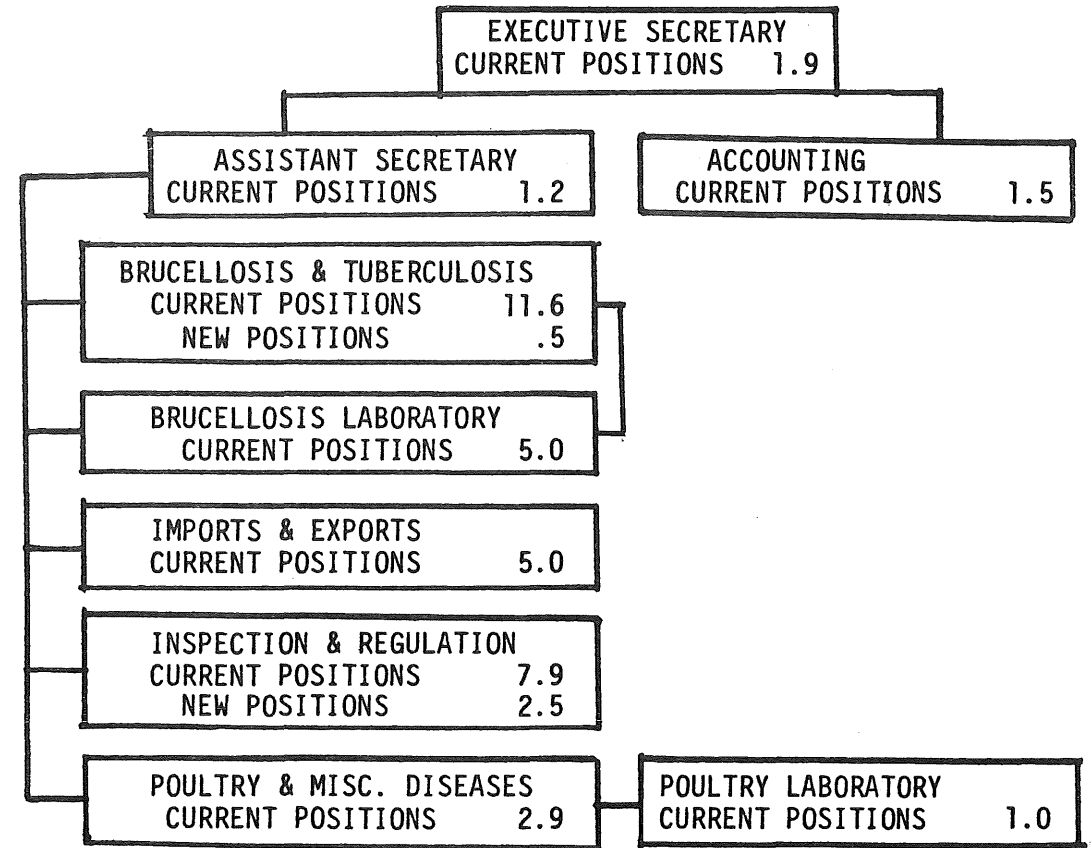
<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
	Disease Control	6	6
LIVESTOCK AND POULTRY HEALTH SERVICES	Regulation of Health		8
	Administrative Services		10

BOARD OF ANIMAL HEALTH

POSITION RECONCILIATION

AUTHORITY:	<u>CURRENT F.Y. 87</u>	<u>REQUESTED for 6-30-89</u>
LEGISLATIVE COMPLEMENT GENERAL FUND	36.0	39.0
TOTAL PERMANENT POSITIONS	36.0	39.0
OTHER COMPLEMENT (FTE)	2.0	2.0
TOTAL AUTHORIZED POSITIONS	<u>38.0</u>	<u>41.0</u>
EMPLOYEES ON 6-30-86	34.0	

ORGANIZATION CHART  
AT 9-29-86



AGENCY PURPOSE:

The Board of Animal Health is mandated to protect the health of the domestic animals of the state by implementing disease control and eradication programs. This mandate is accomplished by enforcing health requirements for the importation of livestock and poultry and inspection and regulation of livestock and livestock related facilities.

The objective of the agency is to prevent the spread of infectious and contagious diseases harmful to the livestock and poultry production of the state, resulting in an increase of meat and poultry production and a decrease in meat costs.

OPERATION AND CLIENTELE:

The Board of Animal Health administers programs for surveillance, control and eradication of livestock and poultry disease. The livestock and poultry producers benefit. The public benefits from better quality and more abundant meat, poultry and livestock products. Less disease allows freer interstate and international movement of livestock and livestock products.

The agency primarily serves cattle, sheep and swine producers, poultry producers, hatcheries and breeding flock owners. Other clients are rendering and pet food plants, garbage feeding establishments, dog kennels, and market facilities.

The agency operates 3 activities. The Disease Control activity is for the control and eradication of infectious communicable diseases of livestock and poultry and provides laboratory facilities for the testing of samples. The Regulation of Health activity prevents the spread of disease through inspection and surveillance of livestock, poultry and companion animals imported and exported. Administrative Services provides overall administration of the agency including personnel, and fiscal and management responsibilities.

Details of the department's operations are provided on the activity pages which follow.

<u>INDEX</u>	<u>Agency Request 1987-89 Biennium All Funds</u>	<u>Governor's Recommendation 1987-89 Biennium All Funds</u>	<u>Page</u>
SAME Level Request	\$ 3,210.4	\$ 3,210.4	
Agency-Wide CHANGE requests Law Compliance Staff	178.9	-0-	5
Subtotal	\$ 3,389.3	\$ 3,210.4	
AGENCY TOTAL	<u>\$ 3,389.3</u>	<u>\$ 3,210.4</u>	

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: LIVESTOCK POULTRY HEALTH

AGENCY: BD OF ANIMAL HEALTH

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
DISEASE CONTROL	721.0	804.3	942.2	966.9	17.8	984.7	966.9	966.1	18.0	984.1	966.1
REGULATION OF HEALTH	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
ADMIN SERVICES	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
TOTAL	1,286.4	1,377.3	1,580.1	1,610.1	88.8	1,698.9	1,610.1	1,600.3	90.1	1,690.4	1,600.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,286.4	1,377.3	1,580.1	1,610.1	88.8	1,698.9	1,610.1	1,600.3	90.1	1,690.4	1,600.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,286.4	1,377.3	1,580.1	1,610.1	88.8	1,698.9	1,610.1	1,600.3	90.1	1,690.4	1,600.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,286.4	1,377.3	1,580.1	1,610.1	88.8	1,698.9	1,610.1	1,600.3	90.1	1,690.4	1,600.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,286.4	1,377.3	1,580.1	1,610.1	88.8	1,698.9	1,610.1	1,600.3	90.1	1,690.4	1,600.3
POSITIONS BY FUND:											
GENERAL	37.0	36.0	36.0	36.0	3.0	39.0	36.0	36.0	3.0	39.0	36.0
TOTAL POSITIONS	37.0	36.0	36.0	36.0	3.0	39.0	36.0	36.0	3.0	39.0	36.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: DISEASE CONTROL/REGULATION OF HEALTH/ADMINISTRATIVE SERVICES  
 PROGRAM: LIVESTOCK AND POULTRY HEALTH SERVICES  
 AGENCY: ANIMAL HEALTH, BOARD OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
GENERAL FUND	\$ 88.8	3.0	\$ 90.1	3.0
Governor's Recommendation				
GENERAL FUND	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: NONE				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts and positions in order to provide the inspections and investigations necessary for livestock and poultry disease control and eradication. The objective is to maintain the disease free status which allows the livestock producers of the state to be in a favorable position to more efficiently produce and to export more livestock, poultry and their products.

DESCRIPTION/BACKGROUND:

The State of Minnesota is currently classified by the United States Department of Agriculture as a Brucellosis Free State. This status allows freer movement of Minnesota cattle and swine both nationally and internationally. Brucellosis in livestock can be transmitted to humans, causing a condition known as undulant fever. In order to maintain the "Free" status, the Board has imposed stricter surveillance of livestock imported from other states with emphasis on cattle that originate from those states that have United States Department of Agriculture "B" and "C" classifications, in other words, a higher incidence rate of brucellosis in their livestock. We presently have only 3 Law Compliance Representatives given the responsibility of inspections and investigations to cover the entire state. The number of staff has remained constant but the inspections and travel time has increased. Prior to 1981 the agency employed 6 Law Compliance Representatives for this purpose.

This request for 3 additional Law Compliance Representatives will provide a more efficient utilization of time and will allow more time for inspection and investigation sur-

veillance programs because of less travel time. Each of the present 3 Law Compliance Representatives drove an average of 34,331 miles in fiscal year 1986. Their assigned inspections and investigations totalled 1,324 with an estimated completion rate of 40% or approximately 529 assignments completed. The miles driven for each assignment averaged out to 65 miles. Of the request of \$88.8 and \$90.1, \$69.8 is for salaries in F.Y. 1988 and \$71.1 is for salaries in F.Y. 1989. The remainder is for travel and support services.

This CHANGE item is split among the activities as follows:

	F.Y. 1988	F.Y. 1989
Disease Control	17.8	18.0
Regulation of Health	71.0	72.1

RATIONALE:

In 1984, the State of Minnesota was classified as a Brucellosis Free State by the United States Department of Agriculture. Of the 50 states, Minnesota became the 19th state to earn this distinction. Only 23 states are classified as "Free". To keep this status, the number of inspections has been increased on feedlots and premises that receive cattle from states that have high incidence rates of brucellosis. These additional inspections cannot be fully accomplished with the 3 Law Compliance Representatives we currently have. Each one is responsible for approximately one-third of the state. Travel distances make it impossible for them to make these added inspections and to do their other work assignments. In addition, Pseudorabies control requirements will increase their workload by another 5 per cent. The addition of 3 more law compliance personnel will allow more time for inspections and surveillance duties due to the reduction of travel time. Inspections would be accomplished more timely and efficiently. Duties that were postponed would once again be performed regularly which would provide better service to the public and livestock industry. Minnesota's "Free" status of a number of diseases would be put in less jeopardy due to more efficient surveillance.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While this request has merit, other spending priorities preclude additional funding.

ACTIVITY: DISEASE CONTROL  
 Program: LIVESTOCK AND POULTRY HEALTH SERVICES  
 Agency: ANIMAL HEALTH, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ .6	\$ .6	\$ .5	\$ .6	\$ .6

DESCRIPTION/BACKGROUND: Minnesota has been designated free of a number of livestock and poultry diseases by the United States Department of Agriculture. Freedom of these diseases allows Minnesota's farmers to produce livestock and livestock products more efficiently, resulting in lower costs to the consumer and to be eligible to export livestock and poultry more readily in interstate and international commerce. As a result, the Board's official laboratories: the Willmar Poultry Testing Laboratory, the University of Minnesota's College of Veterinary Medicine's Diagnostic Laboratory and the Brucellosis Laboratory, test over 1,000,000 samples annually in surveillance programs for these diseases. These programs provide early detection of the introduction of these diseases into the livestock population and allows the Board to move quickly to reduce the risk of the spread of disease and to eliminate the source of the disease.

This activity exists to control and eradicate infectious communicable diseases of livestock and poultry. Laboratory services are provided for 75,000 cattle and swine producers, 20,000 poultry producers, 101 hatcheries and 300 turkey breeding flock owners. The public is served by more readily available and less expensive meat, milk, poultry and eggs, and more efficient livestock and livestock product production.

Eradication and surveillance programs in progress have qualified Minnesota as free of bovine brucellosis, swine brucellosis, bovine tuberculosis, hog cholera, sheep scabies, pullorum typhoid in turkeys and chickens. There are presently in effect control programs for rabies, anaplasmosis, pseudorabies, equine infectious anemia, avian influenza, salmonella, mycoplasma, paratuberculosis and cattle scabies. The personnel and facilities for control of other communicable diseases such as ornithosis/psittacosis are available.

ACTIVITY STATISTICS:            F.Y. 1986   F.Y. 1987   F.Y. 1988   F.Y. 1989

Livestock and Poultry Tests  
 For: (in thousands)

Bovine Brucellosis	464.3	513.8	513.8	513.8
Swine Brucellosis	205.1	439.1	439.1	439.1
Bovine Tuberculosis	13.7	13.7	13.7	13.7
Paratuberculosis	4.7	5.2	5.7	6.3
Anaplasmosis	11.0	11.5	12.0	12.0
Pseudorabies	39.6	41.0	41.0	41.5
Equine Infectious Anemia	9.0	10.0	13.0	13.0
Pullorum Typhoid	59.0	62.0	64.0	65.0
Salmonella Typhimurium	50.2	52.0	53.0	53.0
Mycoplasma Gallisepticum - Turkeys	11.7	13.0	14.0	14.0
Mycoplasma Gallisepticum - Chickens	10.0	10.5	11.0	11.0

ACTIVITY STATISTICS (continued):

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Mycoplasma Meleagridis	41.7	45.0	47.5	48.0
Mycoplasma Synoviae - Chickens and Turkeys	52.0	55.0	57.0	58.0
Avian Influenza	29.5	33.0	38.0	40.0
Salmonella Cultures	50.0	52.0	54.0	55.0
Public Exhibitions Supervised	115	125	135	145
Cattle Identified to Farm of Origin	374.2	375.2	376.2	377.2
Swine Identified to Farm of Origin	359.1	359.1	359.1	359.1



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DISEASE CONTROL

PROGRAM: LIVESTOCK POULTRY HEALTH

AGENCY: BD OF ANIMAL HEALTH

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	721.0	804.3	942.2	966.9	17.8	984.7	966.9	966.1	18.0	984.1	966.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>721.0</b>	<b>804.3</b>	<b>942.2</b>	<b>966.9</b>	<b>17.8</b>	<b>984.7</b>	<b>966.9</b>	<b>966.1</b>	<b>18.0</b>	<b>984.1</b>	<b>966.1</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	521.2	583.4	650.9	669.3	14.0	683.3	669.3	668.3	14.2	682.5	668.3
EXPENSES & CONTRAC. SERV	196.0	212.5	284.9	291.1	3.8	294.9	291.1	291.3	3.8	295.1	291.3
SUPPLIES & MATERIALS	3.8	4.4	6.4	6.5		6.5	6.5	6.5		6.5	6.5
EQUIPMENT		4.0									
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>721.0</b>	<b>804.3</b>	<b>942.2</b>	<b>966.9</b>	<b>17.8</b>	<b>984.7</b>	<b>966.9</b>	<b>966.1</b>	<b>18.0</b>	<b>984.1</b>	<b>966.1</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	721.0	804.3	942.2	966.9	17.8	984.7	966.9	966.1	18.0	984.1	966.1
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>721.0</b>	<b>804.3</b>	<b>942.2</b>	<b>966.9</b>	<b>17.8</b>	<b>984.7</b>	<b>966.9</b>	<b>966.1</b>	<b>18.0</b>	<b>984.1</b>	<b>966.1</b>
POSITIONS BY FUND											
GENERAL	19.5	18.5	18.6	18.6	.5	19.1	18.6	18.6	.5	19.1	18.6
<b>TOTAL POSITIONS</b>	<b>19.5</b>	<b>18.5</b>	<b>18.6</b>	<b>18.6</b>	<b>.5</b>	<b>19.1</b>	<b>18.6</b>	<b>18.6</b>	<b>.5</b>	<b>19.1</b>	<b>18.6</b>

ACTIVITY: REGULATION OF HEALTH  
 Program: LIVESTOCK AND POULTRY HEALTH SERVICES  
 Agency: ANIMAL HEALTH, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ .5	\$ 7.5	\$ .8	\$ .8	\$ .8

OBJECTIVE: To provide market availability and financial stability to the livestock and poultry industry of Minnesota by assuring the sale or purchase of disease free livestock and poultry.

DESCRIPTION: This activity seeks to prevent the spread of disease in livestock and poultry. Imports and exports of livestock, poultry and companion animals are monitored and inspected to prevent the introduction of disease into the state and to prevent the exportation of diseases to other states and/or countries.

Programs now in progress are poultry flock and hatchery inspections; rendering and pet food plant inspections; garbage feeding inspections; brand registrations and dog kennel inspections. Inspection and supervision of market facilities; consignment sales and public exhibitions. Poultry breeding stock is inspected and tested through guidelines of the National Poultry Improvement Plan.

ACTIVITY STATISTICS:                    F.Y. 1986   F.Y. 1987   F.Y. 1988   F.Y. 1989

IMPORTS: (in thousands)

Cattle	365.8	370.0	372.0	376.0
Swine	234.9	245.0	247.0	250.0
Sheep	48.7	50.0	50.0	50.0
Horses	22.5	24.0	26.0	26.5
Dogs	3.8	4.0	4.1	4.1
Poults, Chicks, Hatching Eggs	3,492.9	3,600.0	3,700.0	3,800.0

EXPORTS: (in thousands)

Cattle	128.2	129.1	130.0	131.0
Swine	396.1	399.5	400.0	400.0
Sheep	5.0	4.9	5.0	5.0
Horses	4.5	5.0	5.0	5.1
Poults, Chicks, Hatching Eggs	5,110.3	5,200.0	5,300.0	5,400.0

LICENSES AND REGISTRATIONS:

Garbage Feeding	3	3	3	3
Licensed Dog Kennels	55	60	60	60
Brand Registrations	52	55	55	55
Rendering Plant Permits	19	20	20	20
Research Institutions	7	7	7	7
Hatchery Permits	101	105	110	110
Poultry Import Permits	106	110	110	110
Testing Agents	200	225	250	300

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REGULATION OF HEALTH

PROGRAM: LIVESTOCK POULTRY HEALTH

AGENCY: BD OF ANIMAL HEALTH

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	348.0	361.9	412.1	416.5	55.8	472.3	416.5	407.7	56.9	464.6	407.7
EXPENSES & CONTRAC. SERV	29.8	31.7	24.2	24.2	15.2	39.4	24.2	24.2	15.2	39.4	24.2
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	377.8	393.6	436.3	440.7	71.0	511.7	440.7	431.9	72.1	504.0	431.9
POSITIONS BY FUND											
GENERAL	12.9	12.9	12.8	12.8	2.5	15.3	12.8	12.8	2.5	15.3	12.8
TOTAL POSITIONS	12.9	12.9	12.8	12.8	2.5	15.3	12.8	12.8	2.5	15.3	12.8

ACTIVITY: ADMINISTRATIVE SERVICES  
 Program: LIVESTOCK AND POULTRY HEALTH SERVICES  
 Agency: ANIMAL HEALTH, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

OBJECTIVE: To provide management and administrative services for the Board's central office, two laboratories, eleven field employees and five board members and to ensure that all financial obligations are paid within established payment deadlines.

EFFECTIVENESS MEASURES: All of the administrative activities listed in the following descriptions were accomplished. There were no adverse effects on the departments' activities or responsibilities.

DESCRIPTION:

1. Provide management, office services and coordination for the central office, 2 laboratories and 11 field employees.
2. Maintain records for 36 employees.
3. Purchase, inventory and distribute supplies and equipment.
4. Employ and train personnel.
5. Provide office services and coordination for 5 board members for meetings and public hearings.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ADMIN SERVICES

PROGRAM: LIVESTOCK POULTRY HEALTH

AGENCY: BD OF ANIMAL HEALTH

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	166.1	162.4	176.0	176.9		176.9	176.9	176.7		176.7	176.7
EXPENSES & CONTRAC. SERV	18.7	13.0	19.9	19.9		19.9	19.9	19.9		19.9	19.9
SUPPLIES & MATERIALS	2.8	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
EQUIPMENT			1.7	1.7		1.7	1.7	1.7		1.7	1.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	187.6	179.4	201.6	202.5		202.5	202.5	202.3		202.3	202.3
POSITIONS BY FUND											
GENERAL	4.6	4.6	4.6	4.6		4.6	4.6	4.6		4.6	4.6
TOTAL POSITIONS	4.6	4.6	4.6	4.6		4.6	4.6	4.6		4.6	4.6

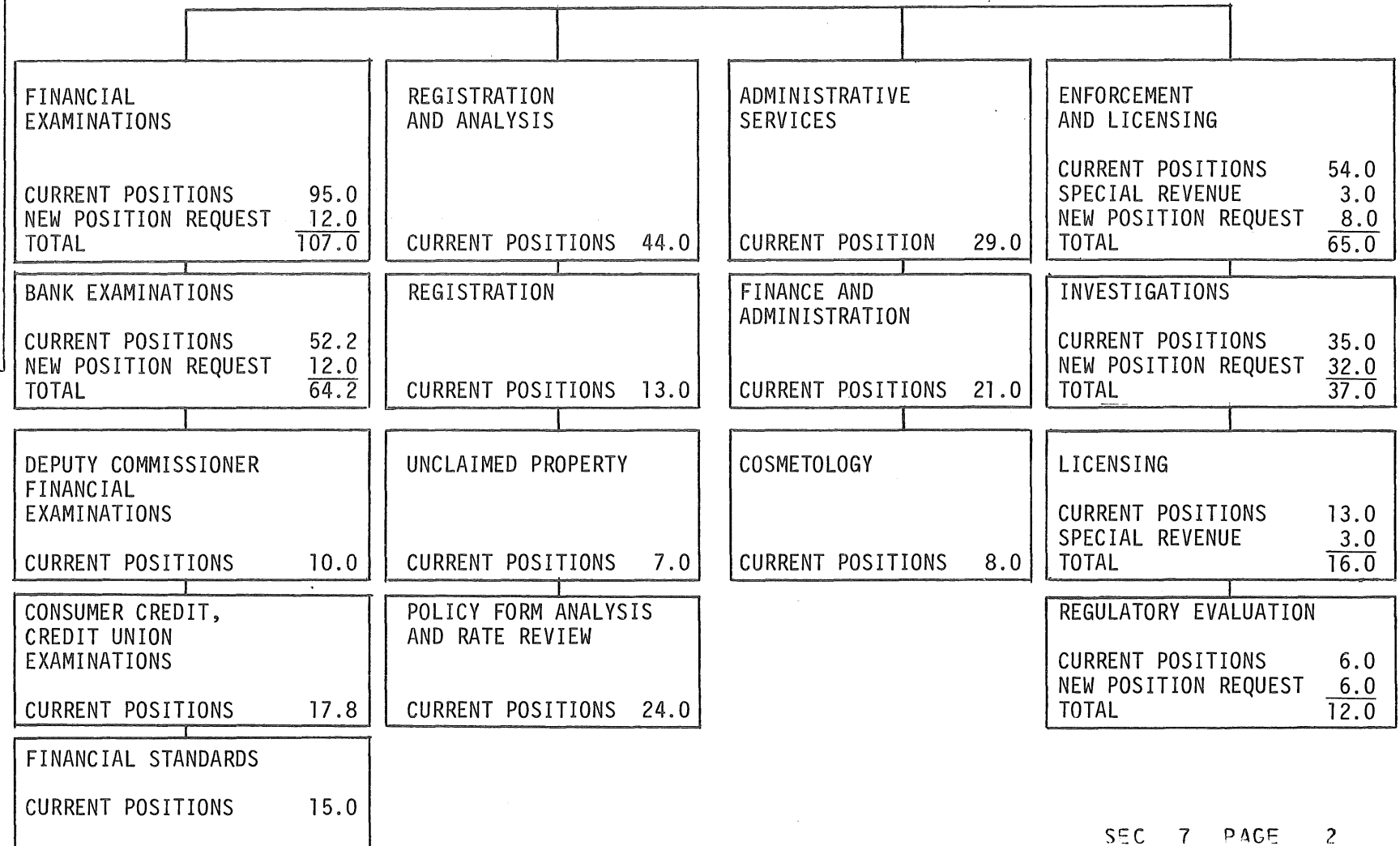
1987-1989 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: <u>COMMERCE, DEPARTMENT OF</u>		<u>SECTION</u>	<u>PAGE</u>
<u>PROGRAMS</u>	<u>ACTIVITIES</u>		
FINANCIAL EXAMINATIONS	Bank Examinations	7	8
	Deputy Commissioner Financial Examinations		11
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REGISTRATION AND ANALYSIS	*Registration		19
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ENFORCEMENT AND LICENSING	*Investigations		34
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FARM LOAN INTEREST BUYDOWN	Farm Loan Interest Buydown		42

ORGANIZATION CHART  
AT 10/20/86

DEPARTMENT OF COMMERCE

POSITION RECONCILIATION		
AUTHORITY	CURRENT FY 1987	REQUESTED FOR 6/30/89
LEGISLATIVE COMPLEMENT		
GENERAL FUND	222.0	242.0
SPECIAL REVENUE FUND	3.0	3.0
LEGISLATIVE AUTHORIZED	-0-	-0-
BUDGETARY AUTHORIZED	-0-	-0-
LAC APPROVED	12.0	-0-
TRANSFERS IN/OUT (NET)	-0-	-0-
TOTAL PERMANENT POSITIONS	<u>237.0</u>	<u>245.0</u>
OTHER COMPLEMENT	-0-	-0-
TOTAL AUTHORIZED POSITIONS	<u>237.0</u>	<u>245.0</u>
EMPLOYEES ON 6/30.86	233.0	



AGENCY PURPOSE: The Department of Commerce is a regulatory agency which establishes and monitors standards and supplies technical assistance involving a wide variety of financial and business transactions. The primary goal of the Department is to instill investor and business confidence in financial transactions, and to protect the investing public from abuses in those financial transactions where citizens rely upon the expertise, trust and solvency of the financial community. The Department of Commerce attempts to assure that a market place exists which adheres to legal standards and meets the needs of the public.

OPERATIONS AND CLIENTELE: The Department of Commerce operates in 4 major program areas. The financial examination program is responsible for the financial examination of banking, thrift, insurance and lending institutions with the overall goal of the establishment and preservation of sound financial services industries. The registration and analysis division deals with the registration of financial investments, policy forms and rates and handling of abandoned and unclaimed property. The enforcement and licensing program investigates possible violations of law, responds to consumer complaints or inquiries and licenses the professionals doing business in the industries regulated by the agency. The administrative services program is responsible for overall policy, administration and support services and provides for regulation of the cosmetology industry.

The agency's primary clientele includes the industries and licensees the agency regulates and the consumers who use the services provided by the agency's licensees. Further detail of the department's operation is provided on the following program and activity pages.

ISSUES: The economic upheaval in investment rates over the past 6 years, the change in institutional structure and deregulation at the federal level have placed substantial pressure on the agency.

Financial Examinations program: The most recent major issue for the division is agricultural banking, where many community banks do not have the capital base to address the calamity of "collateral lending" during the past decade. Additionally, the reallocation of FDIC personnel to bank liquidations and the length of the "watch list" has imposed substantial additional demand on the division. Further, the different financial products offered by the insurance industry, issues relating to interstate banking, and increased concerns on insurer solvency have placed an additional demand on the examination staff.

Registration and Analysis program: With regard to securities, the "hot market", "creative and junk financing", tax policy changes, corporate takeovers and cutbacks at the SEC have placed additional workload on the division. With regard to insurance rates and policy review, the national property and casualty insurance crisis and the problem of non-competitive classes of insurance have resulted in tremendous staff demand to review the dramatically changed policy forms and rates. The budget refers to increased allocation for "closed claim" studies to determine issues arising from the crisis. Tremendous changes with regard to financial products in the life

insurance industry and cost containment in the health insurance industry have also resulted in increased demand and review of the regulatory structure.

Enforcement program: Enforcement has been inundated with record levels of complaints in almost all fields. Lower interest rates and record consumer demand resulted in record complaints against real estate and mortgage companies regarding inadequate or incompetent service. Further, the SEC has referred substantial numbers of its complaints to the Department. Finance charges, securities violations and irregular conduct for the first time are being regularly made with regard to financial institutions. The insurance crisis has caused obvious record levels of complaints as well.

INDEX	Agency Request	Governor's	Page
	1987-89 Biennium All Funds	Recommendation 1987-89 Biennium All Funds	
SAME Level Request	\$ 18,646.8	\$ 18,646.8	
Financial Examinations			
Program CHANGE Requests	76.0	76.0	7
Bank Examinations	844.7	455.2	10
Subtotal	920.7	531.2	
Registration and Analysis			
Unclaimed Property	15.0	15.0	23
Subtotal	15.0	15.0	
Enforcement and Licensing			
Investigations	143.8	-0-	36
Regulatory Evaluation	391.7	391.7	41
Subtotal	535.5	391.7	
Agency Total	\$ 20,118.0	\$ 19,584.7	



AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
FINANCIAL EXAMINATIONS	3,327.4	3,588.0	3,798.4	3,878.1	507.2	4,385.3	4,187.0	3,867.9	413.5	4,281.4	4,090.2
REGISTRATION & ANALYSIS	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
ADMINISTRATIVE SERVICES	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
ENFORCEMENT & CONS ASSIST	2,071.7	1,970.7	2,026.1	2,125.7	345.0	2,470.7	2,397.5	2,122.0	190.5	2,312.5	2,241.9
FARM LOAN INTEREST BUYDOWN	1,257.7	5,644.8	170.2								
<b>TOTAL</b>	<b>9,411.0</b>	<b>14,112.8</b>	<b>9,169.3</b>	<b>9,332.4</b>	<b>867.2</b>	<b>10,199.6</b>	<b>9,928.1</b>	<b>9,314.4</b>	<b>604.0</b>	<b>9,918.4</b>	<b>9,656.6</b>
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	7,933.0	8,444.8	9,045.8	9,332.4	867.2	10,199.6	9,928.1	9,314.4	604.0	9,918.4	9,656.6
LOCAL ASSISTANCE	1,230.3	5,593.9	123.5								
AIDS TO INDS.	247.7	74.1									
<b>TOTAL EXPENDITURES</b>	<b>9,411.0</b>	<b>14,112.8</b>	<b>9,169.3</b>	<b>9,332.4</b>	<b>867.2</b>	<b>10,199.6</b>	<b>9,928.1</b>	<b>9,314.4</b>	<b>604.0</b>	<b>9,918.4</b>	<b>9,656.6</b>
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	8,911.8	13,745.3	8,787.3	8,950.3	867.2	9,817.5	9,546.0	8,932.2	604.0	9,536.2	9,274.4
SPECIAL REVENUE	186.0	211.3	261.1	261.2		261.2	261.2	261.3		261.3	261.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	313.2	156.2	120.9	120.9		120.9	120.9	120.9		120.9	120.9
<b>TOTAL FINANCING</b>	<b>9,411.0</b>	<b>14,112.8</b>	<b>9,169.3</b>	<b>9,332.4</b>	<b>867.2</b>	<b>10,199.6</b>	<b>9,928.1</b>	<b>9,314.4</b>	<b>604.0</b>	<b>9,918.4</b>	<b>9,656.6</b>
POSITIONS BY FUND:											
GENERAL	226.0	222.0	222.0	222.0	20.0	242.0	235.0	222.0	20.0	242.0	235.0
SPECIAL REVENUE	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
<b>TOTAL POSITIONS</b>	<b>229.0</b>	<b>225.0</b>	<b>225.0</b>	<b>225.0</b>	<b>20.0</b>	<b>245.0</b>	<b>238.0</b>	<b>225.0</b>	<b>20.0</b>	<b>245.0</b>	<b>238.0</b>

PROGRAM PURPOSE: The Financial Examinations Program is responsible for examining and regulating state-chartered financial institutions and licensees in Minnesota to insure consumer trust and protection in banking, thrift, insurance and lending institutions. The overall objective of this program is to establish and preserve a sound financial services industry. Through the various review processes, the program provides the investor, borrowing customers, policyholders and depositors with safe, sound financial institutions which complement the economic growth and development of the state.

OPERATIONS: This program includes operations through the following activities:

Bank Examinations examines state banks, trust companies, thrift and other financial institutions at their 725 locations once each 18 months as required by statute, or more often if determined necessary. The Federal Deposit Insurance Corporation (FDIC) and Federal Reserve System have historically shared the responsibility for bank examinations through a divided examination program. Under this program, banks in satisfactory condition are examined annually either by the bank examination activity of the financial examinations program or the appropriate federal supervisor. Problem banks are examined on a more frequent basis. All depository institutions have insurance of accounts by the FDIC.

Credit Union and Consumer Credit examines consumer credit and credit union operations at their 500 locations once each 18 months as required by statute or more often if determined necessary. All credit unions' deposits are insured by the National Credit Union Administration which performs their own insurance review examinations from time to time but not under any cooperative or joint program.

Insurance Examinations conduct examinations and review the required reports of 329 domestic licensed insurance companies. A review of 1,248 foreign states licensed insurers and surplus lines insurers is made through other state examination reports, required submissions and participation with other states' examinations in coordination with the National Association of Insurance Commissioners (NAIC).

The Deputy Commissioner activity coordinates all activities to include the review of financial institution chartering and license applications as to character, expertise, requirements of law, financial strength and public need. It proposes appropriate formal and informal administrative orders and agreements with troubled institutions to assure minimal disruption for depositors, lenders and policyholders. It also revokes or modifies the operational authority of those insolvent institutions, those in violation of law or those no longer of sufficient ability to be of service to their community.

BUDGET ISSUES:

All of the costs of operation of this program are recovered through a system of

annual assessments, hourly rate billing for actual examination time and direct cost billing including travel, expenses and daily examiner cost billings, and fees paid for license.

De-regulation of financial institutions and insurance company products, services and funding investments has strained management which is attempting to overcome a combination of lower profit margins, increased competition with non-financial institutions, rapid changes in interest rates and a withdrawal of federal policy in the farm economy. Continued improvement in examiner and staff training with a broader field of expertise is necessary.

The FDIC, with whom bank supervision is shared, has substantially withdrawn from a co-equal examination involvement in the midwest and, as part of a nationwide consolidation of regional headquarters, has relocated its regional office to Kansas City, Missouri. As a result, in October 1985 the agency made a request to the Legislative Advisory Commission (LAC) for additional positions in bank examination and review to properly react to the potential bank examination shortfall. Five positions were authorized for F.Y. 1986. These examiners were immediately hired in key western and southwestern Minnesota examination territories. The legislative finance and appropriations committees approved 12 positions to address this need; however, the appropriations bill did not receive final passage. As a result, the agency received approval at the June 1986 LAC meeting for the increase of 12 positions in the bank examination staff to be engaged as needed over the balance of F.Y. 1987 and any lack of funding to be made up by deficiency appropriations from the 1987 Legislature.

EXPLANATION OF BUDGET REQUEST: Funding is requested to continue the SAME level of effort. Two CHANGE items are requested for this program: \$431.2 in F.Y. 1988 and \$413.5 in F.Y. 1989 for continuation of 12.0 positions approved by the LAC for bank examination efforts; and \$76.0 in F.Y. 1988 to computerize examination staff to maintain cooperative examination capabilities with the FDIC.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except the bank examination request has been reduced by 5.0 positions and \$389.5 for the biennium.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: FINANCIAL EXAMINATIONS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
BANK EXAMINATIONS	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
DEP COM FIN EXAM	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
CONSUMER CREDIT EXAMINATION	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
FINANCIAL STANDARDS	690.6	693.6	707.3	714.1	10.8	724.9	724.9	712.3		712.3	712.3
TOTAL	3,327.4	3,588.0	3,798.4	3,878.1	507.2	4,385.3	4,187.0	3,867.9	413.5	4,281.4	4,090.2
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,327.4	3,588.0	3,798.4	3,878.1	507.2	4,385.3	4,187.0	3,867.9	413.5	4,281.4	4,090.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,327.4	3,588.0	3,798.4	3,878.1	507.2	4,385.3	4,187.0	3,867.9	413.5	4,281.4	4,090.2
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,261.9	3,505.9	3,677.5	3,757.2	507.2	4,264.4	4,066.1	3,747.0	413.5	4,160.5	3,969.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	65.5	82.1	120.9	120.9		120.9	120.9	120.9		120.9	120.9
TOTAL FINANCING	3,327.4	3,588.0	3,798.4	3,878.1	507.2	4,385.3	4,187.0	3,867.9	413.5	4,281.4	4,090.2
POSITIONS BY FUND:											
GENERAL	96.0	96.0	95.0	95.0	12.0	107.0	102.0	95.0	12.0	107.0	102.0
TOTAL POSITIONS	96.0	96.0	95.0	95.0	12.0	107.0	102.0	95.0	12.0	107.0	102.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: BANK EXAMS/CONSUMER CR., CR. UNIONS EXAMS/INSUR. CO. FINANCIAL STANDARDS  
 PROGRAM: FINANCIAL EXAMINATIONS  
 AGENCY: COMMERCE, DEPARTMENT OF

This CHANGE item is split among activities the following way:

	<u>F.Y. 1988</u>
Bank Examinations	\$ 54.4
Consumer Credit, Credit Unions Examination	10.8
Insurance Company Financial Standards	10.8

RATIONALE:

This request is made in an effort to maintain the ability to access examination information from the FDIC and to improve communication capabilities with field examination staff.

The benefit of this change would be the ability to reduce the time spent on processing of examination reports and to communicate with the field staff "on-the-spot".

The funds relating to this request would be fully recovered to the general fund through fees and assessments to the regulated industries.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Computerization of Field Examination Staff

Agency Request	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 76.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ 76.0	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount in order to computerize the field examination staff for the financial examinations program.

The objective of this proposal would be to allow for more rapid processing of examination reports from the point of field to office which, as a result, will decrease the time of review for examination reports.

DESCRIPTION/BACKGROUND:

The Federal Deposit Insurance Corporation (FDIC) has successfully undertaken a pilot project of automation of field examination staff and has determined the function to be a more effective way of processing examination reports. Therefore, they are currently computerizing the entire field examination function. The states who share examination functions of banks with the FDIC will need the ability to access the data, using compatible equipment, produced by the FDIC.

Additionally, the need to update communication capability by and between the office location and field examination staff necessitates this type of change. Automation of field staff means an ability for the agency to transmit data over telephone lines immediately which will eliminate processing time delays. The result being more rapid response time on the part of the office to information revealed in examination reports and more rapid communication of information from the office to field examination staff.

ACTIVITY: BANK EXAMINATIONS  
 Program: FINANCIAL EXAMINATIONS  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 2,197.7	\$ 2,497.7	\$ 2,764.7	\$ 3,211.3	\$ 3,137.4

OBJECTIVE: To assure depositors, investors and borrowers as to the safety and soundness of state chartered banks, trust companies and other depository institutions.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of institutions on problem list (6/30)	139	110	100	90
Institutions added to problem list	43	20	20	20
Institutions deleted from problem list	24	49	30	30
% of problem list on formal or informal actions	95%	95%	95%	95%
Average no. of days to process exam reports	36	35	34	33

DESCRIPTION: This activity conducts examinations of depository financial institutions which includes commercial banks, trust companies, savings banks, thrift companies, and certificate investment companies as required by M.S. 46.02 to determine that the institutions are safe, sound and operating according to law. On-site examinations and special investigations are conducted through a 10-territory statewide system of examiners. These examiners produce written reports rating the institutions on standards from 1 to 5 for Capital adequacy, Asset quality, Management, Earnings and Liquidity (CAMEL rating). Problems are addressed by a system of semi-formal and formal written understandings and orders addressing necessary remedial action. Between examinations the staff reviews and analyzes call reports and other filings by institutions on a quarterly basis.

All state banks are insured by the FDIC. The examinations schedule has been shared with alternate examinations at least every 18 months (M.S. 46.04). Problem bank examinations are accelerated and conducted at least every 6 to 9 months. The FDIC examinations staff has been seriously depleted due to reassignments to liquidations in other states and accordingly the department has been forced to pick up the additional workload. This problem has affected overall effectiveness and ability to meet the examinations schedules dictated by law and the individual problems faced by closely monitored institutions.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total assets of banks (Billion \$)	\$14.2	\$15.6	\$16.0	\$16.5
No. of Examiners	43	42	42	42
No. of Banks, trusts and other institutions	531	530	525	525
No. of Detached Facilities	168	170	180	190
No. of Examinations	283	280	280	280
Financial and statistical reports processed	3,150	3,150	3,150	3,150

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Computerization of Field Examination Staff Needed to provide automated access to information between office and field staff.	\$54.4		Program Wide
Continuation of LAC Authorized Complement and Appropriation Needed to maintain back examinations as required as a result of changes in the divided examination program with the FDIC.	\$431.2	\$413.5	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BANK EXAMINATIONS

PROGRAM: FINANCIAL EXAMINATIONS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,640.6	1,893.3	1,746.8	1,801.6	342.9	2,144.5	1,983.6	1,796.3	341.8	2,138.1	1,977.7
EXPENSES & CONTRAC. SERV	219.4	230.7	257.8	263.7	78.6	342.3	311.7	263.7	68.8	332.5	302.9
SUPPLIES & MATERIALS	10.0	16.7	10.2	10.4	2.9	13.3	12.1	10.4	2.9	13.3	12.1
EQUIPMENT		41.0			61.2	61.2	55.6				
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,870.0	2,181.7	2,014.8	2,075.7	485.6	2,561.3	2,363.0	2,070.4	413.5	2,483.9	2,292.7
POSITIONS BY FUND											
GENERAL	55.0	57.6	52.2	52.2	12.0	64.2	59.2	52.2	12.0	64.2	59.2
TOTAL POSITIONS	55.0	57.6	52.2	52.2	12.0	64.2	59.2	52.2	12.0	64.2	59.2

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: BANK EXAMINATIONS  
 PROGRAM: FINANCIAL EXAMINATIONS  
 AGENCY: COMMERCE, DEPARTMENT OF

Request Title: Continuation of Legislative Advisory Commission Authorized Complement and Appropriation	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$431.2	12.0	\$413.5	12.0
Governor's Recommendation				
General Fund	\$232.9	7.0	\$222.3	7.0

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests to continue positions and funding for 12 positions authorized by the June, 1986 Legislative Advisory Commission (LAC). The request was authorized by the LAC in an effort to address a deficiency in bank field examination staff which occurred as a result of changes made by the Federal Deposit Insurance Corporation (FDIC) in their operations.

The objective of continuing this LAC appropriation is to be able to complete the examination of state chartered financial institutions within time frames established by statute.

DESCRIPTION/BACKGROUND:

Bank examination staffing needs are based on a requirement by statute to do on-site examination of the records of a state chartered financial institution to assure compliance once every 18 months.

Prior to May, 1985 the department was to meet this requirement because of participation with the FDIC in a divided examination program where banks rated "good" would be examined each 18 months but would be done on an alternating basis, the FDIC one year and the state the next.

In May 1985, the FDIC moved the regional headquarters from Minneapolis to Kansas City and changed its policy on the examination of banks. As a result of the need

to re-focus the attention of the FDIC to areas other than examinations, the FDIC changed the cycle from 18 months on "good" banks to 30 months and from 6 to 9 months on "marginal" banks to 12 months. The state did not feel the change in policy was appropriate at a time when stress on banks, especially in rural areas was clearly mounting.

As a result, the state chose to approach the LAC for the additional staff required to address the needs in bank examinations.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total assets of banks (Billion \$)	\$14.2	\$15.6	\$16.0	\$16.5
No. of Examiners	43	49	54	54
No. of Banks, Trusts and other institutions	531	530	525	525
No. of Detached Facilities	168	170	180	190
No. of Examinations	283	326	360	360

RATIONALE:

The increase in staff of the bank examinations activity is necessary to address the increase of responsibility at the state level to meet the requirements of on-site examinations of the financial records of banks once every 18 months, as set forth by statute. The additional responsibility is a direct result of the change in policy of the FDIC as to the timely examination of banks.

Without the additional staff, as many as 200 state banks may not be examined within the required time frame. This problem is compounded by the fact that banks in our predominately agricultural bank system are under severe stress and capable of slipping from "good" to "marginal" in relatively short periods of time.

The funds related to this request would be fully recovered to the general fund through fees and assessments charged to regulated industries.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$455.2 and 7.0 positions for the bank examination activity. This increased funding and staffing level should be sufficient to allow the department to meet its statutory bank examination requirements and to address the backlog in bank examinations.

ACTIVITY: DEPUTY COMMISSIONER OF FINANCIAL EXAMINATIONS 1987-89 Biennial Budget  
 Program: FINANCIAL EXAMINATIONS  
 Agency: COMMERCE, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 159.2	\$ 175.3	\$ 130.6	\$ 129.6	\$ 129.8

OBJECTIVE: To determine and coordinate the priorities, methods, and standards used by the financial examinations program and to provide the day-to-day management for the activities involved in the administration of this program.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of institutions and licensees on problem list	239	199	185	170
No. of institutions and licensees added to problem list	84	38	36	36
No. of institutions and licensees deleted from problem list	38	81	51	51
No. of management letters and informal memorandums	182	149	140	130
No. of cease and desist orders issued	45	40	35	30
% of applications completed in 30 days from first day to act	88%	90%	90%	90%
% of examination reports transmitted within 60 days of close of exam	90%	95%	98%	98%

ACTIVITY STATISTICS: (Cont'd)	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. consumer information requests	450	450	450	450
No. of financial institution and licensee applications and structural change submission for review	685	650	650	650

DESCRIPTION: This activity reviews examination reports of financial institutions, insurers and consumer credit licensees with emphasis on those rated a problem or developing problem conditions. Action proposed by this activity may include management letters, formal or informal memoranda and Cease and Desist Orders or recommendations to the Commissioner of Commerce that violations or insolvencies warrant action to revoke, suspend or close operations.

Applications for insurance carrier admissions, financial institution charters, and consumer credit licenses are reviewed and recommendations are made to the Commissioner for approval or other appropriate action.

This activity also reviews, processes, helps formulate and implement public policy issues as they affect a broad range of financial examination standards and regulations. Such policy formulation includes: product, investment underwriting climate of life insurers; new bank products due to de-regulation into the securities, insurance and real estate fields; availability of liability insurance for rural banks and Directors and Officers coverage for financial institutions, the Iron Range and agricultural lender crisis; effectiveness of regulating service charges by state law, regional interstate banking; and internal audit standards of banks.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Problem institutions reviewed during the year	183	182	170	160
Management conferences with financial institution officials	150	150	110	110



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DEP COM FIN EXAM

PROGRAM: FINANCIAL EXAMINATIONS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	80.8	89.7	407.4	412.3		412.3	412.3	411.0		411.0	411.0
EXPENSES & CONTRAC. SERV	4.8	8.2	11.1	11.1		11.1	11.1	11.1		11.1	11.1
SUPPLIES & MATERIALS	1.4	.3	1.5	1.5		1.5	1.5	1.5		1.5	1.5
EQUIPMENT		1.4									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	87.0	99.6	420.0	424.9		424.9	424.9	423.6		423.6	423.6
POSITIONS BY FUND											
GENERAL	2.0	2.0	10.0	10.0		10.0	10.0	10.0		10.0	10.0
TOTAL POSITIONS	2.0	2.0	10.0	10.0		10.0	10.0	10.0		10.0	10.0

ACTIVITY: CREDIT UNIONS, CONSUMER CREDIT EXAMINATIONS 1987-89 Biennial Budget  
 Program: FINANCIAL EXAMINATIONS  
 Agency: COMMERCE, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 628.5	\$ 643.8	\$ 733.3	\$ 855.5	\$ 835.9

OBJECTIVE: To assure the public as to the safety and soundness of credit unions and consumer credit licensees.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of credit unions on problem list (6/30)	18	20	20	20
No. of credit unions added to problem list	8	8	6	6
No. of credit unions deleted from problem list	6	6	6	6
No. of consumer credit licensees on problem list (includes number branches of 1 company)	56	40	35	30
No. of licensees added to problem list	33	10	10	10
No. of licensees deleted from problem list	8	26	15	15
Average no. of days to process credit union examination reports	46	40	40	40
Average no. of days to process compliance examination reports	35	30	30	30

DESCRIPTION: This activity conducts on-site examination of all state-chartered credit unions and consumer credit licensees to assure financial solvency and compliance with consumer protection laws as required by M.S. 46.02, 52.06, and various other statutes through on-site examinations, periodic financial and statistical reports, and meetings with officials. Institutions which are included under the regulatory authority of this activity are credit unions, non-deposit taking industrial loan and thrift companies, motor vehicle sales finance companies, regulated lenders, insurance premium finance companies, debt pro-rate companies and safety deposit box companies.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of credit union examinations	160	160	160	160
No. of compliance examinations	168	120	120	120
No. of financial and statistical reports processed	2,660	2,500	2,500	2,500
Total assets of credit unions	\$2,016.0	\$2,300.0	\$2,600.0	\$3,000.0
No. of examiners	13	13	13	13

CHANGE REQUEST:	F.Y. 1988	F.Y. 1989	TYPE
Computerization of Field Examination Staff Needed to provide automated access to information between office and field staff	\$10.8		Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CONSUMER CREDIT EXAMINATION

PROGRAM: FINANCIAL EXAMINATIONS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	618.2	547.6	574.4	581.4		581.4	581.4	579.5		579.5	579.5
EXPENSES & CONTRAC. SERV	59.1	60.8	77.3	77.3		77.3	77.3	77.4		77.4	77.4
SUPPLIES & MATERIALS	2.5	1.7	4.6	4.7		4.7	4.7	4.7		4.7	4.7
EQUIPMENT		3.0			10.8	10.8	10.8				
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	679.8	613.1	656.3	663.4	10.8	674.2	674.2	661.6		661.6	661.6
POSITIONS BY FUND											
GENERAL	21.0	18.4	17.8	17.8		17.8	17.8	17.8		17.8	17.8
TOTAL POSITIONS	21.0	18.4	17.8	17.8		17.8	17.8	17.8		17.8	17.8

ACTIVITY: FINANCIAL STANDARDS  
 Program: FINANCIAL EXAMINATIONS  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 767.4	\$ 674.2	\$ 664.6	\$ 668.5	\$ 670.5

OBJECTIVE: To assure the solvency of state insurers, to monitor the solvency of insurers from other states, and to license certain types of self-insurers.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of impaired insurers (domestic)	3%	3%	3%	3%
% of insurers in rehabilitation (domestic)	2%	2%	2%	2%
% of impaired insurers (licensed)	7%	6%	6%	5%

DESCRIPTION: This activity conducts examinations of Minnesota based insurers. It also monitors the examination reports of foreign companies doing business in Minnesota. With respect to domestic insurers, the examinations are to protect policyholders, stockholders and the consumer from unsound insurance business operations which may lead to insurer insolvencies and to help assure that insurance benefits will be paid by licensees to persons suffering loss or injury. The examination staff predominately spends time at on-site audits of domestic carriers, participates in interstate audits as members of National Association of Insurance Commissioners (NAIC) examination teams, collating, summarizing and reviewing NAIC quarterly and annual financial statements. And finally, the Audit Director supervises the examination staff and recommends administrative remedial action with regard to problem companies.

The legislative auditor has suggested that a separate market conduct examination unit be established, or at least split from the financial standards unit, to audit the compliance procedures of carriers regarding policies, rates and claims. At this time, the agency has yet to act on this recommendation.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Review of insurer annual statements	1,502	1,525	1,550	1,550
Onsite financial exams	33	37	37	37
Acquisitions	3	4	4	4
Self-insurer financial review	150	150	150	150
Rehabilitation	2	2	2	2
Problem companies	75	60	60	60
No. of examiners	13	13	13	13

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Computerization of Field Examination Staff	\$10.8		Program Wide
Needed to provide automated access to information between office and field staff.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL STANDARDS

PROGRAM: FINANCIAL EXAMINATIONS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	690.6	693.6	707.3	714.1	10.8	724.9	724.9	712.3		712.3	712.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	690.6	693.6	707.3	714.1	10.8	724.9	724.9	712.3		712.3	712.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	608.0	578.4	553.6	560.4		560.4	560.4	558.5		558.5	558.5
EXPENSES & CONTRAC. SERV	78.1	108.7	150.9	150.9		150.9	150.9	151.0		151.0	151.0
SUPPLIES & MATERIALS	4.5	3.5	2.8	2.8		2.8	2.8	2.8		2.8	2.8
EQUIPMENT		3.0			10.8	10.8	10.8				
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	690.6	693.6	707.3	714.1	10.8	724.9	724.9	712.3		712.3	712.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	625.1	611.5	586.4	593.2	10.8	604.0	604.0	591.4		591.4	591.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	65.5	82.1	120.9	120.9		120.9	120.9	120.9		120.9	120.9
TOTAL FINANCING	690.6	693.6	707.3	714.1	10.8	724.9	724.9	712.3		712.3	712.3
POSITIONS BY FUND											
GENERAL	18.0	18.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
TOTAL POSITIONS	18.0	18.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0

PROGRAM PURPOSE: This program acts to limit the sale of illegal business investments. The program administers insurance laws and regulations to assure policies are readable and supply benefits consistent with statute and that rates charged are not excessive, inadequate or unfairly discriminatory. This program also administers the unclaimed property laws to collect, monitor and distribute unclaimed property.

OPERATIONS: This program encompasses the following operations:

The registration activity examines applications for registration of common stock, limited partnerships, real estate, oil, cattle and other syndications, subdivided land, timeshare, resortminiums, franchises, corporate takeovers, mutual funds, preferred stock and debt securities. This activity examines filings for compliance with merit and disclosure standards as required by law. In addition, cable communication franchises are reviewed by the registration activity to ensure that municipalities granting franchises conform to Minnesota law.

The policy form analysis and rate review activity reviews rates and policy forms for compliance. Insurance companies continually develop new products which this activity reviews to assure that consumers are receiving quality products. The newest difficulty is in the area of property/casualty insurance, where the introduction of the claims made Commercial General Liability (CGL) policy is expected to create havoc in the market place. This review is also necessary in the area of life and accident/health insurance, where a stronger regulatory posture is required due to widespread use of new cost containment measures such as preferred provider organizations. Additionally, the change to competitive rating of workers compensation policies has increased demand for the on-going monitoring of rates to insure that anti-competitive or monopolistic pricing practices are not engaged in by the industry. Increased utilization of self-insurance has also created the demand for firmer regulation of self-insurer practices and the activities of the self-insurance administrators.

The program also administers the unclaimed property laws to collect, monitor and distribute unclaimed property. It also audits institutions which are required by law to report amounts of unclaimed property held by them.

EXPLANATION OF BUDGET REQUEST: Funding is requested to continue the SAME level of effort. One CHANGE level request is included for the increase of costs related to advertising names of owners of unclaimed property.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: REGISTRATION & ANALYSIS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
REGISTRATION	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
UNCLAIMED PROPERTY	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
POLICY FORM ANALYSIS	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
TOTAL	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,410.1	1,497.8	1,569.6	1,701.5	15.0	1,716.5	1,716.5	1,696.7		1,696.7	1,696.7
POSITIONS BY FUND:											
GENERAL	43.0	43.0	44.0	44.0		44.0	44.0	44.0		44.0	44.0
TOTAL POSITIONS	43.0	43.0	44.0	44.0		44.0	44.0	44.0		44.0	44.0

ACTIVITY: REGISTRATION  
 Program: REGISTRATION AND ANALYSIS  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 4,473.0	\$ 6,730.2	\$ 4,584.7	\$ 4,741.1	\$ 4,740.8

OBJECTIVE: To limit the sale of illegal securities, franchises, subdivided land corporate takeover and charities offerings in Minnesota; to assist issuers in making registrations comply with the law.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of registrations initially found not in compliance with the law	49%	49%	49%	49%
No. of withdrawals or denials	349	350	325	325

DESCRIPTION: This activity reviews and accepts, rejects and suggests changes in investment financial documents required to be filed under the law. These documents relate to common stock, real estate, cattle and oil syndications, limited partnerships, preferred stock, debt securities, subdivided land, timeshares, condominiums, mutual funds, investment trust, franchises, charities and corporate takeovers. This activity administers a complex area of the law to ever-changing and creative financing arrangements involving new and innovative products, and is responsible for updating regulations complimentary to Securities Exchange Commission (SEC) rules and other federal regulations, judicial decisions and uniform codes.

In addition, this activity responds to inquiries from attorneys, brokers, financial institutions, investors, businesses and other agencies regarding proper interpretation of the law. It also monitors investment trends for "watchlist" activities.

The workload of this activity has substantially increased in terms of legal issues, primarily due to a transfer of authority from the federal level to the states due to cutback in the Securities Exchange Commission.

Maintenance of records pertaining to securities and franchise registrations is performed manually. If these records were maintained on a computer system, the volume of paperwork would decrease significantly and overall record maintenance would be much more efficient.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of charities registered	125	125	125	125
Common stock registration	540	550	500	500
Private placement exemptions	1,204	1,300	1,400	1,400
Subdivided land registrations and exemptions	88	90	90	90
Franchise registrations	138	150	150	150
No. of annual reports on file	1,204	1,500	1,600	1,600
No. of limited partnerships	210	225	225	225
Mutual funds and unit investment trusts registrations	704	700	750	800

<u>ACTIVITY STATISTICS: (Contd.)</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Debt and preferred stock registrations	201	175	175	175
Cable certifications, sales, renewals, extensions	45	40	40	40



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REGISTRATION

PROGRAM: REGISTRATION & ANALYSIS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	330.9	382.1	402.5	410.0		410.0	410.0	408.6		408.6	408.6
EXPENSES & CONTRAC. SERV	14.4	17.9	21.1	21.2		21.2	21.2	21.2		21.2	21.2
SUPPLIES & MATERIALS	5.7	9.2	7.7	7.8		7.8	7.8	7.8		7.8	7.8
EQUIPMENT		6.5									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	351.0	415.7	431.3	439.0		439.0	439.0	437.6		437.6	437.6
POSITIONS BY FUND											
GENERAL	11.0	12.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0
TOTAL POSITIONS	11.0	12.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0

ACTIVITY: UNCLAIMED PROPERTY  
 Program: REGISTRATION AND ANALYSIS  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$3,846.6	\$5,248.6	\$4,013.5	\$4,263.3	\$4,513.3

OBJECTIVE: To identify and return abandoned property held by financial institutions, insurance companies and corporations to the rightful owners or heirs.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Unclaimed Property reported	\$ 6,000.0	\$ 6,200.0	\$ 5,500.0	\$ 5,500.0
Amount of property remitted to owners	\$ 2,600.0	\$ 2,800.0	\$ 2,530.0	\$ 1,530.0
Amount remitted to owners as % of amount reported	44%	45%	46%	46%

DESCRIPTION: This activity administers the Uniform Disposition of Unclaimed Property Act, M.S. Chapter 354.

Financial institutions, insurance companies and corporations doing business in this state are required to report and remit abandoned property (unclaimed safe deposit box contents, monies from abandoned checking and savings accounts, unclaimed insurance premiums and policies and corporate stocks and bonds) to the Minnesota Department of Commerce.

The unclaimed property staff attempts to locate owners of the property through advertisements, direct mail and active research. Aggressive research has been emphasized as an effective means of returning property to owners.

Field staff conducts periodic examinations of holders to insure that they are reporting abandoned property as required by the Act. In an effort to simplify the reporting process, Minnesota has now signed reciprocal agreements with 19 other states, thus enabling holders to report to the state of their principal place of business.

As required by the Act, unclaimed shares of stock remitted to the State since the inception of the unclaimed property program were sold during 1985. Proceeds from the sale, amounting to almost \$1 million, were deposited in the State General Fund, to be held until claimed by the owners.

The Department may join in an action with other states to compel the federal government to report and remit unclaimed property in its possession. While there may be some initial costs involved, the potential return greatly exceeds any initial outlay.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of holders contacted	19,300	19,550	19,800	20,050
No. of holders examined	24	45	50	50
Dollars from field exams	\$183.0	\$150.0	\$175.0	\$175.0
No. of owners advertised (Amount over \$25.00)	18,000	21,000	19,500	19,500

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Advertising for Mortgage Insurance Premium Refunds	\$15.0		Activity Specific
Needed to pay expense to advertise names of holders of unclaimed refunds provided by Housing Urban Development (HUD).			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: UNCLAIMED PROPERTY

PROGRAM: REGISTRATION & ANALYSIS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	217.2	195.2	190.2	192.5		192.5	192.5	191.9		191.9	191.9
EXPENSES & CONTRAC. SERV	185.9	156.5	185.6	185.7	15.0	200.7	200.7	185.7		185.7	185.7
SUPPLIES & MATERIALS	1.1	2.0	1.8	1.8		1.8	1.8	1.8		1.8	1.8
EQUIPMENT		5.1									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	404.2	358.8	377.6	380.0	15.0	395.0	395.0	379.4		379.4	379.4
POSITIONS BY FUND											
GENERAL	10.0	9.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	10.0	9.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: UNCLAIMED PROPERTY  
 PROGRAM: REGISTRATION AND ANALYSIS  
 AGENCY: COMMERCE, DEPARTMENT OF

RATIONALE:

The additional funds are necessary to meet the requirements of the Uniform Disposition of Unclaimed Property Act which requires the notice to holders of property be published once each year. Since the HUD list is provided to states every 2 years, the additional funds are requested only for Fiscal Year 1988.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: Advertising for Mortgage Insurance Premium Refunds				
Agency Request				
General Fund	\$ 15.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ 15.0	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to publish the names of holders of unclaimed property provided bi-annually by the Department of Housing Urban Development (HUD) relating to the refund of unearned one-time Mortgage Insurance Premium (MIP) or a distributive share payment.

The objective is to fulfill the requirements of the Uniform Disposition of Unclaimed Property Act, M.S. 354.

DESCRIPTION/BACKGROUND:

When a home buyer purchases a home through FHA, a mortgage insurance premium is paid in a one-time payment at the time of the mortgage closing. The borrower becomes eligible for a refund of any unearned premium if the insurance is terminated prior to the maturity of the mortgage with no claim involved. HUD began the one-time premium system September 1, 1983.

HUD is required to report to the state names of those who are eligible for the premium refund who have not requested the appropriate refund. The names are reported every 2 years. The first advertising of the holders on the HUD list will be done in Fiscal Year 1988. Approximately 2,000 names are expected to be reported.

ACTIVITY: POLICY FORM ANALYSIS AND RATE REVIEW  
 Program: REGISTRATION AND ANALYSIS  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 93.3	\$ 363.8	\$ 267.0	\$ 272.0	\$ 267.0

OBJECTIVE: To assure that insurance policies conform to applicable laws and that the uninsurable have access to coverage through various Assigned Risk plans.

EFFECTIVENESS MEASURES:	F.Y. 1986*	F.Y. 1987*	F.Y. 1988	F.Y. 1989
Policy and rate filings returned				
Life/Health	2,750	3,000	3,300	3,800
Property/Casualty	1,100	1,400	1,500	1,700
Workers Compensation	50	75	90	125
% of filings responded to within statutory time limits	100%	100%	100%	100%

DESCRIPTION: This activity area reviews policy forms and rates required to be filed; then acts on each as appropriate to each line of insurance. It also monitors the function of Assigned Risk Plans created by statute to respond to the insurance availability needs of the public.

The specific activities undertaken include the review of all policy forms required to be filed to assure compliance with insurance laws and regulations; to regulate functions of the FAIR Plan, the Auto Plan, the Auto Assign Claims Plan, the Comprehensive Health Association, the Workers Compensation Reinsurance Association, the Workers Compensation Insurers' Rating Association and the Medical Malpractice Insurance Plan which includes approval of rates charged for policies issued; to issue and administer licenses for self-insurance administrators, workers compensation self-insurance, motor vehicle self-insurers and political subdivision self-insurance pools; to administer regulatory responsibility for certain non-insurance functions such as multiple-employer trust under Chapter 62.H, auto warranty contracts, and preferred provider organizations. The activity also responds to consumer inquiries regarding insurance rates.

ACTIVITY STATISTICS:	F.Y. 1986*	F.Y. 1987*	F.Y. 1988	F.Y. 1989
No. filings submitted:				
Life/Health	5,500	6,300	7,000	8,000
Property/Casualty	4,500	6,300	7,200	8,500
Workers Compensation	1,000	1,500	1,500	1,700
Self-insurance Administrator applications	80	100	125	150
Workers Compensation self-insurance applications	135	135	135	135
Auto self-insurance applications	30	30	30	30
Political subdivision applications	3	3	3	3
Consumer rate inquiries	1,200	1,450	1,600	1,800
Multiple-employer trust filings	3	3	3	3
Auto warranty filings	25	40	40	40

ACTIVITY STATISTICS: (Contd.)

	F.Y. 1986*	F.Y. 1987*	F.Y. 1988	F.Y. 1989
Preferred provider organization filings	20	20	25	25
No. of days to respond to filing	45	45	45	45

\* These figures have been adjusted to reflect a change in counting filings. Previously, when a filing included a number of forms, each form was counted. Presently, we count each filing as 1 regardless of the number of forms included. The numbers do not reflect a reduction in workload.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: POLICY FORM ANALYSIS

PROGRAM: REGISTRATION & ANALYSIS

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	597.5	655.6	697.7	819.3		819.3	819.3	816.5		816.5	816.5
EXPENSES & CONTRAC. SERV	48.8	20.5	53.6	53.7		53.7	53.7	53.7		53.7	53.7
SUPPLIES & MATERIALS	5.8	15.9	9.4	9.5		9.5	9.5	9.5		9.5	9.5
EQUIPMENT	2.8	31.3									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	654.9	723.3	760.7	882.5		882.5	882.5	879.7		879.7	879.7
POSITIONS BY FUND											
GENERAL	22.0	22.0	24.0	24.0		24.0	24.0	24.0		24.0	24.0
TOTAL POSITIONS	22.0	22.0	24.0	24.0		24.0	24.0	24.0		24.0	24.0

PROGRAM: ADMINISTRATIVE SERVICES  
Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

schools and facilities. It also certifies the training programs offered at the Minnesota facilities. This activity identifies violations and works with licensees to achieve compliance with statutes, rules and regulations. Another responsibility of this activity is to assure consumer protection.

The overall goal of this entire program is to assure that all operations of the Department of Commerce and non-health boards comply with applicable state laws, rules, regulations and policies as well as to assure that all operations are effective, efficient and economical.

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the SAME level of effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM PURPOSE:

This program is responsible for administrative support, fiscal services, personnel, systems support, legal services and is responsible for providing direction for the entire Department. In addition, this program provides support services to the non-health licensing boards housed by Commerce and regulates the Cosmetology industry.

The primary purpose of this program is to provide cost-effective administration for all programs in the Department.

OPERATIONS:

The organizational components of this program are made up of 2 activities. The first, finance and administration, is made up of the following: financial management, personnel and procurement, administrative management, data processing, legal services and the commissioner's office. The other component of this program is the cosmetology activity.

The Commissioner's Office provides management, direction and establishes strategic priorities for the entire Department's operation. It provides policy level administrative support, and long-range planning required for carrying out the Department's responsibilities.

The Financial Management and Administrative Management areas are responsible for all fiscal transactions of the annual budget which is approximately \$8 million. This area is also responsible for the preparation of the Department's biennial budget.

Personnel and Procurement evaluates all applicants for classified positions, processes all personnel documents, handles training, participates in labor relations activities and affirmative action activities. It is also responsible for the payroll and procurement functions of the agency.

Data Processing coordinates all information system needs of the various divisions and non-health boards. The function involves development, maintenance and operation of the in-house mini computer system used to process licences. This activity also provides funding for continued operation of the Statewide Licensing II system provided by the Information Management Bureau of the Department of Administration.

Legal Services segregates funding for the services of the Office of Administrative Hearings and the Office of the Attorney General required by all programs within the Department. These services also include the attendance of court reporters and preparation of transcripts.

The primary activity of cosmetology is the systematic inspection of all cosmetology

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: ADMINISTRATIVE SERVICES

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
FINANCE & ADMINISTRATION	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
COSMETOLOGY	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
TOTAL	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,344.1	1,411.5	1,605.0	1,627.1		1,627.1	1,627.1	1,627.8		1,627.8	1,627.8
POSITIONS BY FUND:											
GENERAL	29.0	29.0	29.0	29.0		29.0	29.0	29.0		29.0	29.0
TOTAL POSITIONS	29.0	29.0	29.0	29.0		29.0	29.0	29.0		29.0	29.0



ACTIVITY: FINANCE AND ADMINISTRATION  
 Program: ADMINISTRATIVE SERVICES  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To provide quality, cost-effective administration to the Department and Non-health Boards, to assure proper and efficient allocation of human and fiscal resources and to provide effective management of the Department.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of payments processed within 30 days	98.55%	99.00%	99.50%	100.00%
% of staff turnover	10.97%	10.00%	8.00%	8.00%
% of affirmative action goals met	60.26%	65.00%	70.00%	70.00%
Average no. of days to fill vacant positions	30	20	15	15
Cost of agency operation per employee	\$36.2	\$39.5	\$40.5	\$40.4
No. of administrative proceedings completed	59	65	70	70

DESCRIPTION: This activity provides management and support services to the 3 operating divisions of the Department. This involves the day to day administrative support to carry out the Department's responsibilities.

The Commissioner's Office provides overall management and allocation of resources for the Department. It reviews, formulates and implements policy issues and establishes agency priorities.

The Finance and Administration activity provides support services to the entire Department and the Non-health Boards housed by the agency. Personnel Services recruits, examines, selects and places employee. In addition conducts training, job counseling, processes employee time and leave record transactions and manages the agency's affirmative action and labor relations programs. Financial Management services, implements and monitors financial planning and forecasting and continuously monitors expenditure levels and the allocation of fees and assessments. Preparation of accounting reports for internal and external use and deposit of revenue collected by the Department to the state general fund is also handled by this activity. Finally, the administrative support portion of this area processes the Department's incoming, out-going and interoffice mail and purchases and distributes office supplies and equipment.

The Legal Services area of this activity segregates funding for the service of the Office of Administrative Hearing and Office of the Attorney General required by all programs within the Department. These services include the Hearing Examiner, the Attorney General, the attendance of a Court Reporter and the preparation of transcripts. Formal hearings are required for charter applications for financial institutions, for rules and regulations promulgated under all regulatory programs, for violation of regulatory provisions and for other matters defined by statute.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of authorized positions				
Department of Commerce	230	232	232	232
Non-health Boards	13.5	13.5	13.5	13.5
No. of employees hired	23	22	22	21
Total agency budget	\$14,112.6	\$9,135.0	\$9,402.8	\$9,378.9
Total leased office space (sq.ft.)	36,882	36,882	36,882	36,882
No. of operating systems	2	2	2	2

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCE & ADMINISTRATION

PROGRAM: ADMINISTRATIVE SERVICES

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	553.6	591.2	645.0	653.7		653.7	653.7	651.4		651.4	651.4
EXPENSES & CONTRAC. SERV	525.5	565.0	663.8	672.6		672.6	672.6	676.3		676.3	676.3
SUPPLIES & MATERIALS	13.4	9.6	17.0	17.3		17.3	17.3	17.3		17.3	17.3
EQUIPMENT	21.7	20.3	14.8	14.8		14.8	14.8	14.8		14.8	14.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,114.2	1,186.1	1,340.6	1,358.4		1,358.4	1,358.4	1,359.8		1,359.8	1,359.8
POSITIONS BY FUND											
GENERAL	21.0	21.0	21.0	21.0		21.0	21.0	21.0		21.0	21.0
TOTAL POSITIONS	21.0	21.0	21.0	21.0		21.0	21.0	21.0		21.0	21.0

ACTIVITY: COSMETOLOGY  
 Program: ADMINISTRATIVE SERVICES  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 7.6	\$ 2.2	\$ .9	\$ .9	\$ .9

OBJECTIVE: To assure consumer protection through the enforcement of statutes and regulations relating to cosmetology, cosmetologists, cosmetology school owners, instructors, managers and cosmetology facilities (salons), owners and operators.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of certified training programs	41	43	44	45
No. of facilities (salons) passing inspection	4,900	5,300	5,800	6,200

DESCRIPTION: The activity receives approximately 14,000 annual written and oral complaints and/or requests for information. The primary activity is the systematic inspection of all cosmetology schools and facilities (salons) and certification of training programs offered at these school facilities within the state of Minnesota. This activity is charged with identifying violations and working with licensees to achieve voluntary compliance.

This activity is also engaged in the dissemination of general information to acquaint industry members and consumers with the regulatory process.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of site inspections completed	5,300	5,400	5,650	5,900
No. of cases open	250	280	300	320
No. of cases closed	200	230	260	280
No. of referrals to the attorney general for administrative action	2	4	4	4

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COSMETOLOGY

PROGRAM: ADMINISTRATIVE SERVICES

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	195.4	196.5	209.6	212.1		212.1	212.1	211.4		211.4	211.4
EXPENSES & CONTRAC. SERV	33.1	27.6	52.8	54.6		54.6	54.6	54.6		54.6	54.6
SUPPLIES & MATERIALS	.6	1.3	2.0	2.0		2.0	2.0	2.0		2.0	2.0
EQUIPMENT	.8										
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	229.9	225.4	264.4	268.7		268.7	268.7	268.0		268.0	268.0
POSITIONS BY FUND											
GENERAL	8.0	8.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
TOTAL POSITIONS	8.0	8.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0

PROGRAM PURPOSE: To assure policyholder and investor protection, develop policyholder and investor understanding and maintain investor confidence in areas of capital formulation, insurance, real estate, mortgage banking, franchising and collection agencies. This program investigates complaints brought to its attention by the general public to determine whether the activities constitute violations of law. If violations are found, appropriate disciplinary action is taken. This program is also responsible for assuring that persons engaged in the sale of services and products pass a minimum standard of expertise and moral character; and for monitoring rapidly changing market and price practices to anticipate sound regulatory initiatives for the future.

OPERATIONS: The division reviews and investigates approximately 50,000 written complaints and telephone inquiries; initiates administrative proceedings against individuals and/or companies for statutory and regulatory violations; investigates and refers for prosecution certain white collar crimes; investigates and processes financial reimbursement requests pursuant to the Real Estate Education Research and Recovery Act; reviews and audits trust accounts maintained by real estate brokers pursuant to M.S. Chapter 82; licenses individuals in the areas of securities, real estate, insurance and cosmetology; and participates in citizen's awareness programs and licensee education.

The investigation activity recovers over \$5 million annually to consumers. It also deters future misconduct by licensees. As noted below, enforcement activity is directly affected by (1) changes in the interest rates; (2) changes in scope of regulation by other state and federal agencies; and (3) changes in economic activity.

- A. Banking: Consumer complaints have increased dramatically as de-regulation occurred and the use of service charges as a recognizable income source for banks increases. The economic depression in rural America has also increased questionable activity by people who became "creative" through perceived economic necessity.
- B. Real Estate: When interest rates drop, real estate activity increases and so do complaints regarding misrepresentation of mortgage points, time of closing, or quality of home on purchase price by inexperienced or over-zealous licensees. When interest rates increase, the real estate activity declines and the nature of complaints change to those involving "creative selling" by licensees.
- C. Securities: When interest rates drop, the stock market grows, resulting in a large increase of local stock issues and various "can't lose" deals. New licensees, new companies and less experienced attorneys bring to the market less seasoned issues with glowing predictions. When interest rates increase, the market cools, and the investors discover that the "can't lose" deals are not. The complaint levels increase when the interest rates are at the trough

of the cycles and thereafter reach a peak when interest rates increase and licensees again resort to "creative selling". The substantial cutback in SEC personnel at federal level has placed a tremendous load on the department.

- D. Insurance: The property and casualty availability crisis has caused an increase in complaints relating to midterm premium increases, claims-related cancellations, discriminatory underwriting, price increases and red-lining. As the industry books its profits, it is hoped that it will again become competitive. If it does, these types of complaints should decrease while complaints relating to sales misrepresentation will increase.

BUDGET ISSUES: The economic upheaval combined with withdrawal by federal regulatory agencies has placed a substantially increased burden on the staff. Thus, a result in ever-increasing workload for the staff and the potential for serious backlogs in case work required to meet the responsibility of the program set forth by statute.

The program is also concerned with the need to address its current computer processing capabilities. With the growth and demand of the industries licensed and the need for accurate maintenance of record keeping systems, it is anticipated that systems currently utilized will not be capable of "the test of time". The agency is currently conducting an internal use data processing study to look at current computer usage, potential use and to seek out recommendations for future needs of equipment and software to address this problem.

EXPLANATION OF BUDGET REQUEST: Funding is requested to continue the SAME level of effort. Two CHANGE levels are requested. \$73.2 in F.Y. 1988 and \$73.2 in F.Y. 1989 and 2.0 positions to address the increasing backlog of cases handled by the investigation activity; and \$271.8 in F.Y. 1988 and \$119.9 in F.Y. 1989 and 6.0 positions to perform a study of "closed claims".

GOVERNOR'S RECOMMENDATION:

The Governor recommends the SAME level of funding and a biennial increase of \$391.7 and 6.0 positions for the closed claims study. The Governor does not approve the increase in investigation staff. While the request has merit, other spending priorities preclude additional funding.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: Enforcement and Licensing

AGENCY: COMMERCE,DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
INVESTIGATIONS	1,032.3	1,049.1	1,147.0	1,159.4	73.2	1,232.6	1,159.4	1,155.8	70.6	1,226.4	1,155.8
LICENSING	841.1	713.8	708.1	716.8		716.8	716.8	717.5		717.5	717.5
REGULATORY EVALUATION	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
TOTAL	2,071.7	1,970.7	2,026.1	2,125.7	345.0	2,470.7	2,397.5	2,122.0	190.5	2,312.5	2,241.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,824.0	1,896.6	2,026.1	2,125.7	345.0	2,470.7	2,397.5	2,122.0	190.5	2,312.5	2,241.9
LOCAL ASSISTANCE											
AIDS TO INDS.	247.7	74.1									
TOTAL EXPENDITURES	2,071.7	1,970.7	2,026.1	2,125.7	345.0	2,470.7	2,397.5	2,122.0	190.5	2,312.5	2,241.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,638.0	1,685.3	1,765.0	1,864.5	345.0	2,209.5	2,136.3	1,860.7	190.5	2,051.2	1,980.6
SPECIAL REVENUE	186.0	211.3	261.1	261.2		261.2	261.2	261.3		261.3	261.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	247.7	74.1									
TOTAL FINANCING	2,071.7	1,970.7	2,026.1	2,125.7	345.0	2,470.7	2,397.5	2,122.0	190.5	2,312.5	2,241.9
POSITIONS BY FUND:											
GENERAL	58.0	54.0	54.0	54.0	8.0	62.0	60.0	54.0	8.0	62.0	60.0
SPECIAL REVENUE	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	61.0	57.0	57.0	57.0	8.0	65.0	63.0	57.0	8.0	65.0	63.0

ACTIVITY: INVESTIGATIONS  
 Program: ENFORCEMENT AND LICENSING  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 218.4	\$ 151.2	\$ 23.5	\$ 25.0	\$ 25.0

OBJECTIVE: To enforce ethical conduct as set by statute and regulations and provide public assistance regarding licensees.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Cease & Desist Orders	164	191	208	208
No. of Administrative Proceedings	394	460	500	500
No. of revocations	49	65	65	65
No. of suspensions	84	88	80	95
No. of Consent orders	207	280	250	278
No. of cases referred for criminal prosecution	19	20	25	25
No. of cases resolved	8,020*	8,500	8,800	9,000
Amount of money returned to citizens due to division involvement	\$5,374.0	\$3,800.0	\$3,250.0	\$3,000.0

DESCRIPTION: This activity receives approximately 48,000 annual written and telephone complaints and/or requests for information. The staff investigates misconduct by individuals and/or companies, refers cases for administrative, civil and/or criminal action, establishes appropriate sanction and/or criteria in the event a respondent requests informal disposition and provides general consumer assistance relating to questions dealing with the financial services industry.

Examples of issues addressed during the past year include: prosecution of mid-term cancellation of policies, equity skimming scams; adoption of finders fee legislation, drafting standards on mortgage banker escrow administration; pyramid or ponzi prosecutions; the regulation of collection agents and collection agencies; the use of restitution and rescission in disciplinary proceedings; endorsement of mandated benefit laws in health insurance policies regarding effect of claims made policies; the use of "at risk" plans under the ERISA pre-emption; the applicability of the Real Estate Research and Recovery Fund to civil litigation; and the applicability of securities and franchises statutes to unusual investment transactions, e.g., vending machine investments, milk-based cosmetics, strategic metals, etc.

Section staff have also been a primary source for local, state and federal law enforcement agencies regarding white collar criminal activity in securities, banking, insurance and real estate. Finally, the Enforcement Director is also charged with the responsibility of overseeing the operations of licensing for the department.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average monthly caseload per investigator	48	48	48	48

ACTIVITY STATISTICS: (Cont'd)	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of cases open	8,355*	8,500	8,650	8,800
No. of cases closed	8,062*	8,500	8,800	9,000
No. of uncompleted investigations carried into next year	3,097	3,100	2,947	2,747
No. of informal warnings	700	800	900	900
Amount of fines and penalties levied	\$11,452.0	\$11,597.0	\$11,597.0	\$11,547.0
No. of disciplinary sanctions imposed	794	460	500	500
No. of investigators	24	24	24	24

\* During FY 86 the division implemented a new automated case control system. The prior system established a separate file for each respondent investigated. The new system re-establishes files by complainant. Thus, no matter how many respondents are involved in an investigation, the new system records division involvement as 1 investigative file. This results in an apparent decrease in caseload from FY 85 to FY 86. In fact, FY 86 data reflects an increase of approximately 10% over FY 85.

CHANGE REQUEST:	F.Y. 1988	F.Y. 1989	TYPE
Investigation Staff Needed to address ever- increasing workload demands.	\$73.2	\$70.6	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INVESTIGATIONS

PROGRAM: ENFORCEMENT & CONS ASSIST

AGENCY: COMMERCE,DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,032.3	1,049.1	1,147.0	1,159.4	73.2	1,232.6	1,159.4	1,155.8	70.6	1,226.4	1,155.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>1,032.3</b>	<b>1,049.1</b>	<b>1,147.0</b>	<b>1,159.4</b>	<b>73.2</b>	<b>1,232.6</b>	<b>1,159.4</b>	<b>1,155.8</b>	<b>70.6</b>	<b>1,226.4</b>	<b>1,155.8</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	929.8	967.2	1,071.8	1,083.9	57.4	1,141.3	1,083.9	1,080.2	57.2	1,137.4	1,080.2
EXPENSES & CONTRAC. SERV	72.0	47.1	63.2	63.3	11.9	75.2	63.3	63.4	11.9	75.3	63.4
SUPPLIES & MATERIALS	9.8	13.2	12.0	12.2	1.5	13.7	12.2	12.2	1.5	13.7	12.2
EQUIPMENT	20.7	21.6			2.4	2.4					
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>1,032.3</b>	<b>1,049.1</b>	<b>1,147.0</b>	<b>1,159.4</b>	<b>73.2</b>	<b>1,232.6</b>	<b>1,159.4</b>	<b>1,155.8</b>	<b>70.6</b>	<b>1,226.4</b>	<b>1,155.8</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,032.3	1,049.1	1,147.0	1,159.4	73.2	1,232.6	1,159.4	1,155.8	70.6	1,226.4	1,155.8
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>1,032.3</b>	<b>1,049.1</b>	<b>1,147.0</b>	<b>1,159.4</b>	<b>73.2</b>	<b>1,232.6</b>	<b>1,159.4</b>	<b>1,155.8</b>	<b>70.6</b>	<b>1,226.4</b>	<b>1,155.8</b>
POSITIONS BY FUND											
GENERAL	39.0	34.0	35.0	35.0	2.0	37.0	35.0	35.0	2.0	37.0	35.0
<b>TOTAL POSITIONS</b>	<b>39.0</b>	<b>34.0</b>	<b>35.0</b>	<b>35.0</b>	<b>2.0</b>	<b>37.0</b>	<b>35.0</b>	<b>35.0</b>	<b>2.0</b>	<b>37.0</b>	<b>35.0</b>



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: INVESTIGATIONS  
 PROGRAM: ENFORCEMENT AND LICENSING  
 AGENCY: COMMERCE, DEPARTMENT OF

Request Title: Investigation Staff				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 73.2	2.0	\$ 70.6	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests two additional investigative positions to handle complaints the agency receives dealing with the agency's areas of regulatory responsibility.

The objective of this request would be to address an ever-increasing number of complaints regarding securities, banking, insurance, real estate, collection agencies and charities received by the agency and to try to address the backlog of cases in a more efficient manner.

DESCRIPTION/BACKGROUND:

The investigation staff of this department has the responsibility of enforcing statute and rules relating to the agency's regulated industries and also the responsibility for providing assistance to the public regarding the professional practices of licensees.

Over the years, many changes have taken place in all the regulated industries. Because of the significant budget reductions experienced by federal regulators and their subsequent reduction in regulatory activities, the division has, in many instances, become the public's only source of assistance in dealing with the highly complex financial industries. In addition, the public's increased awareness of the agency's authority and responsibility has resulted in an ever-increasing demand for service and/or assistance. As a result, the caseload each investigator is required to maintain has reached a point to where the agency has had to question our

ability to continue to address every complaint received. A number of measurers are currently underway to try to address the immediate problem. However, it is completely clear that additional staff will be required in the next biennium to enable the division to perform the service to the public as required by statute.

It is anticipated that the current caseload statistics will not decrease but will actually increase. As changes in the economy occur, people are more cautious of the way they invest their money and tend to make an effort to use the resources available to make sound decisions. One of those resources is this division's investigative staff. As a result, the number of telephone inquiries this activity handles continues to rise.

Finally, many of the changes occurring in the industries themselves has caused the service purchasing public to ask questions. The trend toward merging of financial services industries has created situations and product availability that has never been the case in the past. Questions are more complex than ever before and staff has had to concentrate efforts on becoming "experts" in an ever-growing and changing financial services market place. The department's efforts to aid the confidence of the consumer in the purchase of services is a substantial benefit to all Minnesotans.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average monthly caseload per investigator	48	48	48	48
No. of cases opened	8,355	8,500	8,650	8,800
No. of cases closed	8,062	8,500	9,514	9,664
No. of uncompleted investigations carried into next year	3,097	3,100	2,236	1,372
No. of informal warnings	700	800	980	995
No. of disciplinary sanctions imposed	794	460	540	550
No. of investigators	24	24	26	26

RATIONALE:

As noted above, caseload growth has caused the agency concern regarding the ability to adequately address this caseload. Additional investigative staff will allow the activity the ability to address both the current need of Minnesotans using the services of the industries the agency is responsible to regulate and address the growing carryover of unresolved cases from year to year.

Additionally, staff will be assured the time necessary to more thoroughly investigate each case to assure that appropriate resolution or disciplinary action has been taken.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: LICENSING  
 Program: ENFORCEMENT AND LICENSING  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 3,842.9	\$ 4,329.8	\$ 3,551.5	\$ 3,581.4	\$ 3,605.3

OBJECTIVE: To assure that initial and renewal licensees meet acceptable standards of expertise and character.

DESCRIPTION: This activity examines and processes applications for licensing of securities broker dealers and agents, real estate brokers and salespersons, campground membership brokers and salespersons, insurance adjustors, insurance agents and agencies, cosmetology practitioners, salons and schools. The applicants for licensing must meet certain standards of knowledge, training and conduct to receive and maintain a license.

Both the initial and the continuing real estate and insurance education programs are administered within the scope of this activity. School, course and instructor applications are reviewed for compliance with statutory requirements.

This program maintains on-going microfilm records on real estate, insurance and cosmetology licenses providing cost effective retrieval of records as needed for license histories and enforcement.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Securities				
New License	17,172	18,000	19,000	19,000
Renewal licenses	17,800	21,000	23,000	24,000
Real Estate				
New license and transfers	10,960	10,000	9,000	9,000
Renewal licenses	24,000	25,000	25,000	24,000
Approved educ. courses & instructors	1,925	2,000	2,000	2,000
Insurance				
New license transactions	8,500	8,500	8,500	8,500
Renewal licenses	26,050	30,000	30,000	30,000
Approved educ. courses & instructors	3,020	2,000	1,500	1,500
Cosmetology				
New licenses	2,655	2,700	2,700	2,700
Renewal licenses*	6,920	7,000	7,000	7,000

\* Cosmetology licenses are issued for 3 years. One third of the licensees re-new annually.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LICENSING

PROGRAM: ENFORCEMENT & CONS ASSIST

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	593.4	639.7	708.1	716.8		716.8	716.8	717.5		717.5	717.5
LOCAL ASSISTANCE											
AIDS TO INDS.	247.7	74.1									
<b>TOTAL EXPENDITURES</b>	<b>841.1</b>	<b>713.8</b>	<b>708.1</b>	<b>716.8</b>		<b>716.8</b>	<b>716.8</b>	<b>717.5</b>		<b>717.5</b>	<b>717.5</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES	369.4	387.7	422.0	426.1		426.1	426.1	424.9		424.9	424.9
EXPENSES & CONTRAC. SERV	211.4	219.4	272.5	276.9		276.9	276.9	278.8		278.8	278.8
SUPPLIES & MATERIALS	5.7	9.2	13.6	13.8		13.8	13.8	13.8		13.8	13.8
EQUIPMENT		9.9									
OTHER EXPENSE ITEMS	6.9	13.5									
<b>TOTAL STATE OPERATIONS</b>	<b>593.4</b>	<b>639.7</b>	<b>708.1</b>	<b>716.8</b>		<b>716.8</b>	<b>716.8</b>	<b>717.5</b>		<b>717.5</b>	<b>717.5</b>
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	407.4	428.4	447.0	455.6		455.6	455.6	456.2		456.2	456.2
SPECIAL REVENUE	186.0	211.3	261.1	261.2		261.2	261.2	261.3		261.3	261.3
<b>DEDICATED APPROPRIATIONS:</b>											
SPECIAL REVENUE	247.7	74.1									
<b>TOTAL FINANCING</b>	<b>841.1</b>	<b>713.8</b>	<b>708.1</b>	<b>716.8</b>		<b>716.8</b>	<b>716.8</b>	<b>717.5</b>		<b>717.5</b>	<b>717.5</b>
<b>POSITIONS BY FUND</b>											
GENERAL	12.0	13.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0
SPECIAL REVENUE	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
<b>TOTAL POSITIONS</b>	<b>15.0</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>		<b>16.0</b>	<b>16.0</b>	<b>16.0</b>		<b>16.0</b>	<b>16.0</b>

ACTIVITY: REGULATORY EVALUATION  
 Program: ENFORCEMENT AND LICENSING  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To analyze regulatory issues and develop remedial options for decision makers.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of Legislative mandated studies completed	100%	100%	100%	100%
% of Legislative proposals enacted	80%	80%	80%	80%
% of proposed rules adopted	80%	75%	80%	75%
% of proposed rules in process	20%	25%	20%	25%

DESCRIPTION: The 3 primary functions performed under the regulatory evaluation activity are: 1) to conduct research and analytical studies as required by the Legislature or identified by the Department, 2) to draft remedial legislation and regulations to implement policy initiatives of the Department, and 3) to administer the agency's responsibilities for promulgation of rules under the Administrative Procedures Act. Current legislative interest requires that agency staff analyze regulatory issues involving commercial liability insurance, health care cost containment, health maintenance and preferred provider organization regulation, senior citizen insurance information programs, legal issues involving civil justice, pollution liability, and products liability, and insurance industry solvency and investment initiatives. This analysis is designed to respond to both legislator inquiry and requests for recommended courses of action.

With the growing complexity of the insurance environment, agency staff are required to respond through both the elimination of outdated regulations and promulgation of new ones to maintain an effective and current scheme of regulatory parameters. In continuing to adjust regulations to the changing insurance environment, the regulatory evaluation activity must balance the interests of consumer protection with the Administration's objective of reducing unduly burdensome or unnecessary regulation.

The Department is requesting additional funds for a study with the intent to conduct spot audits to evaluate various claims and assertions regarding the claims expenditures in certain classes of commercial specialty insurance. Because the resources have not been available within the agency SAME level budget, the study has not been undertaken. However, we feel this would be very valuable information to the agency if the means were available.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Research studies undertaken	25	22	18	21
Regulations proposed, deleted or amended	28	25	25	25
Legislation proposed	7	8	9	9

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Closed Claims Study Requested to complete a study of insurance company closed claims data to acquire information relating to costs of insurance, changes and rate adequacy.	\$271.8	\$119.9	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REGULATORY EVALUATION

PROGRAM: ENFORCEMENT & CONS ASSIST

AGENCY: COMMERCE, DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	187.6	194.8	152.6	231.1	172.3	403.4	403.4	230.3	85.9	316.2	316.2
EXPENSES & CONTRAC. SERV	9.9	9.1	16.3	16.3	95.3	111.6	111.6	16.3	33.0	49.3	49.3
SUPPLIES & MATERIALS	.8	.9	2.1	2.1	4.2	6.3	6.3	2.1	1.0	3.1	3.1
EQUIPMENT		3.0									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	198.3	207.8	171.0	249.5	271.8	521.3	521.3	248.7	119.9	368.6	368.6
POSITIONS BY FUND											
GENERAL	7.0	7.0	6.0	6.0	6.0	12.0	12.0	6.0	6.0	12.0	12.0
TOTAL POSITIONS	7.0	7.0	6.0	6.0	6.0	12.0	12.0	6.0	6.0	12.0	12.0

## CHANGE REQUEST

 Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: REGULATORY EVALUATION  
PROGRAM: ENFORCEMENT AND LICENSING  
AGENCY: COMMERCE, DEPARTMENT OF

Request Title: Closed Claim Study

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Agency Request				
General Fund	\$271.8	6.0	\$119.9	6.0
Governor's Recommendation				
General Fund	\$271.8	6.0	\$119.9	6.0

Request requires statutory change:  Yes  No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to perform a study of insurance "closed" claims data maintained by insurance companies. The objective of such a study would be to gain information relating to the costs of insurance, changes in types of costs relating to insurance and to test the adequacy of the rates which are charged for the different lines of insurance.

DESCRIPTION/BACKGROUND:

The major issue in the property-casualty insurance crisis is whether costs, e.g., claims, have increased in an unexpected manner. While the industry and consumer advocates have cited different statistics to support their positions on the issue, each has been successful in pointing out why the other group's statistics are irrelevant, unrepresentative, or otherwise lack credibility. There has not been a credible closed claim study anywhere in the country, and such a study is necessary to address the issue.

RATIONALE:

The insurance problems of the past few years are well known. The property-casualty insurance industry claims to have suffered severe underwriting losses, making drastic actions necessary. Several types of liability insurance have become unavailable or unaffordable. Various groups, however, have questioned whether the underwriting losses were as large as the insurers claimed.

The Commissioner of Commerce has made several attempts, with limited success, to gather data from the insurance industry. During this process, it has become clear that improved statistics are needed. This proposal for additional funds addresses the data problem in 2 ways. First, Commerce Department staff will be sent to companies to verify the accuracy of the data. Second, the data collection will emphasize closed claim information.

If the closed claim data is not sufficient to answer the underlying loss questions, then open claims will also be examined.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM: FARM LOAN INTEREST BUYDOWN  
 Agency: COMMERCE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

PROGRAM PURPOSE:

1985 Minnesota Emergency Farm Operating loan Act: To act as an incentive to lenders to make operating loans to farmers with the aid of the Farmers Home Administration and to provide cash flow relief to farmers.

1986 Minnesota Family Farm Assistance Act: To provide cash flow relief to farmers by a reduction in interest expense thereby "buying time" for debt restructuring or improvements in economic conditions.

OPERATION:

1985 Minnesota Emergency Farm Operating Loan Act.

Two programs were designed to provide interest subsidies to Minnesota farm operators who had a debt/asset ratio greater than 50%. Program #1 provided for the reduction of interest rates on existing classified farm operating and/or farm ownership loans. This program served as an incentive to lenders to restructure the existing debt by submitting up to \$25,000 of operating and/or ownership loans to the Farmers Home Administration (FmHA) for restructuring or guarantee. The 60 day interest subsidy was paid directly to the lender regardless of the decision of FmHA to accept or reject the application. The interest rate paid was the contract rate on the loan and was matched by the lender.

Program #2 was a blended interest buy down on new farm operating loans. The eligible loans of up to \$75,000 principal were made at a rate between 7% and 10%. The Commissioner's index rate was determined by adding 2.3% to the Federal Intermediate Credit Bank (FICB) lending rate which changes monthly. The State payment of 2/3 of the difference between the loan rate and the Commissioner's index rate was paid directly to the lender. The lender absorbed the remaining 1/3 of the difference. To be eligible, loans had to be written between the effective date of March 6, 1985 and December 31, 1985 and had to mature prior to March 1, 1986. Maximum subsidy per borrower was \$3,750.

1986 Minnesota Family Farm Assistance Act.

Program #1 was continued in exactly the same form as the 1985 Minnesota Emergency Farm Operating Loans Act.

Program #2 contains several modifications of the 1985 program. The maximum loan amount which qualifies is \$100,000. The definition of operating loan was expanded to include "original, extended or renegotiated loans or lines of credit" with a maturity date prior to July 1, 1987. The maximum contract rate is determined by adding 3% to the FICB lending rate. The farm borrower pays 1/2 the contract rate. The State pays the lender 3/8 of the interest rate and the lender absorbs 1/8 of the interest rate. Eligible loans may be written between January 1, 1986

and December 31, 1986. Farm borrower eligibility is again determined by a debt/asset ratio greater than 50%.

STATISTICS:

	1985	1986
Program #1 applications	402	22
Total dollar amount encumbered for interest	\$254,089	\$11,711
Program #2 applications	1875	6355
Total dollar amount encumbered for interest	\$2,575,329	\$18,676,037
Total interest encumbered	\$2,829,418	\$18,687,748*
Applications from State Bank	1217	3880
Applications from National Bank	412	1188
Applications from Production Credit Associations	644	1235
Applications from Federal Land Banks	2	0
Applications from Savings and Loans	2	5
Applications from Credit Unions	0	47
Applications from Agricultural Credit Companies	0	11
Applications from out of state banks	0	13

\* Includes \$13,767,267 over-subscribed after exhausting original appropriation of \$5,000,000.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this program in F.Y. 1988 and F.Y. 1989. The Governor intends to reexamine the need for continuation of the Interest Buydown program during the 1987 legislative session.

The Governor has recommended funding for the F.Y. 1987 deficiency elsewhere.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FARM LOAN INTEREST BUYDOWN

PROGRAM: FARM LOAN INTEREST BUYDOWN

AGENCY: COMMERCE,DEPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	27.4	50.9	46.7								
LOCAL ASSISTANCE	1,230.3	5,593.9	123.5								
AIDS TO INDS.											
TOTAL EXPENDITURES	1,257.7	5,644.8	170.2								
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	16.1	38.0	32.3								
EXPENSES & CONTRAC. SERV	10.8	12.5	12.3								
SUPPLIES & MATERIALS	.5	.4	2.1								
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	27.4	50.9	46.7								
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,257.7	5,644.8	170.2								
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,257.7	5,644.8	170.2								
POSITIONS BY FUND											
TOTAL POSITIONS											



AGENCY PURPOSE:

The Governor recommends the creation of a new Board of Water and Soil Resources through the merger of the Soil and Water Conservation Board, the Water Resources Board, and the Southern Minnesota Rivers Basin Council. The Board of Water and Soil Resources will continue to administer the major programs now conducted by the separate boards. Its primary responsibility will be to coordinate water and soil related programs between state and local government units. Additional background information and a description of the new agency's operations and clientele are included in the Governor's agency level CHANGE request on the following narrative page.

EXPLANATION OF BUDGET REQUEST:

The SAME level budgets for the three existing boards total \$3,644.5 for F.Y. 1988 and \$3,642.3 for F.Y. 1989. The Soil and Water Conservation Board and the Water Resources Board have submitted CHANGE requests for the 1987-89 biennium which do not include the merger.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding the staff for the Board of Water and Soil Resources based on the SAME level requests submitted by the three existing boards, with the exception of a biennial reduction of \$30.0 for estimated cost savings due to a reduction of total board members from 23 to 13.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: WATER & SOIL RESRCS, BD OF**

**PROGRAM: WATER & SOIL RESRCS, BD OF**

**AGENCY: WATER & SOIL RESRCS, BD OF**

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS							973.6				971.4
LOCAL ASSISTANCE							2,655.9				2,655.9
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>							<b>3,629.5</b>				<b>3,627.3</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES							749.6				747.4
EXPENSES & CONTRAC. SERV							205.6				205.6
SUPPLIES & MATERIALS							18.4				18.4
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>							<b>973.6</b>				<b>971.4</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL							3,629.5				3,627.3
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>							<b>3,629.5</b>				<b>3,627.3</b>
POSITIONS BY FUND											
GENERAL							19.0				19.0
<b>TOTAL POSITIONS</b>							<b>19.0</b>				<b>19.0</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM:

AGENCY: BOARD OF WATER AND SOIL RESOURCES

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MERGER OF THE SOIL AND WATER CONSERVATION BOARD, SO. MINNESOTA RIVERS BASIN COUNCIL, AND WATER RESOURCES BOARD INTO THE BOARD OF WATER AND SOIL RESOURCES.				
Governor's Recommendation:				
Bd. of Wat. & Soil Res.	\$3,629.5	19.0	\$3,627.3	19.0
Agriculture-SWCB	(\$3,473.6)	(16.0)	(\$3,471.6)	(16.0)
Water Resources Board	(\$ 138.9)	( 3.0)	(\$ 138.7)	( 3.0)
Planning-SMRBC	(\$ 32.0)	--	(\$ 32.0)	--
General Fund	(\$ 15.0)	--	(\$ 15.0)	--
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 40, 104.42-104.50, 105.71, 110B, 112, 116C, 473.875-478.883				

The new Board of Water and Soil Resources would continue to administer the major programs now conducted by the three individual boards. Its duties from the Soil and Water Conservation Board would include administration of the soil and water conservation grant programs and the southwestern Minnesota flood control grant program. From the Water Resources Board, the new board would continue to guide the activities of watershed districts, administer a water policy intervention process, and administer the Metropolitan Surface Water Management and Comprehensive Local Water Management Acts. Duties assumed from the Southern Minnesota Rivers Basin Council would include working with local governments to raise and address water resources concerns. While remaining independent, the Board of Water and Soil Resources could contract with another state agency to provide administrative and financial services.

RATIONALE:

The merger would aid in making the water management structure in Minnesota more understandable. It would further (1) help to unify a fragmented state approach to local government, (2) encourage local and state governments to work together, (3) provide local governments a better voice in water and soil management decisions, (4) improve working relationships among local water and soil management authorities, and (5) make better use of staff currently spread among the three boards. The state must foster a strong local-state partnership in water and soil resources management. The merged board is an important step toward accomplishing this goal.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Soil and Water Conservation Board in the Department of Agriculture, the Water Resources Board, and the Southern Minnesota Rivers Basin Council in the State Planning Agency be merged into a new Board of Water and Soil Resources. The objective is to provide better coordination of water and soil related programs between state and local government units. The Governor recommends funding and staff for this new agency based on the SAME level requests by the three existing boards, with the exception of a biennial reduction of \$30.0 for estimated cost savings due to a reduction of total board members from 23 to 13.

DESCRIPTION/BACKGROUND:

Currently the state operates a variety of water and soil related programs in conjunction with local government units. This structure perpetuates a fragmented approach to the water and soil management activities of counties, soil and water conservation districts, watershed districts, and other local government units. Fragmentation also reduces opportunities for meaningful participation of local government in state decisions. To address these concerns, the Governor recommends that a single, independent 13-member state board be created by merging three water and soil related boards: the Soil and Water Conservation Board in the Department of Agriculture, the Water Resources Board, and the Southern Minnesota Rivers Basin Council in the State Planning Agency.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 15.1	\$ 12.5	\$ 14.8	\$ 14.4	\$ 14.4

AGENCY PURPOSE:

The Board of Abstractors exists to supervise the industry, examines, licenses and renews persons, firms or corporations in the business of making abstracts of title and issuing certificates showing ownership of, interest in, or debts against any lands in the State of Minnesota, registered or not.

OPERATION AND CLIENTELE:

The Board of Abstractors maintains complete records on all licensed abstractors to be assured that competent persons are preparing and certifying Abstracts of title and assures that all licensees carry Errors and Omissions Insurance so that the consumer will be protected against any loss. The Board examines all prospective licensees through a process of written and oral examinations.

The Board effectively enforces rules and regulations and investigates any complaints concerning fraudulent, deceptive or dishonest practices and seeks compliance with standards of conduct.

OBJECTIVE:

To protect the public by assuring that persons preparing Abstracts of Title comply with rules and regulations governing the industry.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of Complaints resolved	0	100%	100%	100%
% of licensees with Errors & Omissions Insurance or bond	100%	100%	100%	100%
% applicants qualifying for license	48%	75%	75%	75%

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of examinations given	25	40	40	40
No. of examinees passing examination	12	30	30	30
No. of renewed licenses	245	250	275	300
No. of written complaints	0	2	2	2
No. of telephone inquiries	120	125	130	135
No. of written inquiries	30	30	30	30

RECONCILIATION OF REVENUES TO COST:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Expenditures (SAME Level)	\$ 3.5	\$ 3.9	\$ 3.9	\$ 3.9
Attorney General Cost	.2	.2	.2	.2
Statewide Indirect Cost	1.1	1.1	1.1	1.1
Department Indirect Cost	5.7	6.4	6.5	6.5
Total Cost	<u>\$10.5</u>	<u>\$11.6</u>	<u>\$11.7</u>	<u>\$11.7</u>
Total Revenues	<u>\$12.5</u>	<u>\$14.8</u>	<u>\$14.4</u>	<u>\$14.4</u>

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the SAME level of effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: ABSTRACTORS

PROGRAM: NON HEALTH BOARDS

AGENCY: BOARD OF ABSTRACTORS

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3.0	3.5	3.9	3.9		3.9	3.9	3.9		3.9	3.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>3.0</b>	<b>3.5</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	.3	.4	.5	.5		.5	.5	.5		.5	.5
EXPENSES & CONTRAC. SERV	2.7	3.1	3.4	3.4		3.4	3.4	3.4		3.4	3.4
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>3.0</b>	<b>3.5</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3.0	3.5	3.9	3.9		3.9	3.9	3.9		3.9	3.9
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>3.0</b>	<b>3.5</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>	<b>3.9</b>		<b>3.9</b>	<b>3.9</b>
POSITIONS BY FUND											
<b>TOTAL POSITIONS</b>											

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 262.9	\$ 307.5	\$ 343.1	\$ 375.1	\$ 408.5

AGENCY PURPOSE:

To protect and assure Minnesota citizens that persons engaged in public accounting meet the qualifications and standards necessary to competently practice the accounting profession.

OPERATION AND CLIENTELE:

M.S. 326.165 to 326.231 mandate that the Board of Accountancy license and regulate Certified Public Accountants (CPAs), and Licensed Public Accountants (LPAs), and public accounting firms to provide the public with qualified professional personnel. The Board's program for administering the law is comprised of: examining, licensing, and enforcement. 1) Examining: The Board reviews and processes applications; identifies applicants who meet educational and experience requirements for admission to the Uniform CPA examination; and administers the examination twice a year. The Board also administers an Ethics Examination to CPA examination passing candidates. Candidates who pass both examinations are issued a certificate, the first step of the two-tiered system of licensure. 2) Licensing: The Board evaluates and processes applications for licensing CPAs. A license to practice is granted to applicants who have been issued a certificate, and completed the required public accounting experience. This is the second step of the two-tiered system of licensure. LPAs are licensed pursuant to M.S. 326.191. Licensees must renew active or inactive each year. Individual active licensees are required by Board rule to report 120 hours of Continuing Professional Education (CPE) every 3 years in order to renew their licenses. M.S. 326.165 to 326.231 require that public accounting firms be licensed. Corporations must also comply with M.S. 319A. 3) Enforcement: The Board reviews, amends, adopts and enforces Minnesota Statutes and Board rules. The Board receives complaints, files complaints, and processes them as directed by law in conjunction with the Attorney General's Office.

Uniformity with other states is accomplished through membership in the National Association of State Boards of Accountancy (NASBA), association with American Institute of Certified Public Accountants, and National Association of Public Accountants.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Licensees (CPAs and LPAs)	8,802	9,154	9,520	9,900
Non-Compliant Licensees	1,755	320	280	198
% Non-Compliant	20%	3%	3%	2%
Complaints Resolved	44	47	49	51

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
CPA Exam Applicants	2,158	2,482	2,854	3,282
CPA Exam Candidates	1,762	1,983	2,281	2,622
Certificates Issued	705	793	912	1,048
CPA New Licenses	532	605	683	751
Total Individual Licenses	8,802	9,154	9,520	9,900
Firm Licenses	420	645	650	660
CPE Reports Reviewed	1,500	4,000	2,000	2,500
Late Renewals	1,755	320	280	198
Licensure Verifications	2,500	2,750	3,025	3,328
Complaints Filed	68	73	77	81
Requests for Information (phone/mail)	5,600	5,800	6,000	6,200

RECONCILIATION OF REVENUES TO COST:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Expenditures (SAME level)	\$254.8	\$291.4	\$262.2	\$262.4
Attorney General Cost	17.2	17.5	17.7	17.7
Statewide Indirect Cost	10.8	7.3	7.7	8.1
Department Indirect Cost	19.3	21.9	22.1	22.5
Total Cost	<u>\$302.1</u>	<u>\$338.1</u>	<u>\$309.7</u>	<u>\$310.7</u>
Total Revenues	<u>\$307.5</u>	<u>\$343.1</u>	<u>\$375.1</u>	<u>\$408.5</u>

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the SAME level of effort. CHANGE levels are requested as follows: \$47.5 in FY 1988 and \$65.0 in FY 1989 as a continuation of the 1987 Legislative Advisory Commission appropriation for increased examination costs; \$23.2 for FY 1988 and \$26.4 for FY 1989 to recover AICPA examination charges; \$31.4 for F.Y. 1988 and \$27.4 for F.Y. 1989 for a Licensing Staff position. Total of agency CHANGE requests are \$102.1 for F.Y. 1988 and \$118.8 for F.Y. 1989. Fees will be increased to fully recover these increased costs for the 1987-89 biennium.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$51.1 for examination costs.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ACCOUNTANCY

PROGRAM: NON HEALTH BOARDS

AGENCY: BRD OF ACCOUNTANCY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	218.1	254.8	291.4	262.2	102.1	364.3	344.6	262.4	118.8	381.2	340.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	218.1	254.8	291.4	262.2	102.1	364.3	344.6	262.4	118.8	381.2	340.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	93.6	99.4	118.6	119.1	25.7	144.8	144.8	118.9	25.7	144.6	144.6
EXPENSES & CONTRAC. SERV	59.8	62.6	62.6	63.1	1.8	64.9	64.9	63.5	1.5	65.0	65.0
SUPPLIES & MATERIALS	64.3	90.7	110.2	80.0	70.9	150.9	131.2	80.0	91.6	171.6	131.2
EQUIPMENT	.4	2.1			3.7	3.7	3.7				
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	218.1	254.8	291.4	262.2	102.1	364.3	344.6	262.4	118.8	381.2	340.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	218.1	254.8	291.4	262.2	102.1	364.3	344.6	262.4	118.8	381.2	340.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	218.1	254.8	291.4	262.2	102.1	364.3	344.6	262.4	118.8	381.2	340.8
POSITIONS BY FUND											
GENERAL	4.0	4.0	4.0	4.0	1.0	5.0	5.0	4.0	1.0	5.0	5.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0	1.0	5.0	5.0	4.0	1.0	5.0	5.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: ACCOUNTANCY, BOARD OF

Request Title: Examination				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 70.7	-0-	\$ 91.4	-0-
Governor's Recommendation				
General Fund	\$ 51.0	-0-	\$ 51.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

**STATEMENT OF REQUEST/OBJECTIVE:** The agency requests the above dollar amounts to continue the F.Y. 1987 Legislative Advisory Commission appropriation for the Uniform Certified Public Accountants Examination costs and to cover the American Institute of Certified Public Accountants charges for administration of examination papers.

**DESCRIPTION/BACKGROUND:** The Minnesota State Board of Accountancy administers the Uniform Certified Public Accountant Examination, a national standardized test prepared by the Board of Examiners of the American Institute of Certified Public Accountants (AICPA). The exam is administered by all 50 Boards of Accountancy over the same 3 day period twice annually (May and November).

Each year 2,200 to 2,400 individuals apply to take the exam in Minnesota. The exam consists of 5 parts: Auditing, Theory, Law, Practice I and II. Candidates apply to take 1 to 5 parts of the exam. Each year 7,200 to 10,500 exam parts are administered. Exam papers are sent to the AICPA in New York for grading and scores are returned to the Boards for release to the candidates.

The AICPA charges each state board a fee which covers preparation of exam questions, solutions, printing of exam booklets, supplies, grading, grade reports, statistics, and security precautions.

In F.Y. 1986 the number of CPA exam candidates increased by 15%, increasing the cost in services provided by the AICPA. In June 1986 the Legislative Advisory Commission approved an additional \$5.1 for F.Y. 1986 and \$30.2 for F.Y. 1987. The board projects a continued increase in exam candidates and a \$47.5 increase for exam related costs and rental space for F.Y. 1988 and \$65.0 for F.Y. 1989.

**STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Exam Candidates	1,762	1,983	2,281	2,622
No. of Parts Administered	7,188	8,092	9,287	10,575
Estimated Cost of Exam	\$89.9	\$101.2	\$116.1	\$132.2
Freight/Office Supplies	\$3.9	\$4.8	\$5.2	\$5.6
Total Cost of Exam	\$93.8	\$106.0	\$121.3	\$137.8
Current Budget	\$79.0	\$80.0	\$80.0	\$80.0
Difference in Cost	(\$14.8)	(\$26.0)	(\$41.3)	(\$57.8)
Rental Costs:				
Metro Square Cost	\$12.0	\$12.0	\$12.1	\$12.1
Exam Rent Cost	\$11.9	\$13.6	\$15.0	\$16.0
Estimated Cost of Rental	\$23.9	\$25.6	\$27.1	\$28.1
Current Rental Budget	\$19.7	\$20.8	\$20.9	\$20.9
Difference in Rental Costs	(\$4.2)	(\$4.8)	(\$6.2)	(\$7.2)
TOTAL ESTIMATED SHORTFALL	(\$19.0)	(\$30.8)	(\$47.5)	(\$65.0)

Additionally, the AICPA plans to increase the fee for each part of the exam from \$12.50 to \$15.00 beginning November 1987. This would mean an increase in costs to the Board of \$32.2 for F.Y. 1988 and \$26.4 for F.Y. 1989.

**STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Exam Parts Administered	7,188	8,092	9,287	10,575
Cost of Exam at \$15 Per Part	0	0	\$139.3	\$158.6
Cost of Exam at \$12.50 Per Part	\$89.9	\$101.2	\$116.1	\$132.2
Difference in Cost	0	0	\$23.2	\$26.4

**RATIONALE:** The Board must be able to provide each qualified individual with the opportunity to take the Uniform CPA Examination in accordance with the guidelines set forth by the American Institute of Certified Public Accountants and as mandated by Minnesota Statutes 326.165 to 326.25. The Board will increase the cost of the examination fee in order to recover increased costs related to the administration of the exam, if needed.

**GOVERNOR'S RECOMMENDATION:**

The Governor does not support the board's assumption that the number of exam candidates will continue to increase by 15% each year of the biennium. Instead, the Governor recommends an increase of \$30.8 each year to continue the funding level authorized by the LAC for F.Y. 1987 and \$20.2 each year for a corresponding increase in AICPA exam charges.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM:

AGENCY: ACCOUNTANCY, BOARD OF

Request Title: Licensing				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 31.4	1.0	\$ 27.4	1.0
Governor's Recommendation				
General Fund	\$ 31.4	1.0	\$ 27.4	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Board requests the above dollar amounts to provide for a staff position to coordinate a Practice Monitoring Program with the annual license renewal process and to assist the board staff with its continually increasing workload.

DESCRIPTION/BACKGROUND:

Today's changing economic, legal and regulatory conditions have had a direct impact on the accounting profession. The profession as a whole is being challenged by Congressional committees, the public and the media to defend its commitment to quality performance, competence and professionalism.

The American Institute of Certified Public Accountants Special Committee on Standards of Professional Conduct strongly recommends establishment of a proactive program to monitor the practice of accountants (Practice Monitoring Program), improve the quality of performance and correct substandard performance. A National Association of State Boards of Accountancy Task Force on Enforcement and Due Process concurs and takes the position that state boards of accountancy, as regulatory and licensing agencies are the most competent and qualified to implement these Practice Monitoring Programs.

In response to the overwhelming interest of national state boards to implement methods of monitoring the work of licensees as a means of protecting the public from licensees

who do not perform competently, NASBA has prepared a model Practice Monitoring Program. The Minnesota State Board intends to develop and implement such a program. The program will include review and audit of various types of reports issued by Certified Public Accountants and Licensed Public Accountants and Licensed Public Accountants and audit of Continuing Professional Education reports. These reviews and audits will be directly coordinated with the annual license renewal process, and issue of licenses.

An additional staff person is needed to coordinate the PMP program with license renewal and license renewal duties. The remaining staff will then be able to keep up with a steadily increasing workload created by the dramatic increase in CPA exam candidates. The number of exam candidates not only affects exam related activities but also the number of certificates and licenses issued, renewals processed, CPE reports reviewed, verifications provided and information requests processed. Additionally, the executive secretary will be able to devote more time to administrative and enforcement/compliance duties.

STATISTICS:

Based on the Activity Statistics found in the Agency Narrative, the Board has seen the following % increases for F.Y. 1986:

	<u>F.Y. 1986</u>
CPA Exam Applicants	15%
CPA Exam Candidates	15%
New Licenses Issued	16%
Individual Licenses Renewed	4%
Firms Renewed	8%

At this time the Board projects the above per cent increases to maintain the same pattern through F.Y. 1987 and the F.Y. 1988-1989 Biennium.

RATIONALE:

The Board must be able to effectively and efficiently administer its responsibilities and assure the public that licensees continue to provide competent professional service and meet the standards of the profession.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: ARCHITECTURE, ENGINEERING,  
LAND SURVEYING AND LANDSCAPE  
ARCHITECTURE, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 271.1	\$ 510.0	\$ 167.6	\$ 499.3	\$ 170.5

AGENCY PURPOSE:

To protect Minnesota residents by ensuring that persons practicing architecture, engineering, land surveying and landscape architecture meet the requirements of M.S. 326.02 to 326.15 and the minimum standards governing the practice of their profession.

OPERATION AND CLIENTELE:

To protect the public through enforcement of Minnesota Statutes by 1) examining each candidate for licensure as architect, professional engineer, land surveyor, or landscape architect; 2) license biennially each architect, professional engineer, land surveyor, or landscape architect; 3) receive, acknowledge receipt of, and take action on each complaint alleging a violation of Minnesota Statutes or Board Rules; 4) verify current license status of licensees making application for licensure to other states; 5) certify license status of licensees or unlicensed individuals to municipal building officials, other licensees, or members of the general public requesting such information; 6) publish a listing of licensees of record in September of each even numbered year; and 7) publish a periodic newsletter for dissemination to all licensees of record and building officials advising them of board complaint actions and of changes to board rules.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
New Licenses Issued				
Architects	130	135	135	135
Professional Engineers	325	340	340	340
Land Surveyors	12	8	6	6
Landscape Architects	18	13	15	15
Total Licensees				
Architects	2,382	2,304	2,439	2,355
Professional Engineers	7,807	7,279	7,619	7,344
Land Surveyors	424	397	403	393
Landscape Architects	247	235	250	240
Complaints Filed	24	40	40	50
Complaints Resolved	28	30	30	40

<u>RECONCILIATION OF REVENUES TO COST:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Expenditures (SAME Level)	\$282.7	\$298.6	\$302.0	\$301.9
Attorney General Cost	12.9	13.2	13.3	13.4
Statewide Indirect Cost	10.7	6.4	6.7	7.1
Department Indirect Cost	13.1	14.8	14.9	15.0
Total Cost	<u>\$319.4</u>	<u>\$333.0</u>	<u>\$336.9</u>	<u>\$337.4</u>
Total Revenues	<u>\$510.0</u>	<u>\$167.6</u>	<u>\$499.3</u>	<u>\$170.5</u>

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue SAME level of effort. CHANGE levels are requested for the following: \$25.4 in F.Y. 1988 and \$25.4 in F.Y. 1989 to hire a 6th full time employee; \$3.0 in F.Y. 1988 and \$3.0 in F.Y. 1989 for increased rental costs; \$6.6 in F.Y. 1988 and \$6.6 in F.Y. 1989 for examination space rental costs; \$8.7 in F.Y. 1988 and \$15.0 in F.Y. 1989 for increased examination costs; \$0.8 for F.Y. 1988 and \$0.8 for F.Y. 1989 for increased membership dues for National Council of Architectural Registration Boards; and \$5.0 in F.Y. 1988 and \$5.0 in F.Y. 1989 for board member training/out-of-state travel.

Fees will be increased to fully recover costs for the 1987-89 biennium.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AELSIA

PROGRAM: NON HEALTH BOARDS

AGENCY: BRD OF ARCHIT ENGRNG

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	272.0	282.7	298.6	302.0	49.5	351.5	351.5	301.9	55.8	357.7	357.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	272.0	282.7	298.6	302.0	49.5	351.5	351.5	301.9	55.8	357.7	357.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	150.1	152.1	163.5	164.1	25.4	189.5	189.5	163.8	25.4	189.2	189.2
EXPENSES & CONTRAC. SERV	65.2	70.9	84.6	87.4	15.4	102.8	102.8	87.6	15.4	103.0	103.0
SUPPLIES & MATERIALS	47.7	59.7	45.5	50.5	8.7	59.2	59.2	50.5	15.0	65.5	65.5
EQUIPMENT	9.0		5.0								
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	272.0	282.7	298.6	302.0	49.5	351.5	351.5	301.9	55.8	357.7	357.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	272.0	282.7	298.6	302.0	49.5	351.5	351.5	301.9	55.8	357.7	357.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	272.0	282.7	298.6	302.0	49.5	351.5	351.5	301.9	55.8	357.7	357.7
POSITIONS BY FUND											
GENERAL	5.0	5.0	5.0	5.0	1.0	6.0	6.0	5.0	1.0	6.0	6.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0	1.0	6.0	6.0	5.0	1.0	6.0	6.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM:

AGENCY: ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE, BOARD OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 49.5	1.0	\$ 55.8	1.0
Governor's Recommendation				
General Fund	\$ 49.5	1.0	\$ 55.8	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above dollar amounts to provide for more timely service to its clients in processing complaints and responding to requests for information; obtaining sufficient office space to provide adequate working space for staff, equipment and the secure handling of examination materials; and for increased examination costs and board membership fees.

DESCRIPTION/BACKGROUND:

The board executive secretary now expends an excessive amount of time on details that could be done by an additional clerical staff member. The 1981 budget reductions reduced the board complement from 7 to 5. The workload is excessive for 5 staff persons. The board requests an additional full time staff person at a cost of \$25,360 for each year of the Fiscal Year 1988-1989 Biennium.

Office space rental costs will increase \$2.50 per square foot effective July 1, 1987. Board staff needs a minimum of an additional 300 usable square feet to provide sufficient space to effectively conduct board activities. The board now pays \$8.00 per foot for 1,000 total square feet of office space. The board requests \$3,000 for each year of the Fiscal Year 1988-1989 Biennium for this item. The board also requests \$6,600 for each year of the Biennium for suitable examination space for the mid-June architect licensing examination.

Architect examination costs will increase by \$80 per examination for 65 examinees

for Fiscal Years 1988-1989. One hundred thirty (130) more examinees will retake an average of 3 examination parts at a per part increase of \$8.90. Landscape Architect examination costs will increase by \$20 per examination for 20 examinees for Fiscal Year 1988 and an additional \$30 per examination for Fiscal Year 1989. Engineer examinations will increase by \$20 per examination for 220 examinees for Fiscal Year 1989. Sixty (60) examinees will retake the examination in Fiscal Year 1989 at an increased cost of \$20 per examinee. Examination fees will be increased to recover costs. The Board requests an increase of \$8,721 for FY 1988 and \$15,000 for FY 1989 for increased examination costs.

Annual board membership dues will increase from \$750 to \$1,500 for FY 1988 and FY 1989 for the National Council of Architectural Registration Boards.

The board requests \$5,000 for each year of the biennium for board member training/out-of-state travel. The board must be a member of 3 separate national councils in order to purchase national examinations for the 4 professions regulated by the board. It is useful for a minimum of 1 professional, 1 public and 1 staff member to attend the regional and annual meetings for each of the 3 national councils.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Complaint Processing	3-12 mos.	3-12 mos.	3-9 mos.	1-4 mos.
Request Processing	1-15 days	1-15 days	1-7 days	1-3 days
Application Processing	10-45 days	10-45 days	10-30 days	10-20 days

RATIONALE:

As noted in the Statistics Section, processing time for complaints, requests and applications is excessive and inefficient. An additional staff member would accomplish the major portion of administrative activities now done by the executive secretary. The executive secretary would devote a major portion of his time to law enforcement matters for the public benefit. More office space will permit a more efficient organization of staff, equipment and supplies. Rented examination space is needed to provide examinees with suitable examination conditions. Payment of increased membership dues and examination costs is necessary to purchase national examinations for applicants for licensure in the 4 professions regulated by the board.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY PURPOSE:

The Board of Barber Examiners was created to protect the public's health, provide the public with the highest quality of barbering services, and to regulate the barber industry through the adoption and enforcement of Rules.

OPERATION AND CLIENTELE:

The Board inspects and licenses barber shops and schools; examines and licenses instructors, apprentices and registered barbers; composes and validates school curriculum and the various levels of examinations; and prepares guidelines for apprenticeship programs.

The Board conducts examinations quarterly. All licenses are issued annually. All schools and shops are inspected to assure that all sanitary rules are followed. If violations are found, immediate compliance is required. When serious violations are uncovered, a follow-up inspection is made to verify compliance.

All complaints are processed in accordance with M.S. 214.10, appointing a designee of the Complaint Committee to process and resolve each complaint expediently and economically. Most complaints are resolved through education, conference or consent orders. The serious violations which cannot be resolved in an orderly manner are investigated and processed by the Office of the Attorney General.

OBJECTIVE:

To protect the public's health by assuring Minnesota citizens that barber shops and schools are sanitary and that all practitioners comply with Rules and meet competency standards.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
% Shops/schools inspected	97.00%	97.50%	97.50%	98.00%
% Sanitary Compliance	95.00%	95.50%	95.50%	96.00%
% Violations corrected	97.50%	98.00%	98.00%	98.00%
% Complaints resolved	90.10%	92.00%	92.00%	93.00%
% Suspensions/License Revocations	.06%	.06%	.06%	.06%

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Student Permits	157	130	130	130
No. of Licenses Issued	4,894	4,923	4,923	4,923
No. of Inspections	1,442	1,460	1,480	1,490
No. of Violations	224	250	260	270
No. of Complaints	48	55	60	70
No. of Examinations	228	180	180	180
No. of Shops	1,320	1,350	1,350	1,350
No. of Schools	7	7	7	7

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 127.4	\$ 137.4	\$ 131.1	\$ 133.0	\$ 134.0

RECONCILIATION OF REVENUES TO COST:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Expenditures (SAME level)	\$119.9	\$130.4	\$133.6	\$133.5
Attorney General Cost	3.9	4.0	4.0	4.1
Statewide Indirect Cost	10.6	4.9	5.2	5.4
Department Indirect Cost	\$ 9.8	11.1	11.3	11.3
Total Cost	<u>\$144.2</u>	<u>\$150.4</u>	<u>\$154.1</u>	<u>\$154.3</u>
Total Revenues	<u>\$137.4</u>	<u>\$131.1</u>	<u>\$133.0</u>	<u>\$134.0</u>

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue SAME level of effort. \$3.4 for F.Y. 1988 and \$1.4 for F.Y. 1989 is requested for additional board meeting expenses.

The Board intends to raise fees in F.Y. 1987 to fully recover costs for the 1987-89 biennium.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the Board's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BARBERS

PROGRAM: NON HEALTH BOARDS

AGENCY: BRD OF BARBERS EXAM

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	121.6	119.9	130.4	133.6	3.4	137.0	137.0	133.5	1.4	134.9	134.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	121.6	119.9	130.4	133.6	3.4	137.0	137.0	133.5	1.4	134.9	134.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	91.6	97.8	102.8	105.8	1.0	106.8	106.8	105.6	1.0	106.6	106.6
EXPENSES & CONTRAC. SERV	29.9	21.7	26.6	26.8	2.4	29.2	29.2	26.9	.4	27.3	27.3
SUPPLIES & MATERIALS	.1	.4	1.0	1.0		1.0	1.0	1.0		1.0	1.0
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	121.6	119.9	130.4	133.6	3.4	137.0	137.0	133.5	1.4	134.9	134.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	121.6	119.9	130.4	133.6	3.4	137.0	137.0	133.5	1.4	134.9	134.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	121.6	119.9	130.4	133.6	3.4	137.0	137.0	133.5	1.4	134.9	134.9
POSITIONS BY FUND											
GENERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: BARBER EXAMINERS, BOARD OF

Request Title: Operating Expenses				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 3.4	-0-	\$ 1.4	-0-
Governor's Recommendation				
General Fund	\$ 3.4	-0-	\$ 1.4	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Board requests the additional funds in order to more effectively fulfill the requirements set forth by statute and rule.

The objective is to provide the public with the highest quality of barbering service by revision of existing rules, additional meetings to inspect schools, administer exams and address complaints and finally, to increase participation at National Conventions to better represent Minnesota barbers.

DESCRIPTION/BACKGROUND:

M.S. Chapter 154 establishes the 4 member board charged with the responsibility of regulating the barbering industry in the state. The funds requested are necessary to allow the board the opportunity to increase the number of times they meet in order to effectively regulate the barbering industry.

The board also feels a need to update the current rules to reflect changes that have occurred in the industries since the last revision in 1981.

Finally, funds are requested to allow the board more active participation in National Conventions. This has proven to be an effective forum for keeping up with the changes that have taken place in the industry in other states.

STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Examinations	228	180	180	180
Meetings	13	13	13	13
Complaint Hearings	5	6	8	10
Conventions	1	1	1	1
Student Permits	157	130	130	130
Inspections	1,442	1,460	1,480	1,490
Licenses	4,894	4,923	4,923	4,923

RATIONALE:

Funds are requested to more effectively and efficiently regulate the barber industry in Minnesota. The funds will allow for additional board activity to assure the industry is properly regulated.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY PURPOSE:

The Board of Boxing provides uniform regulation of professional and amateur boxing, full contact karate and kick boxing. This activity assures all participants are physically able to compete thereby providing safety and protection to participating fighters from serious injury.

OPERATION AND CLIENTELE:

The Boxing Board is responsible for the preparation, amendment and adoption and enforcement of rules and regulations governing the sports of boxing, full contact karate and kick boxing. The board participates in all professional and amateur bouts with weigh-ins and dressing room surveillance. In addition, the board licenses promoters, referees, seconds and professional boxers and assures the fans properly staged shows. Clientele include licensees and fans who attend shows.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of Boxing Shows				
Professional Boxing	11	18	20	22
Amateur Boxing	48	60	65	80
Full Contact Karate	8	12	16	20
Professional Boxing Licenses				
Franchises	11	14	16	18
Boxers	44	65	75	80
Managers (optional)	8	10	10	10
Seconds	29	35	45	55
Referees	8	10	12	12
Amateur Boxing				
Franchises	24	40	50	55
Seconds (using A.B.F. cards)	66	115	120	125
Referees	24	30	30	30
Full Contact Karate Professional				
Franchise	0	18	20	22
Contestant	0	70	75	80
Seconds	0	25	30	35
Managers	0	12	14	16
Referees	0	5	7	10
Full Contact Karate Amateur				
Franchise	0	12	18	30
Instructor	0	120	180	300
Referees	0	12	18	30

ISSUES:

The board and staff place special interest in the promotion of the amateur programs

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 2.7	\$ 3.1	\$ 2.9	\$ 3.1	\$ 3.1

throughout the state. A second special focus of the board is the promotion of affirmative action in the amateur and professional levels of the sports.

<u>RECONCILIATION OF REVENUES TO COST:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Expenditures (SAME level)	\$46.8	\$53.7	\$53.9	\$53.9
Attorney General Cost	2.3	2.4	2.4	2.4
Statewide Indirect Cost	3.3	1.6	1.7	1.8
Department Indirect Cost	4.4	4.9	5.0	5.0
Total Cost	<u>\$56.8</u>	<u>\$62.6</u>	<u>\$63.0</u>	<u>\$63.1</u>
Total Revenues	<u>\$ 3.1</u>	<u>\$ 2.9</u>	<u>\$ 3.1</u>	<u>\$ 3.1</u>

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the SAME level of effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

The Governor further recommends that the Board implement a fee schedule in F.Y. 1987 for the purpose of recovering the costs of regulating full contact karate and kick boxing.



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BOXING

PROGRAM: BD OF BOXING

AGENCY: BOARD OF BOXING

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	45.3	46.8	53.7	53.9		53.9	53.9	53.9		53.9	53.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	45.3	46.8	53.7	53.9		53.9	53.9	53.9		53.9	53.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	37.3	39.2	43.0	43.2		43.2	43.2	43.1		43.1	43.1
EXPENSES & CONTRAC. SERV	7.8	7.1	9.8	9.8		9.8	9.8	9.9		9.9	9.9
SUPPLIES & MATERIALS	.2	.5	.9	.9		.9	.9	.9		.9	.9
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	45.3	46.8	53.7	53.9		53.9	53.9	53.9		53.9	53.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	45.3	46.8	53.7	53.9		53.9	53.9	53.9		53.9	53.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	45.3	46.8	53.7	53.9		53.9	53.9	53.9		53.9	53.9
POSITIONS BY FUND											
GENERAL	1.5	1.5	1.5	1.5		1.5	1.5	1.5		1.5	1.5
TOTAL POSITIONS	1.5	1.5	1.5	1.5		1.5	1.5	1.5		1.5	1.5

**AGENCY PURPOSE:** The Board of Electricity is a service and regulatory agency which licenses electricians and electrical contractors and inspects new electrical installations. The primary purpose of this Board is to assure the consumer that electrical wiring is installed in conformity with accepted standards of construction for safety to life and property and to protect the public from incompetent and unscrupulous installers of electrical wiring.

**OPERATION AND CLIENTELE:** The board conducts written examinations for nine types of licenses. There are 1,200 applicants tested annually. There are 13,000 individuals and contractors currently licensed by this agency. The Board of Electricity has 18 employees who administer its activities. This department also contracts with 44 contract electrical inspectors to inspect approximately 70,000 installations annually which average 4 trips per job. The board's technical staff conducts meetings statewide to educate electricians, contractors, inspectors, engineers and other interested parties on current safety standards and material. Assistance is also given to the electrical industry by consultation to resolve complex problems.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Installations Inspected (Avg 4 Trips Per Installation)	69,500	70,000	70,000	70,000
No. of License Applications Processed	1,700	1,700	1,700	1,700
No. of Persons Examined	1,100	1,200	1,200	1,200
No. of New Licenses	600	700	700	700
No. of License Renewals	11,300	5,000	11,000	5,700

**BUDGET ISSUES:** The Board of Electricity is requesting a change in funding of our examination, license and handling fees so that our license and inspection program can more effectively use these funds for the purpose of enforcing the law. Laws 1985 gave the board the means to take the appropriate action when fraudulent, deceptive or dishonest acts are committed by unqualified, incompetent, or unscrupulous persons doing electrical wiring. Budget constraints have limited our ability to investigate these situations.

In 1981 the electrician's licenses were changed to a 2 year renewal period to save administrative costs due to budget reductions. This change, plus the peaks and valleys of electrical construction activity, has made it difficult to budget expenses on a fiscal year basis. The majority of the license fees are collected in the last six months of the even-numbered years and, in comparison, very little revenue is received in the odd-numbered years. As the General Fund cancels the balance at the end of the fiscal year, our expenses give the impression that we generated an excessive amount of revenue one year and an excessive shortage of revenue the next year when comparing receipts against expenses.

By depositing all of the revenues of this department in a dedicated special revenue account, the board would be able to transfer balances forward from one year to another and better utilize these funds for the administration of the licensing and inspection program and assure the legislature that the revenues collected are dedicated to the program regulated.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 211.2	\$ 782.3	\$ 225.6	\$ 817.0	\$ 237.0

The inspection fees received by this agency were placed in a non-dedicated fund for three years in F.Y. 1977, F.Y. 1978 and F.Y. 1979; but because of the unpredictable fluctuation of the electrical industry, the estimates were not accurate and caused many budget problems. The legislature returned the inspection fees to a dedicated Special Revenue Fund and these problems were eliminated. All budgeting and cash flow problems would be resolved by dedicating all revenues generated by this office.

RECONCILIATION OF REVENUES TO COSTS	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total General Fund Expenditures (SAME)	\$ 726.7	\$ 798.1	\$ 798.3	\$ 797.3
Attorney General Costs	7.8	10.0	10.0	10.0
Statewide Indirect Costs	19.2	11.8	19.0	19.0
Total Costs	\$ 753.7	\$ 819.9	\$ 827.3	\$ 826.3
Non-Dedicated Revenue	\$ 782.3	\$ 225.6	\$ 817.0	\$ 237.0
Dedicated Revenue Transferred to Gen. Fd.	299.6	292.1	300.0	300.0
Total Revenues	\$ 1081.9	\$ 517.7	\$ 1117.0	\$ 537.0

The non-dedicated revenues shown above reflects license, examination and inspection handling fees. The dedicated revenue transferred from the Special Revenue Fund to the General Fund is the percentage of inspection fees withheld from completed electrical inspections made by contract electrical inspectors to cover inspection administrative costs. License and/or inspection fees will be increased if non-dedicated revenue, plus transfers from the Special Revenue Fund to the General Fund, falls below estimates.

**EXPLANATION OF BUDGET REQUEST:** The Board of Electricity requests \$1,595.6 for the 1987-89 biennium to maintain the SAME level of funding. However, a request is submitted to CHANGE the funding from the General Fund to a dedicated Special Revenue Fund.

**GOVERNOR'S RECOMMENDATION:**

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BOARD OF ELECTRICITY

PROGRAM: NON HEALTH BOARDS

AGENCY: BRD OF ELECTRICITY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,354.1	2,282.8	2,453.5	2,453.7		2,453.7	2,453.7	2,497.3		2,497.3	2,497.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,354.1	2,282.8	2,453.5	2,453.7		2,453.7	2,453.7	2,497.3		2,497.3	2,497.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	547.8	580.5	611.0	607.0		607.0	607.0	606.0		606.0	606.0
EXPENSES & CONTRAC. SERV	1,789.3	1,686.9	1,813.9	1,818.1		1,818.1	1,818.1	1,862.7		1,862.7	1,862.7
SUPPLIES & MATERIALS	13.6	9.1	20.3	20.3		20.3	20.3	20.3		20.3	20.3
EQUIPMENT	3.4	6.3	8.3	8.3		8.3	8.3	8.3		8.3	8.3
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,354.1	2,282.8	2,453.5	2,453.7		2,453.7	2,453.7	2,497.3		2,497.3	2,497.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	701.2	726.7	798.1	798.3	798.3-			797.3	797.3-		
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	1,652.9	1,556.1	1,655.4	1,655.4	798.3	2,453.7	2,453.7	1,700.0	797.3	2,497.3	2,497.3
TOTAL FINANCING	2,354.1	2,282.8	2,453.5	2,453.7		2,453.7	2,453.7	2,497.3		2,497.3	2,497.3
POSITIONS BY FUND											
GENERAL	18.0	18.0	18.0	18.0	18.0			18.0	18.0-		
SPECIAL REVENUE						18.0	18.0		18.0	18.0	18.0
TOTAL POSITIONS	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM: LICENSING ELECTRICIANS AND INSPECTION OF ELECTRICAL INSTALLATIONS

AGENCY: ELECTRICITY, BOARD OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: DEDICATION OF LICENSE, EXAMINATION AND HANDLING REVENUES				
General Fund	(\$798.3)	(18.0)	(\$797.3)	(18.0)
Special Revenue Fund	\$798.3	18.0	\$797.3	18.0
<b>Governor's Recommendation</b>				
General Fund	(\$798.3)	(18.0)	(\$797.3)	(18.0)
Special Revenue Fund	\$798.3	18.0	\$797.3	18.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 326.241, Subd. 3 and 326.244, Subd. 2 (c)				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the dedication of revenues derived from license, examination and handling fees, in addition to the inspection fees which are currently deposited in a dedicated Special Revenue Fund.

The objective is to improve the administration of the licensing and inspection program through more extensive field investigations of unqualified, unscrupulous or incompetent installers of electrical wiring.

DESCRIPTION/BACKGROUND: Prior to July 1, 1976 all revenues collected by the department were deposited in a Special Revenue Fund. There were no budgetary or cash flow problems at that time. During the three years that all revenues were in the General Fund, there were budgetary problems due to the peaks and valleys of electrical construction. The legislature then placed the inspection fees in a Special Revenue Fund, starting July 1, 1979, so that inspection services were properly funded and could be performed as required by law. All other revenues are deposited in the General Fund, and in addition, a percentage of the inspection fees from the Special Revenue Fund is transferred to the General Fund, to cover the board's administrative costs. Budget constraints by the legislature made it necessary to change the license renewals to a 2 year period, which has resulted in savings of \$17,000 to \$20,000 per year. M. S. require that administrative costs, including indirect costs, be recovered by fees collected. Fees are recovered biennially; however, due to the 2 year license renewal period, the license receipts are high in the even-numbered year of the biennium and low the second year.

RATIONALE: Laws 1985 gave the board the authority to take appropriate action against persons or companies committing fraudulent acts in dealing with the consumer. Budget constraints have limited investigations of violations even though the law mandates that the fees collected are to be used for the purpose of administering this program. There has been interest by the legislature in removing revenues from the General Fund which are collected from a specific industry to support a specific regulatory program.

One of the funds considered for this agency has been the Direct Appropriated Special Revenue Fund. Depositing the revenues collected by this agency in this fund would cause this department a budgetary problem as the balance in this fund cancels at the end of each fiscal year. Due to the 2 year license renewals, this agency would not be able to support its program in the odd-numbered years.

A cash flow problem would result if the examination, license and handling fees were placed in a Special Revenue Fund separate from the inspection fees dedicated for inspection services by our contract electrical inspectors, as most of the revenue from licenses is collected the last six months of the biennium.

By depositing all fees, licensing and inspection, in the same dedicated special revenue account, our cash flow and budgetary problems would be solved, and the General Fund would not be overstated by including funds that are recovered by fees collected for administering the electrical licensing and inspection program. The fee review required by law would show a separate accounting of our administrative costs and inspection fees dedicated to contract electrical inspectors.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY PURPOSE:

To license and re-license law enforcement officers (peace officers, part-time peace officers and constables).

OPERATION AND CLIENTELE:

To regulate the pre-service training of law enforcement officers; to monitor their continuing education after they are licensed; and to monitor their professional conduct.

OBJECTIVES:

To develop licensing tests for law enforcement officers, to update these tests as may be necessary, and to provide technical assistance to post-secondary law enforcement programs so that an increasing percentage of students will pass the licensing tests.

To take disciplinary action against the licenses of law enforcement officers who violate standards of professional conduct.

To provide reimbursement to local units of government to help defray the costs of providing continuing education for their law enforcement officers.

EFFECTIVENESS MEASURES:      F.Y. 1986      F.Y. 1987      F.Y. 1988      F.Y. 1989

Tests administered and percentage passing

Academic	592/87.6%	603/78.1%	600/83.0%	600/88.0%
Skills	453/98.4%	435/99.3%	450/99.0%	450/99.0%
Reciprocity	103/51.4%	106/43.4%	100/50.0%	100/50.0%
Part-time peace officer	69/97.1%	121/92.6%	100/95.0%	80/95.0%
Skills reinstatement	12/70.6%	27/66.7%	40/70.0%	50/70.0%

Actions taken for violations of standards

Complaints received	31	35	39	43
Increase or decrease	-50%	+13%	+11%	+10%
Disciplinary actions	(6 depending)	8	10	12
Increase or decrease	+100%	+33%	+25%	+20%

Reimbursement to local units of government

Units receiving funds	410	415	420	420
Increase or decrease	-3%	+1%	+1%	0%

ACTIVITY GENERATES	ACTUAL	ACTUAL	ESTIMATE	ESTIMATE	ESTIMATE
NON-DEDICATED REVENUE	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
X Yes    ___ No	\$62.9	\$57.5	\$58.0	\$60.0	\$60.0

ACTIVITY STATISTICS:      F.Y. 1985      F.Y. 1986      F.Y. 1987      F.Y. 1988      F.Y. 1989

Law enforcement programs visited at the site	23	22	22	22	22
Peace officer licenses issued	279	331	325	325	325
Course offerings for continuing education approved	3,000	3,000	3,000	3,000	3,000
Reimbursement provided to local units of government	900,000	867,200	905,700	905,700	905,700
Reimbursement provided to skills schools	99,900	97,800	100,700	100,700	100,700

EXPLANATION OF BUDGET REQUEST:

The agency requests a change level increase of \$2,293.6 in F.Y. 1988 and \$2,593.6 in F.Y. 1989 for local reimbursements.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this program be funded exclusively from the Peace Officers Training Account, which will be created 7-1-87.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PEACE OFFICERS BOARD

PROGRAM: NON HEALTH BOARDS

AGENCY: PEACE OFFCR TRNG BD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	364.8	376.8	429.0	430.4		430.4	430.4	430.0		430.0	430.0
LOCAL ASSISTANCE	999.9	965.0	1,006.4	1,006.4	2,293.6	3,300.0	2,869.6	1,006.4	2,593.6	3,600.0	3,170.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>1,364.7</b>	<b>1,341.8</b>	<b>1,435.4</b>	<b>1,436.8</b>	<b>2,293.6</b>	<b>3,730.4</b>	<b>3,300.0</b>	<b>1,436.4</b>	<b>2,593.6</b>	<b>4,030.0</b>	<b>3,600.0</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES	285.6	268.1	343.5	344.7		344.7	344.7	344.2		344.2	344.2
EXPENSES & CONTRAC. SERV	73.8	104.7	67.2	67.4		67.4	67.4	67.5		67.5	67.5
SUPPLIES & MATERIALS	3.6	4.0	5.1	5.1		5.1	5.1	5.1		5.1	5.1
EQUIPMENT	1.8		13.2	13.2		13.2	13.2	13.2		13.2	13.2
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>364.8</b>	<b>376.8</b>	<b>429.0</b>	<b>430.4</b>		<b>430.4</b>	<b>430.4</b>	<b>430.0</b>		<b>430.0</b>	<b>430.0</b>
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	1,364.7	1,341.8	1,435.4	1,436.8	1,006.4-	430.4		1,436.4	1,006.4-	430.0	
SPECIAL REVENUE					3,300.0	3,300.0	3,300.0		3,600.0	3,600.0	3,600.0
<b>DEDICATED APPROPRIATIONS:</b>											
<b>TOTAL FINANCING</b>	<b>1,364.7</b>	<b>1,341.8</b>	<b>1,435.4</b>	<b>1,436.8</b>	<b>2,293.6</b>	<b>3,730.4</b>	<b>3,300.0</b>	<b>1,436.4</b>	<b>2,593.6</b>	<b>4,030.0</b>	<b>3,600.0</b>
<b>POSITIONS BY FUND</b>											
GENERAL	9.0	9.0	9.0	9.0		9.0		9.0		9.0	
SPECIAL REVENUE							9.0				9.0
<b>TOTAL POSITIONS</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>		<b>9.0</b>	<b>9.0</b>	<b>9.0</b>		<b>9.0</b>	<b>9.0</b>

CHANGE REQUEST

Agency    Program    Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: BOARD OF PEACE OFFICERS STANDARDS AND TRAINING

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Reimbursement Program, Penalty Assessment				
General Fund:	[\$1,006.4]	-0-	[\$1,006.4]	-0-
Special Revenue Fund:	\$3,300.0	-0-	\$3,600.0	-0-
<b>Governor's Recommendation</b>				
General Fund	(\$1,436.8)	(9.0)	(\$1,436.4)	(9.0)
Special Revenue Fund	\$3,300.0	9.0	\$3,600.0	9.0
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 626.86, Laws 1st S.S. Ch. 10, Sec. 117, Sub. 4			

STATEMENT OF REQUEST/OBJECTIVE:

This agency requests the above dollar amounts to reflect changes in laws of 1985, 1st special session, ch. 10, sec. 117, subd. 4. This significant legislation was passed to identify receipts from penalty assessments and to distinguish such expenditure from general fund disbursements. The effective date of this legislation is July 1, 1987.

The objective is to help defray the costs that have been incurred by local units of government in making continuing education available to its peace officers. Ten percent of the above monies are to be used as reimbursement to institutions conducting board-approved courses in law enforcement skills training.

DESCRIPTION/BACKGROUND:

The basic idea of penalty assessment is to add a surcharge to fines to help finance police training statewide. The program commenced on January 1, 1982, with all fines collected for traffic violations, excluding parking violations, having an additional 10% added onto the fine. All surcharge monies are returned to the peace officer training account. The Peace Officer Standards and Training (POST) board, in preparation for the 1983-85 biennial budget, estimated that this program would generate from 1.2 to 1.5 million dollars annually. The legislature appropriated 1.0 million annually, displaying a concern that the estimates might be too high.

The board was directed to report back during the 1985-87 biennial budget session with information on the amount of money actually generated and, accordingly, request either an increase or a decrease in the penalty assessment program. The legislature in turn created the special revenue account entitled the peace officer training account. The board in its 1987-89 budget request is now seeking full appropriation for the peace officer training account in order to disburse the amount of money actually generated via the penalty assessment program. The POST board itself received no money from this program.

RATIONALE:

The concept of the penalty assessment program is to provide monies to local units of government to assist in financing police training. Having lawbreakers pay a greater share of law enforcement costs than law-abiding citizens is a fundamentally sound concept that is currently utilized in 18 other states. The POST board agrees with the creation of the special revenue account in that it clearly distinguishes this program from general fund expenses.

Penalty Assessment Funds Collected:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
	\$2,537,400	\$2,746,903	\$3,000,000	\$3,300,000	\$3,600,000

Penalty Assessment Funds Distributed:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Counties (87)	\$ 266,000	\$ 285,200	\$ 271,600	\$ 890,900	\$ 971,900
Municipalities (325)	630,000	578,000	630,100	2,066,100	2,253,100
Townships (20)	4,000	4,000	4,000	13,000	15,000
State agency (1)	62,200	57,800	60,400	198,000	216,000
Local school districts (2)	37,700	40,000	40,300	132,000	144,000
Total	\$ 999,900	\$ 965,000	\$1,006,400	\$3,300,000	\$3,600,000

GOVERNOR'S RECOMMENDATION:

The Governor recommends that penalty assessment receipts, which will be deposited into the Peace Officers Training Account effective 7-1-87, be used first to fund SAME-level administrative expenses of the POST Board. The remaining balance in the account will be used to reimburse local governments and skills schools for peace officer training.

PUBLIC UTILITIES COMMISSION

ORGANIZATION CHART  
AT 7-1-86

POSITION RECONCILIATION		
	<u>Current FY 1986</u>	<u>Requested for 6-30-89</u>
GENERAL FUND	29.0	39.5
LEGISLATIVE AUTHORIZED	29.0	37.5
LEGISLATIVE AUTHORIZED (2 YEAR DURATION)	<u>        </u>	<u>2.0</u>
TOTAL AUTHORIZED POSITIONS	29.0	39.5
EMPLOYEES ON 6/30/86	29.0	

PUBLIC UTILITIES COMMISSION	
Position Summary	
Current Positions	29.0

Commission	
Current Positions	5.0

Agency Management	
Current Positions	1.0

POLICY UNIT		UTILITY REGULATION		COMMISSION SUPPORT		LEGAL		CONSUMER SERVICE	
Current	0	Current	12.0	Current	6.0	Current	2.0	Current	3.0
New Positions Requested	<u>2.0</u>	New Positions Requested	<u>4.0</u>	New Positions Requested	<u>2.0</u>	Non-Complement	<u>2.0</u>	New Positions Requested	<u>.5</u>
	2.0		16.0		8.0		4.0		3.5



AGENCY: PUBLIC UTILITIES COMMISSION

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,094.2	\$ 1,336.9	\$ 1,725.4	\$ 1,667.7	\$ 1,658.1

AGENCY PURPOSE: The Minnesota Public Utilities Commission (MPUC) regulates the rates, the service and financial practices of the Minnesota operations of natural gas, electric and telephone companies in accordance with laws enacted by the Minnesota Legislature.

OPERATION AND CLIENTELE: The 5-member commission operates through a formalized process which is both quasi-judicial and legislative in nature. Its legislative function includes balancing facts, regulatory policies and the public interest, convenience and necessity through investigations, rulemakings, informal and formal hearings as well as contested cases. Its quasi-judicial function includes determining facts based on the record such as the revenue requirements of the regulated industries. It makes findings and issues orders on these matters. Cases are set for hearing before an Administrative Law Judge from the Office of Administrative Hearings when major facts are in dispute.

The MPUC's best known activity is ruling on requests by utilities for general rate increases. However, the bulk of commission activity is handling miscellaneous tariff filings, conducting investigations, adopting rules and dealing with extensions of utility service, fuel and purchased energy adjustments, utility security issuances and capital structure, service area boundary changes, acquisitions/transfers of utility property, accounting practices, depreciation certification, formal and informal complaints, Cold Weather Rule appeals, certificates of need for large energy facilities, rates and conditions of service to cogenerators and small power producers, and conservation improvement programs for large gas and electric utilities.

Investor-owned telephone companies with fewer than 15,000 customers, cooperative telephone companies and municipal telephone companies are subject to regulation on service areas, depreciation schedules and quality of service and on determination of the reasonableness of their rates upon complaint by customers. Cooperative utilities are subject to regulation only on service areas and service quality. Municipal utilities are not regulated except for service areas. All other investor-owned gas, electric and telephone companies are subject to the full range of regulation.

The MPUC determines the need for and issues certificates of need for large energy facilities using conservation of energy and environmental protection, as well as the adequacy and reliability of supply, as criteria.

During the last biennium, the commission focused significant time on issues of the telephone industry. The commission modified the regulatory role for an increasingly competitive and complex local and long distance market resulting from both technological advances and the AT&T federal divestiture order. Minnesota is a leader in allowing competition in the telecommunications industry.

The commission began a concentrated program of drafting administrative rules on a variety of topics. The commission also has changed management procedures in

response to the legislature's study and is proposing further changes for the next biennium. In addition, it evaluated proposed purchases of several utility companies to ensure that ratepayers are not harmed by the transactions, approved rates for natural gas distribution so local companies and large customers will have more control over costs they incur, and continued the legislature's program of evaluating and implementing conservation improvement programs of large gas and electric companies. The MPUC, in cooperation with the Department of Public Service, intervened in Federal gas issues that affect prices in Minnesota.

ISSUES:

The MPUC is virtually self-supported by fees assessed to regulated companies. While assessments cover the operating costs of the commission and account for approximately 99% of the budget, the lack of flexibility in the appropriation process does not allow operating costs to increase as workload increases. Predicting workload is extremely difficult since utilities, state agencies, consumer groups and others are completely free to petition the commission at any time for rate review and adjustment, special investigations, rulemaking and formal complaints. Therefore, the commission will propose legislation to expand authority in an existing revolving fund. That fund can now be used only for hearing costs of the Office of Administrative Hearings associated with contested cases. Expanding it to include consultants and temporary staff would assure that fluctuations in workload could be handled without increasing permanent staff.

OBJECTIVE: To provide retail natural gas, electric, and telephone consumers in Minnesota with adequate and reliable service at reasonable rates, consistent with the financial and economic requirements of the regulated public utilities.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of residences with telephones	96.1	96.1	96.1	96.1
Percent of large Minnesota utilities with investment grade ratings	100	100	100	100
Number of rules adopted	1	4	7	8
Cases appealed as a percent of cases decided	2.3	3.0	2.8	2.8
Cases won as a percent of cases appealed	52	55	60	65

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General rate cases decided	6	11	8	8
Tariff filings decided	465	472	480	480
Commission initiated dockets	24	28	29	26
Rules adopted	0	6	7	8
Fuel adjustments	190	126	126	126
Certificate of Need proceedings	1	2	1	1
Cold Weather Rule appeals reviewed	1,284	1,350	1,400	1,400
Customer complaints handled	3,200	3,500	3,800	4,000

RECONCILIATION OF REVENUES TO COSTS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Expenditure (SAME level)	1,372.0	1,431.8	1,436.2	1,438.4
Attorney General Cost	214.8	220.0	220.0	220.0
Statewide Indirect Cost	12.2	15.5	15.0	15.0
Total Cost	<u>\$ 1,599.0</u>	<u>\$ 1,667.3</u>	<u>\$ 1,671.2</u>	<u>\$ 1,673.4</u>
Total Revenues	<u>\$ 1,336.9</u>	<u>\$ 1,725.4</u>	<u>\$ 1,667.7</u>	<u>\$ 1,658.1</u>

<u>INDEX</u>	<u>Agency Request 1987-89 Biennium All Funds</u>	<u>Governor's Recommendation 1987-89 Biennium All Funds</u>	<u>Page</u>
SAME Level Request	\$ 3,408.8	\$ 3,408.8	
Agency-Wide CHANGE Requests			
Utility Regulation	870.4	609.3	5
Policy Unit	172.4	70.5	7
Office Automation	331.0	194.0	8
Subtotal	1,373.8	873.8	
AGENCY TOTAL	\$ <u>4,782.6</u>	<u>4,282.6</u>	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PUBLIC UTILITIES COMM

PROGRAM: PUBLIC UTILITIES COMM

AGENCY: PUBLIC UTIL COMMSN

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,241.8	1,551.5	1,698.9	1,703.3	776.5	2,479.8	2,250.1	1,705.5	597.3	2,302.8	2,032.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,241.8	1,551.5	1,698.9	1,703.3	776.5	2,479.8	2,250.1	1,705.5	597.3	2,302.8	2,032.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	954.7	1,052.9	1,120.7	1,160.0	360.0	1,520.0	1,379.8	1,158.2	360.0	1,518.2	1,378.0
EXPENSES & CONTRAC. SERV	274.2	400.6	537.7	527.7	317.0	844.7	810.5	531.7	190.3	722.0	611.7
SUPPLIES & MATERIALS	6.9	54.3	7.8	7.8	33.0	40.8	14.5	7.8	12.0	19.8	10.0
EQUIPMENT	4.8	43.7	32.7	7.8	66.5	74.3	45.3	7.8	35.0	42.8	32.8
OTHER EXPENSE ITEMS	1.2										
TOTAL STATE OPERATIONS	1,241.8	1,551.5	1,698.9	1,703.3	776.5	2,479.8	2,250.1	1,705.5	597.3	2,302.8	2,032.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,123.9	1,372.0	1,431.8	1,436.2	776.5	2,212.7	1,983.0	1,438.4	597.3	2,035.7	1,765.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	117.9	179.5	267.1	267.1		267.1	267.1	267.1		267.1	267.1
TOTAL FINANCING	1,241.8	1,551.5	1,698.9	1,703.3	776.5	2,479.8	2,250.1	1,705.5	597.3	2,302.8	2,032.5
POSITIONS BY FUND											
GENERAL	29.0	29.0	29.0	29.0	10.5	39.5	35.0	29.0	10.5	39.5	35.0
TOTAL POSITIONS	29.0	29.0	29.0	29.0	10.5	39.5	35.0	29.0	10.5	39.5	35.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PUBLIC UTILITIES COMMISSION  
 PROGRAM: PUBLIC UTILITIES COMMISSION  
 AGENCY: PUBLIC UTILITIES COMMISSION

Request Title: UTILITY REGULATION				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 443.1	7.5	\$ 427.3	7.5
Governor's Recommendation				
General Fund	\$ 348.1	5.0	\$ 261.2	5.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests \$870.4 and 7.5 positions during the biennium to correct deficiencies in its current operation and to enable it to evaluate and rule on rate and tariff requests anticipated. Four specific areas are detailed below:

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Increased technical resources	\$ 280.8	4.0	264.0	4.0
Administrative rulemaking	74.6	2.0	73.6	2.0
Agency personnel training	55.0		58.0	
Increased clerical staff	32.7	1.5	31.7	1.5

The request represents the commission's decisions in response to the Department of Administration's management audit. The higher costs in the first year reflect costs of equipment and training for each position requested. Funding for rulemaking is made for only this biennium; completion of the rulemaking calendar and efficiencies of automation should eliminate their need in subsequent biennia.

BACKGROUND:

The utility regulatory function at the MPUC has traditionally been inappropriately staffed.

Lack of supervisors has resulted in less than efficient scheduling of workload and of commission meetings. Commissioners must deal with individual staff at staff's availability thus limiting access to information prior to decision making. Because only staff and not commissioners are allowed to request information directly from parties, this could handicap quality. The heavy workload of staff means briefing papers are not available until just hours before decision meetings. The lack of resources has meant no capacity to hire consultants or temporary staff to meet temporary workload increases.

Major miscellaneous dockets that take 125 or more hours of commission time have grown from 4 in F.Y. 1983 to 29 in F.Y. 1986. This represents an increase from 5% to 16% of the commission's total billable time. The increase was due mostly to telephone issues but also significantly to electric issues. Overtime during the first 9 months averaged .96 FTE position and reached a high of 1.27 FTE at the end of a major rate case. Therefore, the commission needs both an increase in permanent staff and in resources for temporary staff.

REQUEST DETAIL:

Technical Resources: The commission requests 1.0 Financial Analyst and \$70.5 to analyze capital structure, proposals for purchase, diversification and consolidation as well as annual gas adjustments, depreciation and regular rate cases; 1.0 Rate Analyst and 2.0 Analyst/Supervisors and \$274.3 to organize the workload and respond to increasing and changing workload dictated by economic conditions, increased emphasis on conservation, technology changes, technical support for rule drafting and to represent the commission in formal rules hearings.

Administrative Rulemaking: The commission requests 2.0 temporary positions and \$148.2 to draft rules and statements of need so commission operations will be streamlined for all parties to proceedings.

Staff Training: The commission requests \$117.4 to train staff and commissioners. The training will address both issues and techniques necessary to obtain and maintain the levels of expertise necessary to analyze rate and service requests as well as other issues which emerge with changes to economic conditions and deregulation efforts.

Clerical and Support Services: The commission requests .5 position to ensure that applications under the Cold Weather Rule (CWR) are processed promptly and without detriment to regular consumer complaints; and 1.0 position for a file clerk to relieve senior clerical staff of routine duties so they can appropriately support technical staff; 1.0 position for word processing will be needed if our automation proposal is not approved.

The request also includes \$20.0+ during the biennium to conduct a systematic program of public information so the public becomes consistently aware of the commission's decisions and how they can affect those decisions.

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity  
(Continuation)

ACTIVITY: PUBLIC UTILITIES COMMISSION  
PROGRAM: PUBLIC UTILITIES COMMISSION  
AGENCY: PUBLIC UTILITIES COMMISSION

PERFORMANCE INDICATORS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Rules drafted	1	5	9	8
Rules adopted	1	4	7	8
No. of mgt/fin audits	0	0	2	4
Days elapsed from report of CWR applicable to mailing of information	2.3	2	1	1
% of senior clerical time spent in direct support of technical staff	3	2	15	20

RATIONALE:

Granting this request will provide the commission with resources necessary to more thoroughly evaluate the requests it receives, to begin a program of selected management, financial and special audits, to establish a forecasting capacity useful in the current economic environment, and to respond to the increased miscellaneous filings which present as-yet-unstudied issues and questions.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding as follows for the purpose of implementing recommendations made by the Department of Administration in its report on the Commission: a biennial increase of \$347.2 and 4 positions for increased technical support, \$74.1 and 1 position for administrative rulemaking, and \$113.0 for staff training. In addition, the Governor recommends a special revenue fund be established for the purpose of hiring consultants as needed during peak workload periods. \$75.0 in F.Y. 1988 is recommended to be transferred from the General Fund to the Special Revenue Fund for cash flow needs. The utilities will reimburse the fund for actual consultant costs.

CHANGE REQUEST

Agency    Program    Activity

1987-89 Biennial Budget

ACTIVITY: PUBLIC UTILITIES COMMISSION  
 PROGRAM: PUBLIC UTILITIES COMMISSION  
 AGENCY: PUBLIC UTILITIES COMMISSION

Request Title: POLICY UNIT				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 90.4	2.0	\$ 82.0	2.0
Governor's Recommendation				
General Fund	\$ 37.7	1.0	\$ 32.8	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

cost planning, and FERC actions as well as emerging issues related to financial analysis, depreciation and capital structure of companies.

RATIONALE:

Establishment of a separate activity within the commission will allow the commission to more thoroughly analyze issues, to study specific issues and to plan ahead for significant industry changes. In its legislative responsibility, that cannot be done by only synthesizing the analysis of advocates, intervenors and companies. Independent analysis is required. The commission will use number of issues researched and number of regulatory policies developed as performance indicators.

PERFORMANCE INDICATORS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of Major Issues Researched	12	15
No. of Regulatory Policies Developed	6	9

GOVERNOR'S RECOMMENDATION:

The Governor supports the agency's request to establish a Policy Planning Unit but only recommends 1.0 position and a biennial increase of \$70.5 for this purpose.

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests 2.0 positions to establish a regulatory policy planning unit. The commission needs to formulate a consistent policy of regulation and deregulation instead of being forced, as is currently true, to address specific issues as they are brought to the commission in miscellaneous proceedings and general rate cases.

BACKGROUND:

Policy analysis and development is scattered among professional staff members; rate analysis, because of its statutory deadlines, takes precedence. As issues of pricing, rate base regulation, capacity, competition and deregulation emerge, it is imperative that the commission have a consistent and unbiased source of information on which to base those decisions. As the commission decides whether or how to deregulate it must do so from a sound understanding of the ramifications of those decisions both to Minnesota ratepayers and to utilities.

The 2 positions would be responsible for researching and analyzing issues of telephone industry such as identifying emerging trends, responding to FCC and congressional initiatives, analyzing activities of other states facing similar questions; monitoring and analyzing trends and actions in the natural gas industry; researching trends in the electric industry and preparing Minnesota to deal with questions of new electric transmission lines; evaluating conservation trends, least

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: PUBLIC UTILITIES COMMISSION  
 PROGRAM: PUBLIC UTILITIES COMMISSION  
 AGENCY: PUBLIC UTILITIES COMMISSION

Request Title: OFFICE AUTOMATION				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 243.0	1.0	\$ 88.0	1.0
Governor's Recommendation				
General Fund	\$ 161.0	-0-	\$ 33.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The commission is requesting \$331.0 and 1 temporary position during the biennium to implement an office automation system. The system will enable the commission and its staff to research prior orders for policy development, analysis, and precedents; to enhance management of documents and work at the agency; to consolidate and improve word processing functions; to improve the handling of consumer complaints; and to provide the commission and its technical staff with tools to put them on a par with companies they regulate.

DESCRIPTION/BACKGROUND:

The commission is responsible for ruling on an increasingly varied array of issues. Deregulation multiplied the number of filings and issues which the commission must decide. Economic conditions are causing utility consolidation. (After 9 years of no such activity, the commission faced 4 filings for sale and purchase of utility assets in F.Y. 1986).

With installation of this system, for the first time, the commission and other interested persons will be able to search in real time through past orders. No longer will it be necessary to rely on memory about when a particular issue was before the commission and how it was resolved as the starting point for lengthy research. This particular part of the project will be useful to state agencies, rate case intervenors, and regulated companies, as well as the commission.

The system will enable the commission to electronically log and track all documents coming into the agency. Although an excellent manual docketing system is in place for major cases, it is too cumbersome to give agency management the same control over the miscellaneous requests which are becoming the greater part of the commission's workload. The new system will enable the commission to manage its workload better which will result in better service to companies and customers alike.

Word processing functions will be improved by allowing the professional and clerical staff to use the same system. A major product of the commission is its written orders; a common word processing system will greatly reduce editing and retyping and will eliminate the need for an additional word processing position. The system will accommodate optical scanning of documents generated elsewhere which will eliminate manual entry of much material used in briefing documents and commission orders.

Those who call the Consumer Affairs Office will notice a significant improvement in service since staff will have immediate access to prior complaints, tariffs, customer and company data. That access will eliminate lengthy file searches and should reduce the numbers of calls between staff, consumers and companies now necessary to resolve a problem.

Finally, the system will give the commission and its staff computational tools equal to those employed by the regulated utilities. In recent years iterative procedures have been used to determine interrelated rate base and income statement issues. Such procedures are not well suited to the analyst with a calculator and an accounting workpaper, but are ideally handled by computerized spreadsheets. Utilities and telephone companies routinely employ them; providing them to the commission will put the commission and companies on a more equal footing.

The system will give the commission greater access to information, greater ability to process information, and an enhanced ability to respond to the public. It will be able to devote more resources to making informed judgments, and will spend less in tracking information.

Implementing both an office automation system and a system to track precedents established in commission orders were recommendations of the Department of Administration management study authorized by the 1985 legislature. Using existing resources, the commission engaged a consultant; that individual and representatives of the Information Management Bureau of the Department of Administration concur on the specifications of the system.

The first phase of equipment purchase, installation, and training will cost approximately \$120.0; the commission has committed half that amount from funds of the 1986-87 biennium and negotiated to finance the balance over a three-year period. The annual cost of that arrangement is \$25,000. The cost of purchasing equipment to extend automation to professional staff and to commissioners, of systems development, and of entering commission orders into the system is estimated at an additional \$196.0. Maintenance costs for the biennium will total approximately \$21.0. (Current annual maintenance on existing word processing system is \$5.3; that

## CHANGE REQUEST

1987-89 Biennial Budget

 Agency  Program  Activity

(Continuation)

ACTIVITY: PUBLIC UTILITIES COMMISSION  
 PROGRAM: PUBLIC UTILITIES COMMISSION  
 AGENCY: PUBLIC UTILITIES COMMISSION

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to implement an office automation system, but only recommends a biennial increase of \$194.0 for this purpose.

DESCRIPTION/BACKGROUND (Contd.):

savings has been subtracted from this request.) The request includes \$64.0 and one position for a Systems Administrator who would establish and enforce system operating procedures, back up the system, perform routine maintenance, coordinate system improvements, and train staff. The need for that position as a full time position will be re-evaluated for the next biennium.

RATIONALE:

Granting this request will improve all aspects of the commission's work; it will streamline response to the miscellaneous requests companies file in increasing numbers. While it will give parties and companies the ability to easily search through prior orders for policy, precedents and analysis, they will continue to use their existing systems to submit material to the commission. Installation of this system should save the commission approximately 25% of the current paper flow that is generated and processed within the agency. Approving the request for the custom software will enable the commission to save at least 50% of the paper generated within the agency for those proceedings and could significantly reduce the number of copies which companies now must file with the commission.

PERFORMANCE INDICATORS:

	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Writing/editing time reduced	30%	60%	65%
Precedent research time reduced	N/A	50%	60%
Clerical time per proceeding reduced	20%	40%	40%
Time to solve average consumer complaint reduced	10%	50%	60%
Precedent searches completed	20%	100%	100%



1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: PUBLIC SERVICE, DEPARTMENT OF

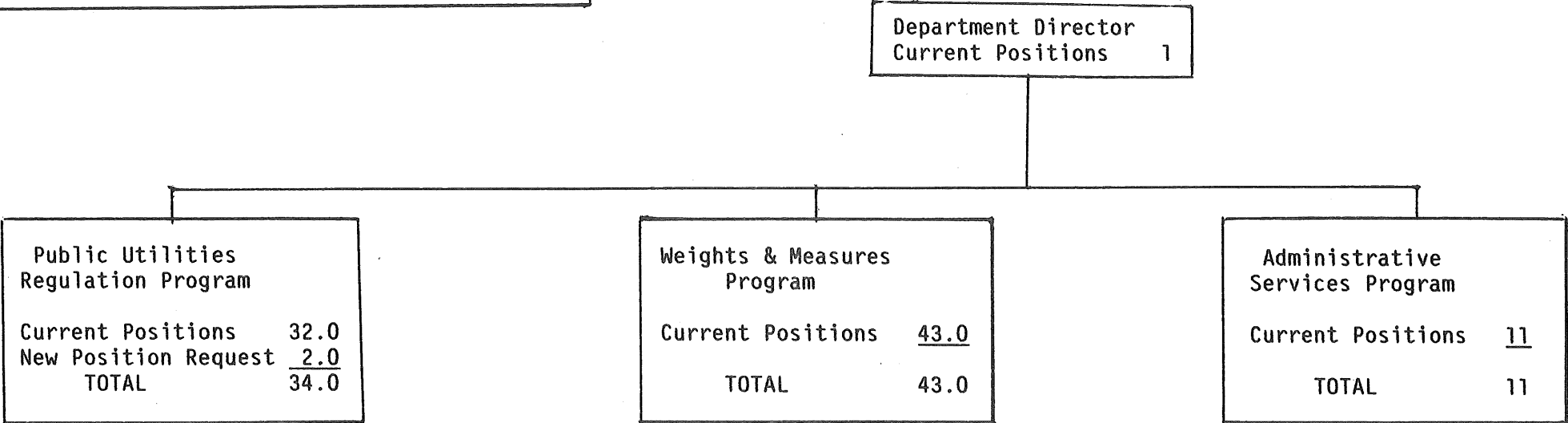
<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
Public Utility Regulation	Public Utility Regulation	11	5
Weights and Measures	Weights and Measures		11
Administrative Services	Administrative Services		13
Energy	Energy		15

Authority:	POSITION RECONCILIATION	
	Current	Requested for 6/30/89
<u>Legislative Complement</u>		
General Fund	<u>87.0</u>	<u>89.0</u>
Total Permanent Positions	87.0	89.0
Other Complement (FTE)	<u>1.0</u>	<u>1.0</u>
TOTAL AUTHORIZED POSITIONS	88.0	90.0
Employees on 6/30/86	81.0	

DEPARTMENT OF PUBLIC SERVICE

Organization Chart  
Current as of 10-9-86

<u>Position Summary</u>	
Current Positions	87.0
New Position Request	<u>2.0</u>
Total Requested	<u>89.0</u>



AGENCY PURPOSE: The Department of Public Service has regulatory responsibility in 2 broad areas --- utility rates and services, and commercial weighing and measuring devices.

The department's utility division represents the state's broad public interest before the Minnesota Public Utilities Commission in proceedings regarding rates, quality of service, service areas and other utility related issues. In its activities the department balances the public's interest in low rates while insuring long-term economic viability of regulated utilities. It enforces orders of the commission and has independent investigative authority in utility matters. The department also is the chief intervenor in certificate of need proceedings before the commission. In addition, the department is responsible, through its Energy Issues Intervention Office, for representing the interests of Minnesota's energy consumers before bodies and agencies outside the state that make, interpret, or implement national and international energy policy.

The department's Weights and Measures Division protects state commerce by testing and inspecting weighing and measuring devices used in agriculture, service stations, retail, transportation and other fields. The division has inspectors throughout Minnesota.

OPERATION AND CLIENTELE: The department's operations fall into 3 program areas:

1. The Public Service Utility Regulation program regulates service areas, quality of service, rates, and the financial operations of telephone, electric and gas utilities. The chief clientele for the rate regulation program include 6 electric and 9 investor-owned gas companies as well as 1 electric cooperative. There are 3 forms of telephone rate regulation. One is full rate regulation for the 5 largest local exchange phone companies. The second is post-filing regulation for smaller independent telephone companies. Still a third form is expedited review of the rate changes proposed by the 24 long-distance companies. Regulated electric firms have 1.13 million customers; regulated gas companies have approximately 900 thousand customers; fully rate regulated local exchange telephone companies have 1.72 million customers; smaller independents have 215 thousand customers; and long-distance firms have about 1.95 million customers.

Rate regulation is accomplished primarily by analyzing rate structures, evaluating financial status of utilities and determining current and future needs for plant and equipment. There are 2 primary forums for rate regulation in Minnesota. One is the administrative hearing procedure which enables the department's statistical, accounting, economic and engineering staff to investigate issues, document facts, prepare testimony, cross-examine witnesses and prepare briefs. The other is in the form of miscellaneous tariffs which are presented to the Public Utilities Commission and the department by regulated utilities between rate cases. They typically involve a limited number of issues but require the full range of staff expertise to investigate and make recommendations to the Commission. Both procedures provide the members of the Public Utilities Commission information for its decision-making responsibilities. Other means the

department uses to protect ratepayers' interests are earnings investigations, participation in generic non-rate specific hearings, rulemaking, review of rates for cogenerators and small power producers, and involvement with planning and evaluating utility energy conservation programs. Insuring good quality of service is also important. This function involves monitoring, evaluation, and enforcement of utilities' compliance with the Commission's Service Standards.

The Utilities Division has other responsibilities. It serves as the chief public intervenor in all proceedings before the Commission regarding applications for certificates of need for large energy facilities. In addition to being chief intervenor, the department also enforces certificate of need orders, such as the current Sherco 3 certificate of need order for Northern States Power Company and the Southern Municipal Power Association.

Still another department responsibility is advocating Minnesota's energy interests before agencies outside the state, such as the Federal Energy Regulatory Commission and, if needed, the US Congress and regulatory bodies in other states. The federal regulatory proceedings are generally similar to the format used by Minnesota and involves much of the same type of expert staff work. As in the past, it is expected that in the near future the majority of the department's federal work will involve natural gas pricing issues. The Energy Issues Intervention Office also works with the PUC and other state agencies in representing Minnesota's energy interests in Washington.

2. The Weights and Measures Regulation program tests all weighing and measuring devices used in commercial transactions. Heavy and light duty devices are tested every 12 months. Pre-packaged goods are checked for accurate count or measurement. A metrology laboratory is maintained for calibrating field standards used by industry and weights and measures inspectors. Standards set by the laboratory have direct traceability to the National Bureau of Standards. The clientele are all buyers and sellers who transact commercial business using weighing and measuring devices.
3. The Administrative Services program provides management, accounting, word processing, research and planning, duplicating, central supplies, inventory control, and personnel service to 87 employees in 3 divisions. These centralized services avoid duplicative efforts and provide ongoing, efficient support to department personnel.

INDEX	Agency Request	Governor's	Page
	1987-89 Biennium	Recommendation	
	All Funds	All Funds	
Reconciliation of F.Y. 1987 to SAME level	8,638.2	8,638.2	
CHANGE Level Requests			
Public Utility Regulation	122.4	122.4	9
Energy Program		14,113.4	18
AGENCY TOTAL	<u>8,760.6</u>	<u>22,874.0</u>	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: PUBLIC SERVICE, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
PUB UTILITY REG	1,427.5	1,511.4	1,799.0	1,866.0	61.2	1,927.2	1,927.2	1,861.8	61.2	1,923.0	1,923.0
WEIGHTS & MEASURES	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
ADMN SERVICES	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
ENERGY							7,330.8				6,782.6
TOTAL	3,648.8	3,688.9	4,180.9	4,323.4	61.2	4,384.6	11,715.4	4,314.8	61.2	4,376.0	11,158.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,648.8	3,688.9	4,180.9	4,323.4	61.2	4,384.6	10,030.4	4,314.8	61.2	4,376.0	9,473.6
LOCAL ASSISTANCE							1,685.0				1,685.0
AIDS TO INDS.											
TOTAL EXPENDITURES	3,648.8	3,688.9	4,180.9	4,323.4	61.2	4,384.6	11,715.4	4,314.8	61.2	4,376.0	11,158.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,633.7	3,682.0	4,030.9	4,173.4	61.2	4,234.6	6,124.8	4,164.8	61.2	4,226.0	6,112.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	15.1	6.9	150.0	150.0		150.0	5,020.0	150.0		150.0	5,020.0
FEDERAL							570.6				26.2
TOTAL FINANCING	3,648.8	3,688.9	4,180.9	4,323.4	61.2	4,384.6	11,715.4	4,314.8	61.2	4,376.0	11,158.6
POSITIONS BY FUND:											
GENERAL	88.0	87.0	87.0	87.0	2.0	89.0	122.5	87.0	2.0	89.0	122.5
SPECIAL REVENUE							4.0				4.0
FEDERAL							15.0				
TOTAL POSITIONS	88.0	87.0	87.0	87.0	2.0	89.0	141.5	87.0	2.0	89.0	126.5

PROGRAM PURPOSE: To regulate public utilities and telephone companies in order to provide retail customers of gas, electric and telephone services with adequate and reliable services at reasonable rates consistent with the financial needs of the public utilities and telephone companies.

OPERATIONS: Utility companies operate as a monopoly to avoid costly and unnecessary duplication of personnel, plant and equipment that would occur if they were to compete for customers. However, in the absence of competitive market forces, it is necessary to regulate rates and quality of service provided by utility companies to ensure that adequate service is provided at reasonable rates without generating unreasonable profits for the utility companies and their investors.

There are 9 gas and 7 electric companies, as well as 5 major local exchange telephone companies, 95 independent local exchange telephone companies and 24 long distance telephone companies that are regulated with respect to rates, tariffs, quality of service, uniform accounting systems, acquisitions, mergers, security issuances, depreciation schedules and service areas. In total these companies have over 5.9 million bill paying customers.

The appropriateness of rates and services provided by gas, electric and telephone utilities is determined by the Public Utilities Commission through public hearing procedures or the miscellaneous tariff process. Staff from the department's energy, telecommunications and computational services units of the utility division work jointly to investigate issues, cross-examine witnesses and prepare testimony to support the department position with respect to rate design, rate of return, financial requirements and service matters. The goals of this program are to provide the Public Utilities Commissioners with accurate analysis and complete hearing records upon which to base their decisions. The staff also evaluates plant, equipment and service delivery capabilities as they affect rate petitions, and monitors and enforces service delivery standards. The energy and telecommunications units evaluate filings from gas, electric and telephone utilities respectively with regard to the companies' requests regarding financial matters, cogeneration and small power rates, certificate of need applications and enforcement monitoring, conservation programs and rate design matters. These units are comprised of staff with expertise in accounting, economics and econometrics and are responsible for creating unified public interest recommendations in the form of written and oral testimony. The computational services unit provides computer and statistical support work for the energy and telecommunications units in the form of written and oral testimony on capital structure, rate of return, load forecasting, revenue and expense forecasts, cost of service and other matters requiring computerized and/or statistical analysis.

The Department's Energy Issues Intervention Office (EIIIO) represents Minnesota's consumers both in Congress and in rate and rule matters in federal agencies such as the Federal Energy Regulatory Commission which determines approximately 80% of natural gas cost paid by Minnesota consumers. Department staff investigates, prepares testimony, and cross-examines opposing witnesses in the federal cases and provides

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,653.3	\$ 1,599.7	\$ 2,177.0	\$ 2,248.4	\$ 2,244.3

expert information to members of Congress on the impact of national energy policies on Minnesotans. The EIIIO also works with the PUC and other state agencies in representing Minnesota's energy interests in Washington.

EFFECTIVENESS MEASURES:	F.Y. 85	F.Y. 86	F.Y. 87	F.Y. 88	F.Y. 89
1) % of DPS recommended \$ reductions sustained by PUC Order	99.0%	70.0%	70%	70%	70%
2) DPS Investigation costs as a % of \$ reductions ordered by PUC	1.3%	1.0%	1%	1%	1%
3) \$ reductions ordered	\$23.9MM				

Statutory References: M.S. 216B. and 237

PROGRAM STATISTICS:

Fiscal Year	Number of Rate Cases	Increase Requested	Department Recommendation	Amount Allowed
78	10	62,509,189	15,363,894	38,639,617
79	7	45,404,350	966,309	33,645,319
80	8	162,001,222	108,914,059	121,215,206
81	17	208,160,536	87,794,288	144,308,478
82	17	277,184,664	127,202,869	192,029,764
83	8	21,099,933	8,087,150	11,231,658
84	5	124,378,227	16,790,358	61,347,115
85	5	26,032,713	2,139,638	2,136,422
86	6	172,956,862	Pending	Pending

PROGRAM: PUBLIC UTILITY REGULATION

1987-89 Biennial Budget

(Continuation)

Agency: PUBLIC SERVICE, DEPARTMENT OF (DPS)

<u>Work Load Projection</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
1. State and Federal Rate Cases	5	6	11	8	8
2. Major Non-Rate Case Dockets	22	24	24	24	24
3. Earnings Investigations	1	21	21	21	21
4. Tariffs	497	393	400	400	400
5. Service Area Studies	12	30	13	17	21
6. Property Acquisition	2	13	13	8	5
7. Security Issuances	6	9	6	6	6
8. Electric Fuel Clause and Purchased Gas Adjustments	165	190	185	185	185
9. Depreciation Investigations	76	86	86	85	86
10. Conservation Improvement	7	7	12	12	12
11. Co-gen & Smaller Power Filings	52	72	80	80	80
12. Certificate of Need	1	1	2	1	1
13. PUC Rulemakings	0	1	6	8	8
14. FERC Gas Automatic Adjustments and Tariffs	4	6	7	9	9
15. FERC Gas Convenience and Necessity Applications	19	13	14	16	16
16. Federal Rulemaking	4	2	2	3	3
17. FERC Electric Tariffs		3	3	3	3
18. FCC Actions	2	2	3	3	3

EMERGING ISSUES

1. Change in national economy.

Utilities are granted a return on equity based upon their need to compete in the market place for investors' dollars. That means that during periods of high inflation and high interest rates, allowed rates of return for utilities are by necessity higher to enable their shareholders to receive a reasonable return on their investments. However, during periods of little inflation and low interest rates such as we now enjoy, utilities can have a lower rate of return and still attract investors' dollars. If the trend continues, as many economists expect, increased monitoring will be needed by regulators of utilities to ensure that they do not earn more than is necessary to attract investors. In the past year the Department has increased its investigations into earnings and will continue to do so in the future. There is also the possibility of utilities being ordered to undergo a rate case to determine not if their rates should be higher but instead to determine if their rates should be lower.

2. Deregulation.

Telecommunications and natural gas have been most affected by state and national trends towards deregulation. The Federal government has lifted regulations it once imposed on prices producers may charge for natural gas. It also permitted competition in long distance telephone service and other fields. The legislature has also lifted some regulatory requirements and may lift more in the future. The two goals of deregulation have been wider choices for consumers and lower prices. However there must be fair rules of competition to ensure that newly deregulated areas do not recede back to monopolies so that consumers can continue to see the benefits of market place competition.

3. Diversification.

Utilities are increasingly diversifying beyond their traditional regulated enterprises. There are two reasons that utilities diversify into nonregulated areas. The first is that some fields that were once monopolies have become competitive. The second reason is that a utility may wish to guard against fluctuations in regulated industry revenues. The challenge for state regulators is to ensure that captive customers of utilities, who have no alternatives to monopoly service, do not pay more than is necessary and subsidize the nonregulated enterprises of a company. The Department is concerned that utilities not use the regulated portion of their business to subsidize nonregulated enterprises of the utility. This type of cross-subsidy is inherently anticompetitive and is detrimental not only to the ratepayer but the competing business concerns.

4. FERC Changes.

For the past several years the Federal Energy Regulatory Commission has sought to open up the nation's natural gas industry to competition. Its chief means has been to encourage pipelines to sell space on their pipelines to competing sellers of gas who would merely pay for transportation services to the pipelines. The result of the changes is that in the very near future Minnesota's gas distributing utilities will have a great deal more flexibility in purchasing gas than they do today. The task for regulators is to ensure that consumers will benefit by local utilities taking advantage of the FERC changes and aggressively seeking out lower priced gas.

REVENUE CONSIDERATIONS: The Public Service Department has authority to assess both the direct and indirect costs of utility regulation. The revenue collected is deposited as a non-dedicated receipt into the general fund and is not available to this program for expenditure.

PROGRAM: PUBLIC UTILITY REGULATION

1987-89 Biennial Budget

(Continuation)

Agency: PUBLIC SERVICE, DEPARTMENT OF (DPS)

EXPLANATION OF BUDGET REQUEST: This is a CHANGE level budget request for 2 additional Public Utility Financial Analyst 2 positions at a cost of \$61.2 in FY 88 and \$61.2 in FY 89. Within the past few years changes within the telephone and natural gas industries, diversification within the electric and gas industries, capacity issues within the electric industry, and acquisitions and changes in ownership within all regulated industries has prompted the need for more extensive investigation. In most cases, extensive on-site audits are becoming more and more important to the proper evaluation of regulated company financial data. Furthermore, the proprietary classification and protection of data has increased the difficulty of investigating financial information and increased the quantity of time required to evaluate this information.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PUB UTILITY REG

PROGRAM: PUB UTILITY REG

AGENCY: PUBLIC SERVICE, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,427.5	1,511.4	1,799.0	1,866.0	61.2	1,927.2	1,927.2	1,861.8	61.2	1,923.0	1,923.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,427.5	1,511.4	1,799.0	1,866.0	61.2	1,927.2	1,927.2	1,861.8	61.2	1,923.0	1,923.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,095.7	1,133.8	1,254.3	1,316.5	61.2	1,377.7	1,377.7	1,312.3	61.2	1,373.5	1,373.5
EXPENSES & CONTRAC. SERV	295.9	318.3	522.7	527.5		527.5	527.5	527.5		527.5	527.5
SUPPLIES & MATERIALS	19.1	20.4	20.0	20.0		20.0	20.0	20.0		20.0	20.0
EQUIPMENT	16.6	38.9	2.0	2.0		2.0	2.0	2.0		2.0	2.0
OTHER EXPENSE ITEMS	.2										
TOTAL STATE OPERATIONS	1,427.5	1,511.4	1,799.0	1,866.0	61.2	1,927.2	1,927.2	1,861.8	61.2	1,923.0	1,923.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,412.4	1,504.5	1,649.0	1,716.0	61.2	1,777.2	1,777.2	1,711.8	61.2	1,773.0	1,773.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	15.1	6.9	150.0	150.0		150.0	150.0	150.0		150.0	150.0
TOTAL FINANCING	1,427.5	1,511.4	1,799.0	1,866.0	61.2	1,927.2	1,927.2	1,861.8	61.2	1,923.0	1,923.0
POSITIONS BY FUND											
GENERAL	32.0	32.0	32.0	32.0	2.0	34.0	34.0	32.0	2.0	34.0	34.0
TOTAL POSITIONS	32.0	32.0	32.0	32.0	2.0	34.0	34.0	32.0	2.0	34.0	34.0



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: PUBLIC UTILITY REGULATION  
 PROGRAM: PUBLIC UTILITY REGULATION  
 AGENCY: PUBLIC SERVICE, DEPARTMENT OF

Request Title: INCREASED FINANCIAL INVESTIGATION ABILITY	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$61.2	2.0	\$61.2	2.0
Governor's Recommendation				
General Fund	\$61.2	2.0	\$61.2	2.0
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This is a request for 2 Public Utility Financial Analyst 2 positions which will be utilized to provide more extensive investigations of financial filings by regulated gas, electric and telephone utility companies. The objective of increased auditing investigation is to assure proper accounting in the increasing complex financial filings of utilities. Additional complexity is caused by the deregulation of portions of the telephone and natural gas industries, the diversification of all types of utilities into non-regulated businesses and the affiliated interest issues that have accompanied this diversification, the capacity issues within the electric industry, acquisitions, and the mergers and changes in ownership within all regulated industries. Proper financial investigation has also been made much more difficult by the reduction of time allowed for rate case investigations.

DESCRIPTION/BACKGROUND:

It is appropriate at this time for the Department to increase the staff of financial analysts for the following reasons:

1) increased need for more extensive rate case investigation;

Within the past few years deregulation within the telephone and natural gas industries, diversification within the telephone, electric and gas industries, capacity issues within the electric industry, and acquisitions and changes in ownership within all regulated industries has prompted the need for more extensive

rate case investigation. In most cases, extensive on-site audits are becoming more and more important to the proper evaluation of regulated company financial data. Furthermore, the proprietary classification and protection of data has increased the difficulty of investigating financial information and increased the quantity of time required to evaluate this information.

Typically, a minimum of 5 to 6 state and federal general rate cases are filed each year. At least 2 of these rate cases are filed by large regulated companies, and 2 or 3 rate cases are filed by medium-size companies. In coming years there will also be at least 1 federal pipeline rate case as well. Under existing conditions, the increased complexity of large rate cases requires 3 financial analysts in order to adequately audit and analyze the income statement, rate base and other financial data. A medium-size regulated company may require 2 financial analysts, depending upon the complexity of the issues and the time span since the company's last rate case.

The Department is currently able to only assign 1 financial analyst to each rate case and continue to perform in a timely fashion the work required on miscellaneous petitions and other investigations.

2) shortened rate case investigation time;

The statutory change in general rate cases from 12 to 10 months has resulted in shortening rate case investigation time. Under the shorter time frame, staff discovery and investigation is limited to approximately the first 12 weeks of the total 10-month rate case time period. Testimony reviews, evidentiary hearings, briefings, administrative law judge's report, and commission deliberations consume the remaining time.

Within the first 12 weeks of discovery, at least 2 weeks are dedicated to rate case administrative functions, such as reviewing the case, and preparing information requests. Preparation of testimony and exhibits require an additional 2 weeks. Approximately another 2 weeks are consumed in completing miscellaneous petitions and other assigned investigative matters during the rate case investigation period.

Likewise in federal pipeline rate cases only 2 to 3 months is allowed for investigation. On-site field audits are necessary due to the complexity of these cases.

3) other financial analysis requirements.

Financial analysts are also required to analyze depreciation, property acquisition, and miscellaneous accounting petitions. On average, 80 depreciation petitions and 25 property acquisition and accounting petitions are filed annually. Depreciation petitions are currently divided between 2 analysts. With 3 analysts sharing this function, individual workload could be reduced to approximately 27 depreciation petitions per analyst per year. Similarly, property acquisition and accounting petitions should be distributed between 2 analysts, or approximately 13 petitions per analyst.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: PUBLIC UTILITY REGULATION  
 PROGRAM: PUBLIC UTILITY REGULATION  
 AGENCY: PUBLIC SERVICE, DEPARTMENT OF

Depreciation petitions average 18 hours each to analyze. Property acquisition and accounting petitions require approximately 48 hours of analysis for each petition. Therefore, total annual analysis time for 80 depreciation petitions would be 1,440 hours; and for 13 property acquisition and accounting petitions, annual analysis time would be 624 hours.

RATIONALE:

The projected workload of the current 4 financial analysts and the requested two additional financial analysts is as follows:

Annual Workload

Quantity	Type of Work	Hours	FTE
2	Large Rate Cases	4,320	2.08
3	Medium Rate Cases	2,880	1.38
80	Depreciation Petitions	1,440	0.69
13	Property acquisitions and account petitions	624	0.30
3	Special Investigations	840	0.40
	Miscellaneous (tariffs, training, research, etc.)	816	0.40
	Benefits Hol-Vac-Sick	<u>1,560</u>	<u>0.75</u>
		12,480	6.00

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM: WEIGHTS & MEASURES  
 Agency: PUBLIC SERVICE, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,168.2	\$869.3	\$871.6	\$907.2	\$905.1

PROGRAM PURPOSE: To protect Minnesota citizens and businesses from inaccurate weighing and measuring transactions and to ensure quality of petroleum products.

OPERATIONS: The Weights and Measures Division protects the citizens and businesses of Minnesota from inaccurate weighing and measuring transactions, and provides basic measurement uniformity to the state's technological industries. The enforcement unit annually examines and evaluates all commercial weighing and measuring devices located throughout the State including 29,038 fuel, fertilizer and chemical meters and pumps, 11,633 light capacity scales, 3,635 heavy capacity scales and 250 law enforcement scales. The unit also checkweighs 86,540 samples of prepackaged consumer and farm commodities, tests 27,796 petroleum product samples, investigates 450 consumer complaints and monitors the work performed by 334 persons registered to repair weighing and measuring devices. The metrology laboratory, located in Roseville, maintains and uses the state standards of mass, length and volume to calibrate 6,508 weights and measures annually. The standards are traceable to the National Bureau of Standards and provide the basis for statewide uniformity and accuracy of measurement.

EFFECTIVENESS MEASURES: The effectiveness of the Weights and Measures Regulation program can be measured by the percentage of weighing and measuring devices found to exceed the tolerance limits allowed for the specific devices being tested. Inspections must be frequent enough so that weighing and measuring device owners find it in their own best interest to maintain and repair devices voluntarily before the device is ordered out of service for failing a regulatory inspection.

The division, by maintaining a 12 month inspection cycle, has achieved the optimum levels of compliance for many types of weighing and measuring devices. For example, the current rejection rates of 5% for small scales and 8% for gasoline pumps would increase, based on past experience, to an unacceptably high level of 20% if the cycle were extended to 36 months. Conversely, the increased cost of a shorter inspection cycle would not be justified by the slight improvements in rejection rates.

INSPECTION REJECTION RATES\*

Test Type	Number of Tests	Optimum Reject Rate Goal	Reject Rate F.Y. 1985	Reject Rate F.Y. 1986	Reject Rate F.Y. 1987-88-89
gasoline pumps	25,208	8%	7.6%	8.0%	8%
petroleum samples	27,796	2	0.8	1.7	2
checkweighing	86,540	15	17.3	15.0	15
light capacity scales	11,633	5	4.8	5.4	5
heavy capacity scales	3,021	18	18.8	19.3	18
livestock scales	273	18	19.1	13.7	18
petroleum meters**	3,725	27	32.7	24.2	25
LPG meters**	1,366	60	64.0	55.5	60
railroad track scales**	97	18	11.9	16.4	18
grain hopper scales**	244	5	5.7	6.5	5
lab calibrations**	6,508	100	100	100	100

\* The rejection rate represents the percentage of devices failing to meet standards established by the Public Service Department and the National Conference on Weights and Measures. If the actual rejection rate exceeds the optimum rejection rate, more frequent inspections would be desirable to increase owner/operator concern for voluntary maintenance and repair.

\*\* The percentage shown is not the rejection rate. It is the percentage of devices adjusted by inspectors during routine tests. Adjustments are made because some devices cannot be taken out of service. The percent that are rejected is negligible.

Statutory Reference: M.S. 239

REVENUE CONSIDERATIONS: Approximately 89% of all costs are recovered by MS 239.52 and MS 296.13 which provide for recovering all operating costs except for the cost of check weighing prepackaged goods, complaint inspections where the device is found to be correct and court appearances in behalf of other governmental agencies.

EXPLANATION OF BUDGET REQUEST: This is a SAME level of effort budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: WEIGHTS & MEASURES

PROGRAM: WEIGHTS & MEASURES

AGENCY: PUBLIC SERVICE,DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,290.8	1,300.2	1,397.9	1,461.4		1,461.4	1,461.4	1,456.7		1,456.7	1,456.7
EXPENSES & CONTRAC. SERV	270.5	203.3	211.5	211.5		211.5	211.5	211.5		211.5	211.5
SUPPLIES & MATERIALS	93.2	85.9	93.0	93.0		93.0	93.0	93.0		93.0	93.0
EQUIPMENT	100.9	78.8	115.2	115.2		115.2	115.2	115.2		115.2	115.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,755.4	1,668.2	1,817.6	1,881.1		1,881.1	1,881.1	1,876.4		1,876.4	1,876.4
POSITIONS BY FUND											
GENERAL	44.0	43.0	43.0	43.0		43.0	43.0	43.0		43.0	43.0
TOTAL POSITIONS	44.0	43.0	43.0	43.0		43.0	43.0	43.0		43.0	43.0

PROGRAM: ADMINISTRATIVE SERVICES  
Agency: PUBLIC SERVICE, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: To assure that quality cost effective management support services are available on a timely basis to the three divisions of the Public Service Department.

OPERATIONS: The administrative support activity exists to serve the other 2 divisions of the Public Service Department by providing services which would require duplication of effort if performed individually by each division. These services include management, accounting, personnel, research and planning, word processing, duplicating, central supplies and central filing services. These services are provided for 87 employees in 3 divisions.

Management service includes overall policy development, coordination and development of annual and long range objectives, overall resource allocation and program evaluation.

The accounting services includes payroll, procurement, inventory, contracts, leases, an assessment system for the billing of gas, electric and telephone utilities, and the preparation of annual operating budgets and biennial budget requests.

The personnel services include recruiting, scoring decentralized tests, providing certification lists, representing the department in union grievance procedures and supplemental contract negotiations, supervising contract administration and the employee performance appraisal program, disseminating information through employee meetings, supervising the department's training program and providing support for the affirmative action program.

Research and planning services involve preparation of the biennial report, establishment of a system for the distribution of public information to the media and legislators, maintenance of records retention system, coordination of all legislation affecting the department, maintenance of departmental library, maintenance of information-sharing program with other regulatory jurisdictions conducting research on regulatory topics, filing utility tariffs and providing central filing services.

The word processing unit types all general correspondence within an average of 8 work hours from time of receipt, types, assembles and binds all testimony and exhibits for regulatory cases, prepares mailing lists for all regulated clientele and parties of interest, and provides duplicating services for the department.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 469.3	\$ 521.5	\$ 577.3	\$ 587.0	\$ 585.6

Statutory References: M.S. 216B.237 and 239

REVENUE CONSIDERATIONS: The cost of the Administrative Services activity is recoverable as administrative costs associated with Utility Regulation and Weights and Measures Regulation. The cost of the Administrative Services Activity is allocated approximately 95% to the Public Utility Regulation Program where it is recovered as assessments, and 5% to the Weights and Measures Program where it is recovered as fees.

EXPLANATION OF BUDGET REQUEST: This is a SAME level of effort budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ADMIN SERVICES

PROGRAM: ADMN SERVICES

AGENCY: PUBLIC SERVICE, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	367.7	384.4	430.0	434.7		434.7	434.7	433.3		433.3	433.3
EXPENSES & CONTRAC. SERV	82.1	99.4	107.8	114.5		114.5	114.5	116.2		116.2	116.2
SUPPLIES & MATERIALS	4.6	12.4	13.0	13.6		13.6	13.6	13.6		13.6	13.6
EQUIPMENT	11.5	13.1	13.5	13.5		13.5	13.5	13.5		13.5	13.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	465.9	509.3	564.3	576.3		576.3	576.3	576.6		576.6	576.6
POSITIONS BY FUND											
GENERAL	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL POSITIONS	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0

PROGRAM: ENERGY  
 Agency: PUBLIC SERVICE, DEPARTMENT OF

1987-89 Biennial Budget

**PROGRAM PURPOSE:** The purpose of the Energy Division is to strengthen Minnesota's economy by reducing expenditures for energy through cost-effective applications of energy conservation and alternative energy technologies. The major objectives of this program are: 1) to reduce energy costs in public and private non-profit schools and hospitals and local government buildings through the state School Loan program, the federal Institutional Grant program, and a proposed Exxon Revolving Loan program; 2) to strengthen the economies of local communities and build capacity for on-going local energy management through Community Energy Councils and technical assistance programs; 3) to promote efficient use of energy in the residential, commercial, institutional and business sectors by providing current information on energy conservation and alternative energy technologies through the Energy Information Center and technical assistance programs; 4) to promote cost-effective production and use of local alternative energy resources in homes, businesses, and rural communities through on-site engineering outreach services; and 5) to increase energy services available to all sectors through education of the professional community, businesses, industries, teachers, utilities and local communities.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<b>Schools &amp; Public Buildings:</b>				
Buildings Retrofitted	228	255	290	220
Energy Cost Avoided	\$ 3,500.0	\$ 5,200.0	\$ 8,500.0	\$13,500.0
<b>Community Energy Program:</b>				
New Local Programs	15	15	40	40
On-going Local Programs	24	31	57	78
Homes/Businesses Served Through Local Programs	12,000	15,000	42,750	58,500
<b>Information Services:</b>				
Information Center Clients	28,132	32,100	34,300	36,700
Publications Distributed	132,332	135,000	140,000	145,000
<b>Alternative Energy Engineering:</b>				
Alternative Energy Produced or Consumed Annually in Barrels of Oil Equivalent	400,000	410,000	415,000	420,000
<b>Conservation Education:</b>				
Households Audited	13,500	13,500	13,500	8,000
Businesses/Apartments Audited	350	450	550	250
Workshops for Professionals	57	75	0	0

**DESCRIPTION:** The Energy Division operates a number of programs to provide energy services to the residential, commercial/industrial, agricultural, institutional and local government sectors of Minnesota's economy.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ -0-	\$ -0-	\$ 1.0	\$ 1.2	\$ 1.2

1. Public School/Local Government Loans & Grants:  
Statutory Reference: M.S. 116J.09, 116J.20 to 116J.24, 116J.36, and 116J.37

This program increases energy efficiency and use of indigenous energy resources in public and private non-profit schools and hospitals. This program is being developed to include city- and county-owned buildings. Low-interest loans are provided to implement energy conservation and alternative energy projects, primarily in rural Minnesota institutions with limited capital improvement budgets. More than 90% of the school loans issued have been distributed to small, rural districts. Federal matching grants provide additional funds for retrofitting private non-profit schools and hospitals. This program also provides cost-share grants for building audits to identify cost-effective energy investments to support applications for financing.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
School loans issued	58	52	52	30
Exxon loans issued	0	0	80	80
Exxon dollars distributed	0	0	\$ 3,250.0	\$ 3,250.0
Federal grants awarded	63	60	50	0
Audit grants awarded	19	15	25	25
<b>Grants by Fund:</b>	<b>F.Y. 1986</b>	<b>F.Y. 1987</b>	<b>F.Y. 1988</b>	<b>F.Y. 1989</b>
General	\$ 143.7	\$ 150.0	\$ 150.0	\$ 150.0
Special Revenue	0.0	7,650.0	0.0	0.0
<b>TOTAL</b>	<b>\$ 143.7</b>	<b>\$ 7,800.0</b>	<b>\$ 150.0</b>	<b>\$ 150.0</b>

2. Community Energy Program:  
Statutory Reference: M.S. 116J.10, 116J.14 and 116J.381

This program provides: 1) on-site technical assistance to communities to develop and implement local energy programs; 2) consulting assistance in the formation of Community Energy Councils; and 3) matching grants to communities on a competitive basis for community program activities.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Person/days on-site	600	600	600	600
Grants awarded	7	10	40	40
<b>Grants by Fund:</b>	<b>F.Y. 1986</b>	<b>F.Y. 1987</b>	<b>F.Y. 1988</b>	<b>F.Y. 1989</b>
General	\$ 120.0	\$ 150.0	\$ 120.0	\$ 120.0
Special Revenue	0.0	0.0	1,500.0	1,500.0
Federal	36.8	0.0	0.0	0.0
<b>TOTAL</b>	<b>\$ 156.8</b>	<b>\$ 150.0</b>	<b>\$ 1,620.0</b>	<b>\$ 1,620.0</b>

(Continuation)

Agency: PUBLIC SERVICE, DEPARTMENT OF

3. Information Services:Statutory Reference: M.S. 116J.11 and 116J.12

This program provides current information to consumers on energy technologies. The program operates a toll-free telephone Energy Information Center and develops and distributes consumer and technical literature on energy efficiency and alternative energy.

<u>Statistics:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Consumer publications written or updated	30	35	35	35
Public service announcements developed/distributed	70	70	70	70
Articles published	20	25	25	25

4. Alternative Energy Engineering:Statutory Reference: M.S. 116J.09, 116J.25, 116J.261 and 116J.315

This program assists Minnesota businesses, communities and individuals in the production and use of indigenous energy resources. The program focuses on small-scale application of alternative energy technologies in schools, small businesses and on-farm applications in rural Minnesota. The program provides on-site technical assistance, information and education programs, economic analysis of proposed projects and other services designed to facilitate the development of alternative energy projects in the public and private sectors.

<u>Statistics:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Person-days on-site	600	600	600	250
Workshops/attendees	13/390	15/450	15/450	5/150
Publications distributed	3,400	3,400	3,400	1,700
Businesses assisted in converting to alternative fuels	20	20	20	8

<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 81.0	\$ 35.0	\$ 35.0	\$ 35.0
Federal	5.0	0.0	0.0	0.0
TOTAL	\$ 86.0	\$ 35.0	\$ 35.0	\$ 35.0

5. Conservation Education Programs:Statutory Reference: M.S. 116J.13, 116J.19, 116J.262, 116J.27 and 116J.30 to 116J.32

This program develops educational initiatives to achieve improved energy efficiency

in all sectors of the Minnesota economy and provides a broad range of educational services by training educators, building operators, professional energy service personnel, and the construction industry professionals. The program also demonstrates conservation technologies through applied research programs in ventilation, indoor air quality, high efficiency housing design and construction techniques. Regulatory compliance support is also provided to a broad range of constituents in meeting Energy Code, energy audit, appliance efficiency, rental housing efficiency, and insulation product standards.

<u>Statistics:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Workshop attendees	1,100	1,325	1,500	0
Insulation products approved	80	120	130	150
Rental housing inspections	200	300	400	0
<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 32.0	\$ 0.0	\$ 0.0	\$ 0.0
Federal	13.5	2.5	0.0	0.0
TOTAL	\$ 45.5	\$ 2.5	\$ 0.0	\$ 0.0

BUDGET ISSUES:

1. Federal funding of energy conservation programs is expected to drastically decline or be totally eliminated for F.Y. 1989. This will severely affect the Department's involvement in community programs, alternative energy, and conservation education programs.
2. Minnesota has received \$ 36.0 million in Exxon oil overcharge funds for energy conservation initiatives. Although the Governor has designated DEED as the administering body for all Exxon funds issued in the state, the court order regulating distribution of the funds prohibits their use for administrative purposes. Thus, continued appropriations are needed to insure distribution of these funds to program constituents. It should be noted that this budget includes direct pass-through grants and loans from Exxon funds of \$ 9.5 million for schools, hospitals, and local governments. In F.Y. 1987, a direct pass-through grant from Exxon funds of \$ 7.65 million will be forwarded to the University of Minnesota to demonstrate energy efficient building technologies and for a center for transportation studies.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer of the Energy Program from the Department of Energy & Economic Development to the Department of Public Service for the purpose of improving the coordination of energy-related programs. The Governor recommends the SAME level of funding for this program except for a biennial reduction of \$240.0 in state community energy grants.



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ENERGY

PROGRAM: ENERGY

AGENCY: PUBLIC SERVICE, DPT OF

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS							5,645.8				5,097.6
LOCAL ASSISTANCE							1,685.0				1,685.0
AIDS TO INDS.											
TOTAL EXPENDITURES							7,330.8				6,782.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES							1,661.8				1,185.5
EXPENSES & CONTRAC. SERV							666.9				616.6
SUPPLIES & MATERIALS							27.4				25.9
EQUIPMENT							18.5				18.5
OTHER EXPENSE ITEMS							3,271.2				3,251.1
TOTAL STATE OPERATIONS							5,645.8				5,097.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL							1,890.2				1,886.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE							4,870.0				4,870.0
FEDERAL							570.6				26.2
TOTAL FINANCING							7,330.8				6,782.6
POSITIONS BY FUND											
GENERAL							33.5				33.5
SPECIAL REVENUE							4.0				4.0
FEDERAL							15.0				
TOTAL POSITIONS							52.5				37.5

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: ENERGY  
 PROGRAM: ENERGY  
 AGENCY: PUBLIC SERVICE, DEPARTMENT OF (DPS)

Request Title: ENERGY TRANSFER				
<u>Governor's Recommendation:</u>		F.Y. 1988		F.Y. 1989
DPS	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
- General Fund	\$ 1,890.2	33.5	\$ 1,886.4	33.5
- Special Revenue	\$ 4,870.0	4.0	\$ 4,870.0	4.0
- Federal Revenue	\$ 570.6	15.0	26.2	-0-
DEED				
- General Fund	(\$ 2,010.2)	(33.5)	(\$ 2,006.4)	(33.5)
- Special Revenue	(\$ 4,870.0)	(4.0)	(\$ 4,870.0)	(4.0)
- Federal Revenue	(\$ 570.6)	(15.0)	(\$ 26.2)	(-0-)
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 116J				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the Energy Program and related support functions be transferred from the Department of Energy and Economic Development to the Department of Public Service. The objective is to improve the coordination of energy-related programs by placing all energy-related programs under a single administrative agency. The Governor recommends the SAME level of funding for this program except for a biennial reduction of \$240.0 in state community energy grants.

This CHANGE request contains funding and staff only for the Energy Program. A supplemental CHANGE request containing staff and budget for support staff, indirect cost and policy analysis functions will be submitted by the Governor during the legislative session.

DESCRIPTION/BACKGROUND:

Currently energy programs reside in both the Department of Energy and Economic Development and the Department of Public Service.

The Department of Energy and Economic Development's Energy Program has 5 major energy-related responsibilities: 1) Public School/Local Government Loans and Grants to implement energy conservation and alternative energy projects primarily in rural Minnesota institutions with limited capital improvement budgets; 2) a community energy program

which provides technical assistance for communities to implement local energy programs, consultation assistance to community energy councils and matching grants for community energy programs; 3) information services to consumers regarding energy technology and alternative energy resources; 4) alternative energy engineering which provides technical assistance to businesses, communities and individuals relating to the small scale application of alternative energy technologies; 5) conservation education programs which provide energy efficiency education and training for educators, building operators, professional energy service personnel and construction industry professionals.

The Public Service Department also has 5 energy-related responsibilities: 1) to advocate energy conservation and use of alternative energy as part of the utility rate regulation process; 2) to be the chief public advocate in determining the need for future development of large energy facilities in the Certificate of Need process; 3) conservation improvement program which insures that Minnesota's biggest utility companies invest in utility conservation programs; 4) setting rates for cogeneration and small power producers; 5) federal energy intervention on behalf of Minnesota consumers in rate and service matters before the Federal Energy Regulatory Commission.

RATIONALE:

The transfer of the Energy Program from the Department of Energy and Economic Development to the Department of Public Service will improve the coordination and accountability for energy programs by combining responsibility for all energy programs under a single department. Both the Senate and the House have merged their Energy and Utility Committees into a combined Energy and Utility Committee. Thus, all energy program and utility program legislation will go through the same legislative committees. Having all the energy programs under one department will improve accountability by making a single agency responsible for coordinating energy policy development and implementation of energy programs. The energy responsibilities of both agencies as described above are a good match. The combining of these responsibilities in a single agency will improve the ability to share energy information and staff resources to provide a single voice and direction for establishing and implementing Minnesota's energy policy.

1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: ETHICAL PRACTICES BOARD

Section      Page

PROGRAM

ACTIVITIES

ETHICAL PRACTICES BOARD

Ethical Practices Board

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Public Financing

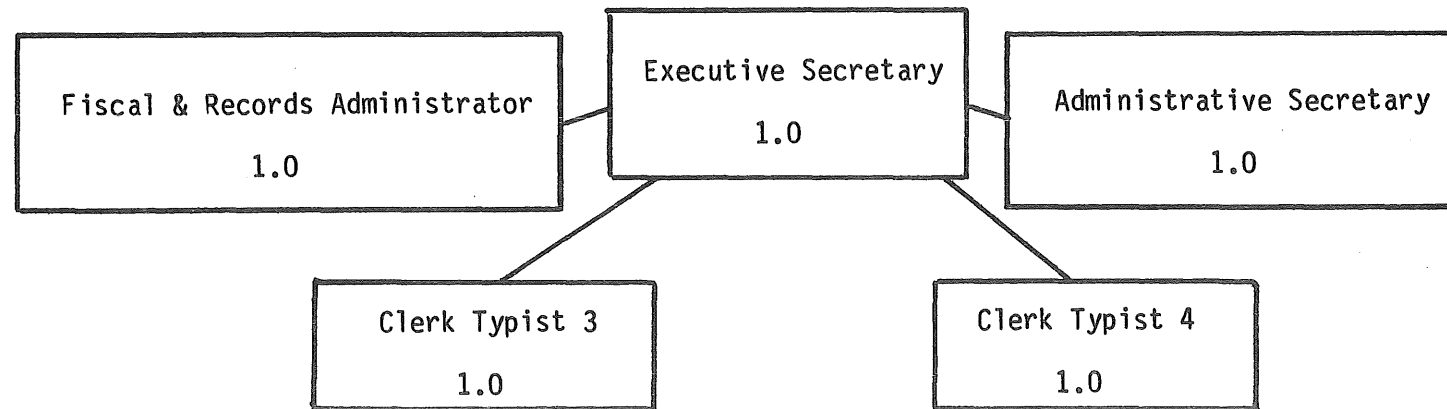
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ETHICAL PRACTICES BOARD

Organization Chart  
Current as of 07-01-86

Ethical Practices Board  
Position Summary  
Current Positions 5.0

<u>POSITION RECONCILIATION</u>		
<u>AUTHORITY:</u>	<u>Current FY/87</u>	<u>Requested For 6/30/89</u>
Legislative Complement		
Genral Fund	5.0	5.0
Transfers In/Out (net)	<u>-0-</u>	<u>-0-</u>
TOTAL PERMANENT POSITIONS	<u>5.0</u>	<u>5.0</u>
OTHER COMPLEMENT (FTE)	.5	.5
TOTAL AUTHORIZED POSITIONS	<u>5.5</u>	<u>5.5</u>
Employees on 6/30/86	5.5	



AGENCY PURPOSE:

The Ethical Practices Board is a service and regulatory agency which develops and implements plans for the disclosure of public officials' financial interests, disbursements to influence state elections and legislative or administrative actions, and distribution of public financing to qualified state candidates.

The mission of the board is to promote public confidence in state government decision-making through development and administration of disclosure, public finance, and enforcement programs which will ensure public access to information filed with the board.

OPERATION AND CLIENTELE:

The Ethical Practices Board maintains 7 separate filing, disclosure, and distribution operations with an average annual disclosure by over 3,850 individuals. It provides for information services to approximately 6,500 individuals and associations annually and for distribution of public financing to candidates for 207 state offices in election years, under the Ethics in Government Act, the Hennepin County Disclosure Law, and the Public Employees Retirement Association (PERA) law as amended in 1985.

Primary clients are elected and appointed state, metropolitan, Hennepin County, Minneapolis and Bloomington public officials; candidates for elective offices: 1) state executive, legislative, and judicial; 2) Hennepin County, Bloomington and Minneapolis; and 3) PERA trustees; political committee and political fund treasurers; and lobbyists and the associations they represent.

Secondary clients are others in the public disclosure system including county auditors, legislative and executive staff, attorney general, secretary of state, political party officers and staff, campaign workers, political scientists, voters, and the public at large.

The board operates in 3 major areas: 1) the compliance area deals with preparation and distribution of reporting forms and instructions, enforcement of filing dates, audit of filed reports, and investigation of potential violations of disclosure laws; 2) the public financing area provides for calculating and enforcing spending limits, preparation of estimates, distribution of funds to qualified candidates, and return of public financing where required; and 3) information services provide advisory opinions of the board, publications with summaries of filed documents and analyses, copies of filed documents to county auditors, manuals and handbooks about each program, public board and committee meetings, and public information meetings.

BUDGET ISSUES:

The agency should be able to fulfill statutory requirements with continued SAME level funding despite projections for modest increases in the rate of filings and service growth. This is due to a combination of factors, but primarily to increased office productivity through work flow analysis and implementation of recommendations by the

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the SAME level.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: ETHICAL PRACTICES BD

AGENCY: ETHICAL PRACTICES BD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
ETHICAL PRACTICES BD	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
PUBLIC FINANCING	701.9		2,754.4					837.7		837.7	837.7
TOTAL	897.9	208.6	2,975.5	219.7		219.7	219.7	1,057.6		1,057.6	1,057.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
LOCAL ASSISTANCE											
AIDS TO INDS.	701.9		2,754.4					837.7		837.7	837.7
TOTAL EXPENDITURES	897.9	208.6	2,975.5	219.7		219.7	219.7	1,057.6		1,057.6	1,057.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	701.9		2,754.4					837.7		837.7	837.7
TOTAL FINANCING	897.9	208.6	2,975.5	219.7		219.7	219.7	1,057.6		1,057.6	1,057.6
POSITIONS BY FUND:											
GENERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0

ACTIVITY: ETHICAL PRACTICES BOARD  
 Program: ETHICAL PRACTICES BOARD  
 Agency: ETHICAL PRACTICES BOARD

1987-89 Biennial Budget

PROGRAM PURPOSE:

To maintain confidence in the integrity of elected state government and public officials.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of committees-funds, lobbyists and public officials reporting to the board.	4,370	4,650	4,975	5,325
No. of disclosure reports filed with the board	9,770	13,250	10,600	11,800
% compliance	99	99	99	99

DESCRIPTION:

The Ethical Practices Board: 1) enforces disclosure reporting requirements for lobbyists, state government candidates and elected and appointed public officials; 2) makes reports and statements filed with the board available for public inspection and copying; 3) provides informational services regarding the administration and reporting requirements of M.S. Ch. 10A, the Ethics in Government Act; 4) investigates alleged violations of M.S. Ch. 10A; and 5) may bring actions or seek injunctions in district court to recover late filing fees and enforce the provisions of M.S. 10A.02 to 10A.34. Authority for this activity is found in M.S. 10A.01 to 10A.34.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of campaign finance meetings presented	-0-	20	-0-	10
No. attending campaign finance meetings	-0-	146	-0-	150
No. of randomly selected committees' or funds' records examined	7	-0-	12	-0-
No. of advisory opinions issued	3	6	6	6
No. of lobbyist meetings presented	-0-	1	-0-	1
No. attending lobbyist meetings	-0-	150	-0-	160
No. of late filing fees waived	24	40	25	40

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 10.4	\$ 7.6	\$ 9.4	\$ 8.0	\$ 10.0

ACTIVITY STATISTICS: (Contd.)

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of late fees collected	33	50	35	45
No. of investigations/complaints	29	50	35	35
No. of legal actions resulting from noncompliance	9	12	10	12
No. of board meetings	5	7	7	7
No. of board subcommittee meetings	5	7	7	7

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ETHICAL PRACTICES BD

PROGRAM: ETHICAL PRACTICES BD

AGENCY: ETHICAL PRACTICES BD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	162.8	168.0	183.0	183.6		183.6	183.6	183.4		183.4	183.4
EXPENSES & CONTRAC. SERV	31.0	33.2	35.2	33.2		33.2	33.2	33.6		33.6	33.6
SUPPLIES & MATERIALS	2.2	4.0	1.7	1.7		1.7	1.7	1.7		1.7	1.7
EQUIPMENT		3.4	1.2	1.2		1.2	1.2	1.2		1.2	1.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	196.0	208.6	221.1	219.7		219.7	219.7	219.9		219.9	219.9
POSITIONS BY FUND											
GENERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0



ACTIVITY: PUBLIC FINANCING  
 Program: ETHICAL PRACTICES BOARD  
 Agency: ETHICAL PRACTICES BOARD

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 36.9	\$ 1.7	\$ 40.0	\$ 2.0	\$ 35.0

PROGRAM PURPOSE:

To reduce reliance of state government candidates on private sources to finance their election campaigns and limit the amount of campaign expenditures.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of candidates receiving public financing	-0-	380	-0-	225
No. of candidate committees bound to campaign expenditure limits	350	460	350	420

DESCRIPTION:

Public financing is available to candidates for governor, lieutenant-governor, attorney general, secretary of state, state auditor, state treasurer, state senator, and state representative who sign a public financing agreement with the Ethical Practices Board to limit campaign expenditures and approved expenditures. Public financing is distributed during election years to eligible candidates who have filed an affidavit of candidacy for 1 of the preceding offices.

To be eligible to receive public financing, candidates must win the primary election or be nominated by petition for the office for which the candidate filed. A candidate will receive additional public financing if the candidate received at least the required percentage of the total vote in the general election for the office sought.

Public financing is distributed approximately 4 weeks after the primary and general elections directly to eligible candidates who have satisfied the preceding requirements and must be used for campaign expenditures of the candidate's registered committee.

Every individual resident of Minnesota who files a state income tax return or a renter and homeowner property tax refund return with the Commissioner of Revenue may designate that \$2 shall be paid from the general fund of the state into the State Elections Campaign Fund. Within the State Elections Campaign Fund account there is an account for each qualified political party and a general account. Taxpayers may designate that the \$2 be paid into either a specific political party account or into a general account.

During the election year, at times specified by statute, the Commissioner of Revenue certifies to the board the amounts which have been designated to the State Elections Campaign Fund for each party account and for the general account. M.S. 10A.31, Subd. 5, provides percentages which are applied to the party account and general account designations to be allocated among the statewide and legislative offices. Based on a formula factoring in the votes cast in a previous general election and the party

account designations in a specific county, the Commissioner of Revenue determines the various party account payments to be distributed to legislative candidates of a specific party.

Political party account (i.e., Democratic-Farmer-Labor, Independent-Republican) funds are distributed after the primary election to eligible candidates who are the nominees of that specific party. Funds designated by taxpayers to a specific party account are distributed to candidates of that party. Included in the allocation and distribution formula are factors to assure that party account funds are distributed to those candidates in the specific geographic area (i.e., county, legislative district) from which resident taxpayers made the party account designation. Therefore, payments from the party account will vary in amount among all candidates, regardless of office sought, legislative district or party affiliation.

General account funds are distributed to eligible candidates after the general election in equal amounts to all candidates for a specific office (i.e., eligible state representative candidates will receive the same payment).

STATUTORY REFERENCE: M.S. 10A.25, M.S. 10A.30, M.S. 10A.31, M.S. 10A.32.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Public Financing Monies Distributed	\$ -0-	\$ 2,754.4	\$ -0-	\$ 837.7
% of Campaign Expenditures	-0-	30	-0-	30
No. of Candidates Filing Affidavits of Candidacy	-0-	478	-0-	320

EXPLANATION OF BUDGET REQUEST:

Agency estimates are based on taxpayer designations to the State Elections Campaign Fund.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PUBLIC FINANCING

PROGRAM: ETHICAL PRACTICES BD

AGENCY: ETHICAL PRACTICES BD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.	701.9		2,754.4					837.7		837.7	837.7
TOTAL EXPENDITURES	701.9		2,754.4					837.7		837.7	837.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	701.9		2,754.4					837.7		837.7	837.7
TOTAL FINANCING	701.9		2,754.4					837.7		837.7	837.7
POSITIONS BY FUND											
TOTAL POSITIONS											

AGENCY PURPOSE:

The Minnesota Municipal Board reviews, adjudicates, and facilitates boundary expansion, contraction, or unification. Under the statutory criterion, board decisions impact on the issues of growth, construction, employment, agricultural issues and delivery of services.

OPERATION AND CLIENTELE:

The board provides information, conducts hearings and issues orders. It encourages and works to facilitate a negotiated settlement between parties. The board encourages the interaction of state agencies and local government units to make the most efficient use of available resources in developing boundary changes.

Petitions and resolutions proposing action are received from individual property owners, cities and townships.

By statute, the Municipal Board must act in a quasijudicial manner when conducting hearings and making decisions on the basis of evidence received. In making its decision, the board assesses such factors as population, quantity of land, geographical features, contiguity, patterns of development, transportation issues, land use control, comprehensive plans, adequacy of governmental services, environmental issues and fiscal capacities.

OBJECTIVE:

To adjust boundaries between cities and townships in order to improve delivery of services and accommodate the growth or change taking place in communities throughout the state.

<u>EFFECTIVENESS MEASURES:</u>	<u>Number of Acres Affected:</u>			
	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Municipal Service Improvement and				
Environmental Protection	705	770	750	800
Residential Development	1,158	1,200	1,300	1,350
Commercial Development	647	450	475	500
Institutional Development	1,058	500	550	600
Industrial Development	643	450	475	500
Agricultural Land Issues	480	500	525	550
Contiguity Improvement	152	200	220	220
Other	239	240	245	245

The board continued to be successful in resolving conflicts in various proceedings which resulted in reduced costs both to the Municipal Board and to cities and townships.

<u>ACTIVITY GENERATES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
<u>NON-DEDICATED REVENUE</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 17.9	\$ 16.4	\$ 16.5	\$ 17.0	\$ 17.0

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Files Opened	126	128	131	131
Total Ordinances Approved	95	95	96	96
Total Orders Issued	46	48	50	50
Total Meetings	99	105	109	113
Total Hearings	39	42	44	46

The number of proceedings in the next biennium is expected to remain stable with a slight increase in contested proceedings.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$6.0 in F.Y. 1988 and \$6.0 in F.Y. 1989 to cover increased travel costs and Attorney General costs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the SAME level of funding for this agency.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MUNIC BOUND CREATION

PROGRAM: MUNICIP BOUND CREATE

AGENCY: MINN MUNICIPAL BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	199.3	213.6	233.1	235.7	6.0	241.7	235.7	235.4	6.0	241.4	235.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	199.3	213.6	233.1	235.7	6.0	241.7	235.7	235.4	6.0	241.4	235.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	164.4	169.9	185.6	186.2		186.2	186.2	185.9		185.9	185.9
EXPENSES & CONTRAC. SERV	30.1	39.2	45.5	47.5	6.0	53.5	47.5	47.5	6.0	53.5	47.5
SUPPLIES & MATERIALS	2.9	4.5	2.0	2.0		2.0	2.0	2.0		2.0	2.0
EQUIPMENT	1.9										
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	199.3	213.6	233.1	235.7	6.0	241.7	235.7	235.4	6.0	241.4	235.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	199.3	213.6	233.1	235.7	6.0	241.7	235.7	235.4	6.0	241.4	235.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	199.3	213.6	233.1	235.7	6.0	241.7	235.7	235.4	6.0	241.4	235.4
POSITIONS BY FUND											
GENERAL	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MUNICIPAL BOUNDARY DETERMINATIONS  
 PROGRAM: MUNICIPAL BOUNDARY DETERMINATIONS  
 AGENCY: MINNESOTA MUNICIPAL BOARD

Request Title: TRAVEL AND ATTORNEY GENERAL				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 6.0	-0-	\$ 6.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The board requests the above dollar amounts in order to pay for board members who must attend meetings and hearings throughout the state and for Attorney General fees, which is a new expense for the board.

WORKLOAD MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Travel:</u>				
Number of Meetings	99	105	109	113
Number of Hearings	39	42	44	46
<u>Attorney General:</u>				
Number of Appeals Pending	5	5	6	6

DESCRIPTION/BACKGROUND - TRAVEL: The board is composed of 3 members appointed by the Governor who serve 6-year staggered terms so that one is replaced or reappointed every 2 years. M.S. 414 requires hearings to be held in the county where the boundary adjustment is proposed and reimbursement of board members' travel costs. Membership and travel costs are as follows:

Year	Metro Area Members	Non-Metro Area Members	Total Travel Costs*
1984	2	1	\$ 8.9
1985	2	1	7.2
1986	1	2	14.6
1987	0	3	17.3
1988**	0	3	17.3
1989	0	3	17.3

\*Totals include staff and ex-officio members travel which is approximately 5.0 per year.

\*\*One board member will be reappointed or replaced.

Staff and board member ridesharing is practiced whenever possible. However, it is more difficult with all 3 members 80, 100, and 220 miles outside the metropolitan area. There are considerable board member travel savings each year by utilizing telephone conferencing. This request is based on:

1986 actual travel costs	\$ 14.6
Add estimate for newest member (similar distance to 1 of non-metro members)	+ 3.4
Less costs for metro member replaced	(.7)
Less agency SAME level	(14.3)
Request for each year	\$ 3.0

DESCRIPTION/BACKGROUND - ATTORNEY GENERAL EXPENSE: Prior to 1986, the Municipal Board was not billed for Attorney General activities. This request is based on the historical pattern of use and anticipation of an increase in contested proceedings which will require services of the Attorney General.

	1984	1985	1986	1987	1988	1989
Hours Provided	97	305	155	273	273	273
Attorney General Costs - \$	-0-	-0-	1.7	3.0	3.0	3.0

RATIONALE: Additional travel funds are necessary because all 3 board members are from outside the metropolitan area, which dramatically increases costs. Attorney General services for the board are necessary. Pursuant to 1985 legislation, the board must now pay for these services.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. This item should be funded through internal budget reallocations.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	0	0	0	0	0

AGENCY PURPOSE:

The Commission is the special interstate advisory, study and coordination agency created and co-sponsored by the governments of Minnesota and Wisconsin to promote wise use, development and protection of the nationally-significant resources of the 266-mile-long Minnesota-Wisconsin boundary segments of the St. Croix and Mississippi Rivers. The primary objective of the agency is to foster and coordinate cooperative intergovernmental river program management and promote significant federal financing of river programs and projects.

OPERATION AND CLIENTELE:

The Commission operations are governed by the 1965 interstate legislative compact with the State of Wisconsin in which the two states pledged to work cooperatively on boundary area issues and problems, primarily on the St. Croix and Mississippi Rivers. Comprised of ten members, five from each State appointed by their Governor, the Commission employs a staff of three full-time employees who work in close partnership with State and Federal agencies and local governments on the complex, multi-jurisdictional river policies, issues and programs. The agency provides direct technical support as well as independent studies and recommendations on resource management matters ranging from water quality standards and fish and game laws to shorelines management and Federal navigation and fish and wildlife refuge plans. The inherent complexity of governmental activities and authorities on the interstate border with major Federal operations and controls amplifies the need for a strong focus through the Commission on behalf of its sponsor States to protect their interests and maximize the benefits of Federal investments and improvements. Both the St. Croix and Mississippi Rivers are national rivers; the Commission, with its sole mission oriented to the rivers, has thus become the principal monitor, consultant and representative for the numerous Congressional activities directly affecting the two river valleys. Engineers, Fish and Wildlife Service, DNR and MPCA, are calling upon the Commission and its experienced staff to conduct studies, facilitate public involvement in planning and policy formulation, and make recommendations on major river management strategies. Other clientele include the 18 counties and scores of municipalities and townships sharing the interstate border zone. For 13 years the Commission has also provided the leadership and coordination of the St. Croix National Scenic Riverways program, in which Minnesota is represented by the DNR, under a special cooperative agreement between the two Governors and the Department of the Interior.

In general, the thrust of the Commission's action program in service to its sponsor States responds to the strong emphasis both States place on environmental stewardship. The Commission aggressively pursues conflict resolutions, alerts State executive and legislative leaders on major problems and opportunities, and maintains a strong public awareness network in its service area. Authority for this activity is found in M. S. 1.31-1.40.

ACCOMPLISHMENTS:

In the 1985-87 Biennium, the Commission's major accomplishments included the following:

- Developed and coordinated Congressional action program resulting in addition of \$1 million to Mississippi River environmental improvement budget for FY 1987
- Provided principal staff support for preparation of Congressionally-authorized Twin Cities Metropolitan River Corridors Study report
- Provided leadership and legislative consultation to aid in adoption of major Mississippi River pollution control legislation for combined sewer overflow elimination
- Coordinated and chaired special meetings affirming St. Croix National Scenic Riverway policies and developing new ones to meet public safety and property protection needs

PROGRAM CHANGES:

Congress has enacted the Upper Mississippi River Management Act of 1986 which approved and implements the multi-purpose Comprehensive Master Plan for Management of the river system, which should mean at least \$100 million in river improvements for our two states in the next ten years. State officials have requested additional support and leadership from the Commission to take full advantage of this major interagency program, which requires additional staff and funding as was provided for the federal-state program on the St. Croix National Riverway when it was designated.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding provides for continuation of present staffing, headquarters operations and meeting expenses with allowance for projected salary increases which do not receive funds through state pay plans.

Two CHANGE items are requested. \$18.5 is requested in F.Y. 1988 and F.Y. 1989 to fund, on a shared basis with the State of Wisconsin, one additional full-time permanent employee to serve as program director for expanded Mississippi River programs. \$2.5 is requested in F.Y. 1988 for replacement of the Commission's copy machine.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$37.0 for an additional position.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MN/WISC BOUND AREA CO

PROGRAM: MN/WISC BOUND AREA CO

AGENCY: MN WIS BNDRY AREA COM

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1.2	1.1	3.0	3.0		3.0	3.0	3.0		3.0	3.0
LOCAL ASSISTANCE	66.1	71.0	73.8	77.0	21.0	98.0	79.5	79.2	18.5	97.7	79.2
AIDS TO INDS.											
TOTAL EXPENDITURES	67.3	72.1	76.8	80.0	21.0	101.0	82.5	82.2	18.5	100.7	82.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	.1		1.0	1.0		1.0	1.0	1.0		1.0	1.0
EXPENSES & CONTRAC. SERV	1.1	1.1	2.0	2.0		2.0	2.0	2.0		2.0	2.0
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1.2	1.1	3.0	3.0		3.0	3.0	3.0		3.0	3.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	67.3	72.1	76.8	80.0	21.0	101.0	82.5	82.2	18.5	100.7	82.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	67.3	72.1	76.8	80.0	21.0	101.0	82.5	82.2	18.5	100.7	82.2
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY:  
PROGRAM:  
AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

Request Title: EQUIPMENT REPLACEMENT - COPY MACHINE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 2.5	-0-	\$-0-	-0-
Governor's Recommendation				
General Fund	\$ 2.5	-0-	\$-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Commission requests the above dollar amount to provide one-half the cost of purchasing an office copy machine to replace an existing machine purchased in 1983. The objective is to provide a faster, more reliable photocopying capability for the Commission headquarters and to avoid machine breakdowns and service call expenses.

DESCRIPTION/BACKGROUND:

The Commission purchased a Xerox 2830 table model copy machine in 1983 to replace a leased 3M roll-feed, coated paper machine and a manual mimeograph machine. The Xerox machine has proven to be too small for normal operations and, according to the service representative, should be replaced within one year with a larger machine.

RATIONALE:

The Commission operates a free-standing headquarters at Hudson, Wisconsin, where there is no opportunity to pool copy services with other users. The machine now in use is overtaxed by a factor of 35% compared to the estimated usage that led to the purchase of that size equipment in 1983. At the SAME level of funding, the Commission risks having to lease a new machine with available funds in an emergency at a higher rate than a direct purchase would cost. At the CHANGE level, the Commission can ensure that it will have a dependable, cost-effective office copying/printing system to service its clients and the public.

This would be a one-time purchase that would not affect the agency's base cost of operation.



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY:

PROGRAM:

AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

Request Title: MISSISSIPPI RIVER PROGRAM STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 18.5	-0-	\$ 18.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Commission requests the above dollar amounts to provide one-half of the cost of one additional full-time permanent employee in order to meet the needs identified by officials of its sponsor states for direct support on rapidly expanding Federal-State Mississippi River improvement programs. The objectives are to maintain the strong leadership and support which the Commission has cultivated in Congress for this program for the past 12 years, and to develop and implement a public information and local government consultation and involvement program in the 163-mile-long Minnesota-Wisconsin river zone included under the Act of Congress.

DESCRIPTION/BACKGROUND:

From 1975 to 1982, 2 major federal-state planning efforts were undertaken on the Mississippi River - the GREAT River Study dealing with controversies over Corps of Engineers river dredging, and the Upper Mississippi Master Plan which stemmed from the controversy over barge traffic impacts related to proposed lock and dam expansion at Alton, Illinois. Historically, the Commission has been included and, in many instances, taken the lead to facilitate action in these comprehensive river management schemes. It was chiefly responsible for fostering the strong state involvement in the formulation of operational plans by the major federal agencies that control the river in our area. These new approaches are significant improvements over the disjointed, conflict-ridden relationships of the past, but they also require much greater efforts on the part of river managing agencies.

The GREAT River Study Report of 1980 recommended that the Commission continue to be actively involved in the process by monitoring the implementation of the study plan. This has been done by direct participation in the ongoing interagency meetings and work groups; however, this program has grown greatly since 1980 and now involves projects totalling over \$3 million annually. The Upper Mississippi Master Plan includes even greater potential for river improvements, and \$100 million in federal funds should be expected to be spent in the Minnesota-Wisconsin river zone over the next 10 years, provided Congress continues to appropriate the funds at that level and the state and local authorities are ready to act in a timely manner. Long-term economic and environmental benefits will be realized by those areas which have their proposed projects developed and approved. Considering the fact that 1300 miles of rivers in 5 states are eligible under this measure, there will be intense competition for the funds available.

RATIONALE:

The Commission is recognized and depended upon as an effective legislative affairs coordinator for the states, especially on congressional liaison for Mississippi and St. Croix River matters. It has also earned a good reputation, thanks to its citizen membership, as a trusted, well-informed facilitator of federal and state government program proposals with local officials and citizens. Recent consultations with state officials who represented Minnesota and Wisconsin on Mississippi River interagency groups reaffirmed the need for the Commission to remain fully involved in the expanded river effort, especially to secure the hard-won gains in Congress and to initiate and cultivate the much-needed support of local officials and citizens. Analysis of the workload involved shows that a program director is needed to meet the expanded requirements and still preserve the strategic independence of the Commission to act in conflicts and to resolve inconsistencies in the complex river system administration. At the SAME level of funding, the Commission would not be able to offer staff support for the growing number of activities, nor accept the leadership in Congressional affairs or local/public participation as needed to take full advantage of the federal resources. The CHANGE level requested would allow full support in all areas and put Minnesota and Wisconsin in the lead for substantial benefits. It would be cost-shared with Wisconsin.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

AGENCY PURPOSE:

The Uniform Laws Commission allows Minnesota to participate in the National Conference of Uniform State Laws, an organization of the 50 states involved in the study of a wide range of legal issues facing state government.

The commission consists of 4 persons learned in the law. Three are appointed jointly by the Governor, Attorney General and Chief Justice of the Supreme Court, and the fourth person is the Revisor of Statutes or a designated assistant.

The commission attends the national conference, reviews model legislation, recommends revisions and modifications as needed, and considers the appropriateness of recommending the model legislation for adoption by the Minnesota Legislature.

During the 1985 and 1986 legislative sessions approximately 16 uniform acts were introduced in the Minnesota Legislature. Five acts and portions of others were adopted. As many as 20 acts should be considered for adoption in the 1987 Legislature. Included among those ripe for 1987 enactment are: the Commissioners Model State Administrative Procedures Act, the Uniform Fraudulent Transfers Act, the Uniform Premarital Agreements Act, the Uniform Statutory Rule Against Perpetuities Act, the Uniform Statutory Wills Act, a new Article 2A on personal property leasing to be added to the Uniform Commercial Code, and the new Uniform Unclaimed Property Act.

OBJECTIVE:

To assist with the development of model legislation for consideration by the individual member states, to provide the Legislature with official access to the national conference, and to prepare bills, when appropriate, which adapt such uniform acts to Minnesota Statutes.

EFFECTIVE MEASURES:

The ultimate effectiveness of this activity is the extent to which the ideas conveyed by proposed model legislation impacts debate on an issue. It may take years from the time the proposed model legislation is first introduced, then debated, and finally resolved. The Minnesota Legislature has adopted 40 uniform laws as a result of the commission's work. However, the effectiveness of this activity does not lend itself to measurements stated within a fiscal year.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. Uniform Acts to be Introduced	20	12	10

EXPLANATION OF BUDGET REQUEST:

The SAME level request includes annual membership dues to the national organization and out state travel expenses for 3 commissioners to attend the annual conference. No compensation is paid to the members for their services. The commission is requesting a CHANGE OF \$1.3 in F.Y. 1988 and \$1.3 in F.Y. 1989 to cover travel costs of 1 additional commissioner.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the SAME level of funding for this agency.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: UNIFORM LAWS COMMISSION

PROGRAM: UNIFORM LAWS COMMISSION

AGENCY: UNIFORM LAWS COMMSN

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	15.6	10.7	13.6	13.6	1.3	14.9	13.6	13.6	1.3	14.9	13.6
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY: UNIFORM LAWS COMMISSION  
 PROGRAM: UNIFORM LAWS COMMISSION  
 AGENCY: UNIFORM LAWS COMMISSION

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 1.3	-0-	\$ 1.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:    Yes    No  
 Statutes Affected: Amend statutes 3.253

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funding change to cover the attendance at annual meetings of the conference by one additional Minnesota commissioner.

DESCRIPTION/BACKGROUND:

One of the Minnesota commissioners has now served in that position for 20 years. That makes him eligible to attend all commission meetings as a "life member." If he is replaced as a regularly appointed Minnesota commissioner and attends the annual meeting in the status of life member, the Minnesota appropriation should be increased to cover the additional expenses incurred.

RATIONALE:

It is reasonable to reimburse the expenses of each Minnesotan who contributes without compensation to the work of the Uniform Laws Commission, and therefore to its value to the state of Minnesota.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

AGENCY: MINNESOTA RACING COMMISSION

1987-89 Biennial Budget

AGENCY PURPOSE:

The Minnesota Racing Commission (MRC) is a regulatory agency that was created in 1983 to supervise and control the pari-mutuel horse racing industry in Minnesota. The MRC is charged with establishing criteria and standards for licensing of all race tracks where pari-mutuel wagering is conducted, as well as all personnel employed or operating at such facilities. The MRC, through its rule making authority has established criteria and standards for the provision of security and law enforcement at licensed racetracks as well as veterinary services and oversight. Further, the MRC has the responsibility of collecting and distributing all taxes and fees related to pari-mutuel horse racing to the General Fund and Special Reserve Fund (Breeders' Funds).

The primary goal of the MRC is to ensure the integrity of the State's newest professional sport, and to guarantee that Minnesota's first venture into legalized gambling is conducted in the public's best interest.

OPERATION:

The Minnesota Racing Commission consists of nine members appointed by the Governor. While not salaried, the Commissioners are paid on a per diem basis for those days they perform official MRC business. The MRC has three standing committees: executive, rules, and affirmative action. It currently has an authorized staff of eight full time employees, 3 contract seasonal employees (2 Stewards and an Assistant Veterinarian), and 6 seasonal employees (4 in licensing and 2 in veterinary services). The eight full-time professional positions include the Executive Director, Deputy Executive Director, Director of Security, Chief Veterinarian, Director of Pari-mutuels and Finance, Office Manager, Licensing Supervisor, and Receptionist. The MRC operates from a central office in Eden Prairie along with regulatory offices at Canterbury Downs.

Presently, the MRC regulates the conduct and operation of Canterbury Downs in Shakopee. That facility is becoming a world class race track that stables approximately 1700 horses, employs over 2,000 people, had a betting handle of \$84,260,000 during the 1985 racing meet, and will generate a projected handle of \$136 million in its first full racing season, 1986.

The MRC expects to receive applications for a second race track by December 31, 1986. These applications are expected to come from groups representing the areas of Brainerd, Little Falls, Moorhead, and Coleraine. There is no limit on the number of tracks that may be licensed by the MRC.

During the 1985-87 biennium, the Commission and staff developed and implemented many forms, procedures, and controls. These were required to successfully meet the requirements and purpose of Minnesota's Pari-Mutuel Wagering Law and the goals and objectives of the Commission as included in the rules of racing. This included 3 primary areas of responsibility; veterinary services, track security and licensing, and pari-mutuel reporting and tax collection.

BUDGET ISSUES (CONTINGENCY APPROPRIATION):

In 1983, when the Minnesota Racing Commission was created, empowered, and originally funded, the Legislature authorized creation of a Supplemental Racing Commission Contingent Account in the event the MRC became involved in the licensing of pari-mutuel horse racing at county fairs and other matters that could not be anticipated at that time. Likewise, there currently are other matters that may have to be addressed in the next biennium requiring additional funding.

As indicated previously, the Commission expects to receive by December 31, 1986, up to 4 applications for a second pari-mutuel race track. The commission and staff will be required to review and analyze each application and make a decision on each. Funding to defray the costs of doing this was not appropriated in our F.Y. 1987 budget. It is anticipated that additional funding this fiscal year in the amount of \$109.5 will be needed to adequately respond and act on these applications.

Subsequently, should one or more of the applications be approved, it will be necessary for the Commission to add administrative and regulatory staff to achieve its objectives at another race track as it has done at Canterbury Downs. Assuming construction were to begin in the summer of 1987 with racing to follow by the summer of 1988, positions and funding over and above what is in our 1988-89 biennial budget request will be needed. At this time we anticipate that the addition of four full-time (3 General Fund and 1 Special Revenue Fund) and required seasonal staff to respond to this additional workload. General Fund appropriations needed are estimated to be \$304.9 for F.Y. 1988 and \$227.5 for F.Y. 1989. Further, even though the Commission is prohibited by law from approving race days prior to July 1, 1989 for county fairs, there is the likelihood that the Commission would have to analyze and act on county fair applications (Class D) prior to the conclusion of the 1988-89 biennium. Costs to accomplish this are not in our 1988-89 biennial budget request.

Although the Commission is not requesting additional monies in this biennial budget request to meet these contingencies, it does strongly encourage funding for another supplemental racing commission contingent account. This would not only set aside adequate monies in the State's general fund to meet these expected costs, but would also give the Commission the flexibility to request emergency funding from the LAC at the time funds are needed and at a time when more precise estimates can be developed.

AGENCY: MINNESOTA RACING COMMISSION  
(Continuation)

1987-89 Biennial Budget

Contingency appropriations would be for \$109.5 for F.Y. 1987 and \$529.1 for the 1988-89 biennium.

	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	Page
SAME Level Request	\$ 3,617.7	\$ 3,617.7	
Veterinary Services	24.0	24.0	7
Racing and Analytical Laboratory	122.3	48.0	9
Security, Licensing and Investigation Services	126.4	48.0	10
Minnesota Breeders' Funds Positions Only	-0-		14
AGENCY TOTAL	<u>\$ 3,890.4</u>	<u>\$ 3,737.7</u>	

EXPLANATION OF BUDGET REQUEST:

Four change items are requested for the Commission. \$12.0 in F.Y. 1988 and \$12.0 in F.Y. 1989 is requested for a Contract Seasonal Veterinarian for Veterinary Services. \$57.8 in F.Y. 1988 and \$64.5 in F.Y. 1989 is requested for the Racing Analytical Laboratory. \$65.5 in F.Y. 1988 and \$60.9 in F.Y. 1989 and 1.0 position is requested for Security, Licensing and Investigation Services. Finally, complement authority for 2 Special Revenue Fund positions is requested so as to adequately administer the Breeders' Fund activity.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for biennial reductions of \$74.3 for racing and analytical laboratory costs and \$78.4 for security, licensing, and investigation services.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: MINN RACING COMM

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM: MINN RACING COMM	831.3	1,371.6	1,782.1	1,806.4	135.3	1,941.7	1,866.4	1,811.3	137.4	1,948.7	1,871.3
TOTAL	831.3	1,371.6	1,782.1	1,806.4	135.3	1,941.7	1,866.4	1,811.3	137.4	1,948.7	1,871.3
EXPENDITURES BY CATEGORY: STATE OPERATIONS LOCAL ASSISTANCE AIDS TO INDS.	658.8 172.5	997.0 374.6	984.1 798.0	1,008.5 797.9	135.3	1,143.8 797.9	1,068.5 797.9	1,013.4 797.9	137.4	1,150.8 797.9	1,073.4 797.9
TOTAL EXPENDITURES	831.3	1,371.6	1,782.1	1,806.4	135.3	1,941.7	1,866.4	1,811.3	137.4	1,948.7	1,871.3
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	831.3	888.3	815.6	839.9	135.3	975.2	899.9	844.8	137.4	982.2	904.8
DEDICATED APPROPRIATIONS: SPECIAL REVENUE		483.3	966.5	966.5		966.5	966.5	966.5		966.5	966.5
TOTAL FINANCING	831.3	1,371.6	1,782.1	1,806.4	135.3	1,941.7	1,866.4	1,811.3	137.4	1,948.7	1,871.3
POSITIONS BY FUND: GENERAL	8.0	8.0	8.0	8.0	1.0	9.0	8.0	8.0	1.0	9.0	8.0
SPECIAL REVENUE			2.0		2.0	2.0	2.0		2.0	2.0	2.0
TOTAL POSITIONS	8.0	8.0	10.0	8.0	3.0	11.0	10.0	8.0	3.0	11.0	10.0

ACTIVITY: MINNESOTA RACING COMMISSION  
 Program: MINNESOTA RACING COMMISSION  
 Agency: MINNESOTA RACING COMMISSION

1987-89 Biennial Budget

DESCRIPTION:

During the 1985-87 biennium, the Commission and staff developed and implemented many forms, procedures, and controls as well as planned work activities so as to effectively and fairly enforce Minnesota pari-mutuel laws and Commission rules regarding horse racing.

VETERINARY OPERATIONS

The Commission's office of veterinary operations is responsible for regulating the safe and humane handling of horses and adherence to state and federal laws governing equine health. Further, the Minnesota Racing Commission's (MRC) veterinary staff governs and controls the use of medications in race horses and provides information to the public regarding such use. Included in this area are the contracted activities of the MRC's Racing Analytical Laboratory, charged with the analysis of bodily fluids collected for drug testing. Ultimately, the primary goal of the MRC's Chief Veterinary Medical Officer is to prevent abuse to horses in any form, in the best interest of these animals themselves and in the best interest of the wagering patrons at Canterbury Downs.

The Chief Veterinary Medical Officer heads a staff of seasonal employees and also interacts closely with a number of other state and private agencies in order to carry out the mandates of the Commission's Rules of Racing. Specific areas of activity include: (1) public health (health certificates, testing for diseases communicable to other horses or to humans and monitoring for potential disease outbreaks, etc.); (2) racing soundness (race day examinations, restriction from racing of unsound horses, investigations of racing injuries, etc.); (3) controlled medication programs (pre-race detention barn, bleeder list, disclosure of approved medications to public, etc.); (4) drug testing (post-race detention barn, integrity of samples, reporting procedures, laboratory interaction, testimony at hearings, etc.); (5) licensing and monitoring of private veterinary practitioners; (6) public education and awareness; (7) equine research projects; (8) other areas as deemed necessary by the Commission.

Every licensed horseperson racing an animal at a Minnesota race track regularly requires the attention of the Chief Veterinary Medical Officer and staff. Persons desiring licenses from the MRC will often consult with this department as well. State agencies such as the Board of Animal Health and the College of Veterinary Medicine of the University of Minnesota are in regular contact. Management and staff of Canterbury Downs require daily communication; requests for assistance have also been handled for potential applicants for a second race track license. Special interest groups (local humane societies, veterinary organizations, breed associations, etc.) are also assisted by the MRC's Chief Veterinary Medical Officer.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$69.2	\$280.4	\$347.5	\$311.7	\$315.7

RECAP: NON-DEDICATED REVENUE

Occupational Licenses	\$48.6	\$144.2	\$153.3	\$157.3	\$161.3
Drug Testing Reimbursement	-0-	94.1	112.4	112.4	112.4
Fines	-0-	16.1	15.8	16.0	16.0
Applicaton Fees	10.1	-0-	40.0	-0-	-0-
Class A, B, & D Licenses	10.5	26.0	26.0	26.0	26.0
TOTAL	\$69.2	\$280.4	\$347.5	\$311.7	\$315.7

Finally, the general public itself is served through enforcement of honest and humane horse racing and the issuance of accurate information on the animals involved.

LICENSING, SECURITY AND ENFORCEMENT OPERATIONS

The Commission Office of Security and Licensing Operations is responsible for enforcing all the MRC rules and regulations pertaining to security, investigative, and public safety matters. The Director of Security coordinates, conducts, and monitors all the investigations at the licensed race tracks in Minnesota. The Security Director and staff are also charged with licensing all participants of horse racing.

The goal is to specifically ensure the integrity of horse racing within the State of Minnesota and to protect the health, safety, and welfare of the racing participants and the general public.

The Director of Security deals directly with all license applicants and 7500 license holders, ensuring that only qualified people, as established by the rules and regulations of the MRC, are licensed. Every person employed at a licensed race track (e.g. jockeys, trainers, grooms, concessionaires/vendors, pari-mutuel clerks, veterinarians, etc.) and all horse owners (e.g. individuals, partnerships, corporations) must have a background investigation prior to licensure. Prior to final approval for a license, all applicants will be cleared through the National Association of State Racing Commissioners, the Thoroughbred Racing Protective Bureau or equivalent organization, the Minnesota Bureau of Criminal Apprehension, and the FBI. Each applicant is fingerprinted, photographed, and a criminal record check is made. All information obtained is thoroughly analyzed to determine each applicant's eligibility for licensure as defined in statute.

The Director of Security has the obligation of investigating and acting upon any infractions of the rules and regulations by an occupational license holder. The results of investigations are presented at hearings conducted by the Board of Stewards or by the Office of Administrative Hearings.



(Continuation)

Program: MINNESOTA RACING COMMISSION

Agency: MINNESOTA RACING COMMISSION

The Director of Security is also responsible for coordinating and monitoring all additional investigations that are being conducted at an MRC licensed race track. These clientele include, but are not limited to, the Federal Bureau of Investigation, Minnesota Bureau of Criminal Apprehension, Minnesota State Patrol, local police, sheriff and fire departments, Minnesota Attorney General's office and county prosecutors, state and local emergency service offices, Thoroughbred Racing Protective Bureau, National Association of State Racing Commissioners, other racing jurisdictions, security officers at the MRC licensed race track, Minnesota Quarterhorse Association and its participants, U.S. Trotting Association and its participants, and as stated before, the general public.

PARI-MUTUEL AND TAX COLLECTION RESPONSIBILITIES

Pari-mutuel and Finance operations of the Commission perform daily reporting of the pari-mutuel handle as well as the budgeting and accounting functions of the Commission. Daily pari-mutuel reporting consists of recapitulations of each day's betting handle which include calculation of statutory takeout, breakage, and pari-mutuel tax to both the General fund and the respective Breeders' Funds (Special Revenue Fund).

This assures accurate and timely deposit and reporting of all revenues due to the state. By statute, the state taxes the first \$48,000,000 of the betting handle at the rate of 1.75% to the General Fund and .5% to the Breeders' Fund. Betting handle exceeding \$48,000,000 is taxed respectively at 6% and 1%. Additionally the state collects half of the breakage and \$.40 on each paid admission.

BOARD OF STEWARDS

The final major area of responsibility for the Commission is the provision of Stewards services. There are three stewards who are the chief racing officials during each day's racing program. Once the horses leave the detention barn just prior to the race, they are then under the supervision of the Stewards from there to the paddock and to post. The Stewards observe the conduct of all horsemen prior to race time as well as receiving reports from other track officials regarding track conditions and horse behavior. The Stewards observe each race (two with field glasses and one viewing monitors) and rule on its finish. The costs of providing steward services are reimbursed by the track.

ACTIVITY STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Tax Collections:</u>					
Pari-mutuel Tax	-0-	\$3,748.6	\$6,172.7	\$6,597.7	\$6,940.0
Admissions Tax	-0-	589.1	559.7	569.8	569.8
Breakage	-0-	783.9	781.6	821.4	854.1
Unredeemed Tickets	-0-	320.4	272.0	283.4	294.9
TOTAL	-0-	\$5,442.0	\$7,786.0	\$8,272.3	\$8,658.8

	CY 1985	CY 1986	RACING SEASON		CY 1989
			CY 1987	CY 1988	
<u># OF RACING DAYS</u>					
Thoroughbred	83	95	95	95	95
Quarterhorse	-0-	10	10	10	10
Standardbred	-0-	55	55	55	55
TOTAL # OF RACING DAYS	83	160	160	160	160
<u># OF RACES</u>					
Thoroughbred	785	893	893	893	893
Quarterhorse	-0-	94	94	94	94
Standardbred	-0-	550	550	550	550
TOTAL # OF RACES	785	1,537	1,537	1,537	1,537
<u># OF MEDICAL RECORDS MAINTAINED</u>	1,800	3,400	3,500	3,800	3,800
<u># OF PRE RACE SOUNDNESS EXAMS PERFORMED</u>	5,900	11,360	12,800	13,600	13,600
<u># OF SAMPLES - (POST RACE DRUG TESTS)</u>	2,400	4,500	4,500	5,100	5,100
<u># OF LICENSES ISSUED</u>	5,300	7,300	7,600	7,800	8,000
<u># OF STEWARDS RULINGS</u>	155	237	250	250	250
<u># OF INVESTIGATIONS</u>	76	217	250	300	350
<u># OF FINANCIAL COMPLAINTS</u>	18	46	50	50	50
<u># OF PUBLIC INQUIRIES</u>	3,000	3,000	3,000	3,000	3,000

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	TYPE
<u>Veterinary Services</u>	\$12.0	\$12.0	Activity Specific
Monies needed for Contract Seasonal Assistant Veterinarian. See the change request sheet following the fiscal sheet for this activity.			
<u>Racing Analytical Laboratory</u>	\$57.8	\$64.5	Activity Specific
Needed to expand analytical capabilities. See the change request sheet following the fiscal sheet for this activity.			
<u>Security, Licensing and Investigation Services</u>	\$65.5	\$60.9	Activity Specific
Needed to expand security and investigation capabilities. See the change request sheet following the fiscal sheet for this activity.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MINN RACING COMM

PROGRAM: MINN RACING COMM

AGENCY: MINN RACING COMM

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	658.8	968.3	938.2	962.6	135.3	1,097.9	1,022.6	967.5	137.4	1,104.9	1,027.5
LOCAL ASSISTANCE	172.5										
AIDS TO INDS.											
TOTAL EXPENDITURES	831.3	968.3	938.2	962.6	135.3	1,097.9	1,022.6	967.5	137.4	1,104.9	1,027.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	192.5	354.9	432.4	452.3	45.4	497.7	452.3	451.7	45.4	497.1	451.7
EXPENSES & CONTRAC. SERV	200.4	432.2	446.5	451.0	86.9	537.9	511.0	456.5	91.5	548.0	516.5
SUPPLIES & MATERIALS	23.7	62.7	40.3	40.3	3.0	43.3	40.3	40.3	.5	40.8	40.3
EQUIPMENT	242.2	118.5	19.0	19.0		19.0	19.0	19.0		19.0	19.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	658.8	968.3	938.2	962.6	135.3	1,097.9	1,022.6	967.5	137.4	1,104.9	1,027.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	831.3	888.3	815.6	839.9	135.3	975.2	899.9	844.8	137.4	982.2	904.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		80.0	122.6	122.7		122.7	122.7	122.7		122.7	122.7
TOTAL FINANCING	831.3	968.3	938.2	962.6	135.3	1,097.9	1,022.6	967.5	137.4	1,104.9	1,027.5
POSITIONS BY FUND											
GENERAL	8.0	8.0	8.0	8.0	1.0	9.0	8.0	8.0	1.0	9.0	8.0
TOTAL POSITIONS	8.0	8.0	8.0	8.0	1.0	9.0	8.0	8.0	1.0	9.0	8.0

CHANGE REQUEST

Agency  Program  Activity

RATIONALE:

ACTIVITY: MINNESOTA RACING COMMISSION  
 PROGRAM: MINNESOTA RACING COMMISSION  
 AGENCY: MINNESOTA RACING COMMISSION

The MRC currently contracts for the professional services of one assistant veterinarian during the racing season. The per diem cost of this position is recovered from the race track itself.

The responsibilities of regulation in the Minnesota Rules of Racing require the presence of a Racing Commission veterinarian for 92 to 120 hours per week during the racing season, depending on post time, number of days of racing held that week, type of racing being conducted, and stability of the horse population at any given time. Hearings and other on site administrative action require additional hours. This time requirement is presently being handled by two individuals only, the Chief Veterinary Medical Officer and the one seasonal veterinarian now contracted by the MRC. However, the Chief Veterinary Medical Officer also has responsibilities away from the race track itself. Administrative duties, laboratory liaison work, coordinating equine research projects, pharmacological literature reviews, testimony at hearings, reports to the Racing Commission, review of Class A and Class B license requests, meeting continuing education requirements, responding to information requests from the media and public, interaction with agency staff, and the like are a number of areas requiring more attention by the Chief Veterinary Medical Officer in addition to daily on-track responsibilities. Some of these areas have been neglected simply due to the inability of the chief veterinarian to get away from the race track on any regular basis.

Furthermore, provisions do not currently exist to cover the absence of either commission veterinarian due to illness, vacation, or family emergency. Yet, because live animals are involved, seven day per week coverage of veterinary operations is essential to ensure compliance with MN statute 240.

The attached chart shows the number of hours worked per two week pay period by the chief veterinary medical officer during the 1985 and 1986 racing seasons. The addition of a seasonal clerical in 1986 afforded some relief, but does not affect the necessity of providing professional veterinary supervision by the MRC at required times. The present seasonal assistant veterinarian averages 95 hours per two week period. A second seasonal contract veterinarian working 2.5 days per week average, would allow the MRC to function as required while freeing the chief veterinarian for off track administrative duties.

The total anticipated cost for this change would be \$12.0 per fiscal year.

Request Title: VETERINARY SERVICES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 12.0	-0-	\$ 12.0	-0-
Governor's Recommendation				
General Fund	\$ 12.0	-0-	\$ 12.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVES:

The Minnesota Racing Commission requests funding for one seasonal part time contract position (Assistant Veterinarian) for the 1988-89 biennium. This increase is needed to improve the comprehensiveness of regulatory and veterinary responsibilities as well as provide capable and adequate back up to the present incumbent.

DESCRIPTION/BACKGROUND:

The Minnesota Racing Commission was established in August of 1983 with a minimal appropriation in the enabling legislation for the 1984-85 biennium. Likewise for the 1986-87 biennium, minimal appropriations were requested by the Commission and made by the Legislature. It is during the current biennium that registration was conducted for two thoroughbred meets, one quarter horse meet, and one standardbred meet totaling 243 race days.

The experience of the racing meets exposes areas of responsibility that require more comprehensive overview and attention.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity  
(Continuation)

GOVERNOR'S RECOMMENDATION:

ACTIVITY: MINNESOTA RACING COMMISSION  
PROGRAM: MINNESOTA RACING COMMISSION  
AGENCY: MINNESOTA RACING COMMISSION

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHIEF COMMISSION VETERINARIAN HOURS WORKED PER 80 HOUR PAY PERIOD  
DURING RACING SEASON

<u>1985</u>		
<u>DATES</u>	<u># HOURS WORKED</u>	<u>HOLIDAY WORKED</u>
5/29-6/11	100.75	
6/12-6/25	154.00	
6/26-7/09	171.25	ONE
7/10-7/23	143.00	
7/24-8/06	124.00	
8/07-8/20	131.00	
8/21-9/03	132.00	ONE
9/04-9/17	93.50	
9/18-10/01	83.00	
10/2-10/15	105.00	

<u>1986</u>		
<u>DATES</u>	<u># HOURS WORKED</u>	<u>HOLIDAY WORKED</u>
4/16-4/29	154.00	
4/30-5/13	121.00	
5/14-5/27	119.00	ONE
5/28-6/10	88.00	
6/11-6/24	80.00	
6/25-7/08	95.00	ONE
7/09-7/22	87.00	
7/23-8/05	80.00	
8/06-8/19	80.00	
8/20-9/02	124.00	ONE
9/03-9/16	118.00	
9/17-9/30	109.00	
10/1-10/14	110.00	

1985 - Average per pay period - 123.75 hours.  
Support staff of one assistant veterinarian and one technician, both seasonal.

1986 - Average per pay period - 105.00 hours.  
Support staff of one assistant veterinarian, one technician, and one clerical,  
all seasonal.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MINNESOTA RACING COMMISSION  
 PROGRAM: MINNESOTA RACING COMMISSION  
 AGENCY: MINNESOTA RACING COMMISSION

Request Title: RACING ANALYTICAL LABORATORY				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 57.8	-0-	\$ 64.5	-0-
Governor's Recommendation				
General Fund	\$ 24.0	-0-	\$ 24.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVES:

The Minnesota Racing Analytical Laboratory seeks additional funding to adequately support its present level of service and to expand its analytical capability.

DESCRIPTION/BACKGROUND:

Established in 1985 through funding from the Legislative Advisory Commission, the Racing Analytical Laboratory at the University of Minnesota, College of Veterinary Medicine is the official laboratory of the Minnesota Racing Commission for testing horses at licensed race tracks for illegal drugs.

RATIONALE:

The Racing Analytical Laboratory was established with a minimal operating budget for F.Y. 1985-87. Having gained experience from two racing seasons, it is now apparent that appropriate staffing of the laboratory requires the addition of 1.0 FTE Principal Laboratory Technologist and 0.15 FTE Accounting Supervisor. The addition of radio-immunoassay to the analytical protocol beginning September 1, 1986, requires purchase of additional expendable supplies costing about \$30,000 per year. This change request assumes that the number of horses tested will remain approximately the same as the 1986 racing season.

Increase over F.Y. 1987

	F.Y. 1988		F.Y. 1989	
	\$	POS	\$	POS
Academic	1.5		3.2	
Civil Service	28.5	1.15	32.3	1.15
Fringe Benefits	6.7		7.9	
Expenses/Service	0.3		1.7	
Supplies/Materials	30.8		34.3	
Equipment	(8.7)		(8.7)	
	\$59.1	1.15	70.7	1.15

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) No. of Serum Samples	4,537	4,800	4,800	4,800
No. of Urine Samples	4,537	4,800	4,800	4,800
2) Quantitative Phenylbutazone	4,577	4,850	4,850	4,850
3) Quantitative Lasix®	4,583	4,850	4,850	4,850
4) Comprehensive Screen by TLC	45,370	48,000	48,000	48,000
5) Radioimmunoassay	----	3,600	4,800	4,800
6) Confirmation by GCMS	700	800	800	800

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$48.0. This increase in costs will be recovered through an increase in the charge per horse from \$25 to \$30 as authorized by law.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: MINNESOTA RACING COMMISSION  
 PROGRAM: MINNESOTA RACING COMMISSION  
 AGENCY: MINNESOTA RACING COMMISSION

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: SECURITY, LICENSING, AND INVESTIGATION SERVICES				
General Fund	\$ 65.5	1.0	\$ 60.9	1.0
Governor's Recommendation				
General Fund	\$ 24.0	-0-	\$ 24.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVES:

The Minnesota Racing Commission (MRC) requests the addition of one full time position (Assistant Director of Security) and one seasonal contract position (Law Compliance Officer) and related costs for the 1988-89 biennium. Increases are needed to improve the comprehensiveness of security enforcement and investigation responsibilities as well as provide capable and adequate back up to present incumbent.

DESCRIPTION/BACKGROUND:

The MRC was established in August of 1983 with a minimal appropriation in the enabling legislation for the 1984-85 biennium. Likewise for the 1986-87 biennium, minimal appropriations were requested by the Commission and made by the Legislature. It is during the current biennium that registration was conducted for two thoroughbred meets, one quarter horse meet, and one standardbred meet totaling 243 race days. The experience of these racing meets exposes areas of responsibility that require more comprehensive overview and attention.

RATIONALE:

Each person must comply with the following licensing standards in order to work at an MRC licensed race track: 1) be in compliance with all licensure qualifications of the MRC as established by rule; 2) comply with all federal and state statutes, and 3) once licensed, comply with all rules established by the MRC.

Enforcing the rules of racing and applicable state and federal laws is an ongoing responsibility for the MRC. This includes liaison, investigation, and coordinations with other racing jurisdictions, the NASRC and other law enforcement agencies. Some of the investigations that the MRC concerns itself with are medication rule violations, hidden ownership of horses, narcotic and drug possession, financial complaints, hiring of unlicensed personnel, unauthorized sale or transfer of horses, jockeys and drivers riding or driving under the influence of drugs or alcohol, jockeys and drivers found in possession of electrical devices, and organized crime figures who may be involved in racing. In addition, the MRC must also schedule licensees required to appear before the Board of Stewards, and is required to write a summary report of said inquiry or hearing, including the disposition of the case.

Certain responsibilities of the MRC require additional effort that currently cannot be accomplished with existing personnel. For example, searches of vehicles, tack rooms and persons for contraband; developing confidential information sources; coordinating meetings between law enforcement agencies and track security; surveillance of suspects; interviews of victims, suspects, and witnesses away from the track; liaison with the Attorney General's office; financial complaints and complaints from the public; collecting NSF checks written to the State of Minnesota. Another important and time consuming function of the MRC Director of Security and his staff is to be available during licensing hours to answer questions concerning the rules of licensing.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$48.0 for seasonal contract positions.

ACTIVITY: MINNESOTA BREEDERS' FUND  
 Program: MINNESOTA RACING COMMISSION  
 Agency: MINNESOTA RACING COMMISSION

1987-89 Biennial Budget

DESCRIPTION:

The Minnesota Breeders' Fund was created to provide incentive monies to enhance the horse breeding and racing industry in the State of Minnesota. The primary purpose is to increase the number of race horses foaled in the state and to improve their quality. It is intended that in future years Minnesota horses will not only be competing successfully at Canterbury Downs by earning greater shares of purse monies offered, but also successfully competing at other racetracks throughout the country.

The Fund earns .5 per cent of the first \$48 million wagered in a calendar year and 1 per cent of the amount wagered over \$48 million. Each breed of horse has a separate Fund. Monies are earned from the funds based on their order of finish in all races in which a Minnesota owned or bred horse competes. A Minnesota-bred horse must finish fifth or better in any race to earn an award from the Fund.

The Minnesota Breeders' Fund activity is currently staffed by one full-time employee. At this time, all expenses incurred by this person are being charged to the Breeders' Fund Administrative Account. Three separate administrative accounts have been established; one for thoroughbred, quarter horse, and standardbred. During F.Y. 1986, the administrative cost for the one full-time employee was \$28.7. It is anticipated that a part-time employee will be hired for seasonal work during the busy winter months. Additionally, five veterinary students will be employed as Equine Inspectors to verify that broodmares and stallions are physically in the state by the specified deadline.

During the 1986-87 biennium registration rules were promulgated for each breed of horse. These rules set requirements on the registration of broodmares, stallions, and foals; verification of residency requirement (farm inspections); regulation of restricted races (daily monitoring); and payment of breeders, owners, and stallion awards. As a result of the registration rules, 861 thoroughbred broodmares were registered to foal in the state. 87 thoroughbred stallions were also registered to stand in the state for service, and to date over 550 thoroughbred foals have been registered with the Commission.

Broodmares and stallions are required to be registered to ensure that they will foal in the state or stand for service in the state. This requirement also enables the staff to know exactly where a mare will be foaling or where a stallion is standing for service in the event there must be another on-site inspection made later in the year.

Foals are required to be registered within thirty days after foaling. This requirement enables staff, if need be, to go to the foaling farm and verify date of birth, foaling location, and broodmare's identification.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Registration requirements are necessary to help control the integrity of the program by doing spot checks on farms and setting up guidelines and deadlines which the owners and breeders must comply with to participate in the Breeders' Fund program. Leaving the program without registration may allow foals to be registered as Minnesota bred when, in fact, they were foaled in another state.

Farm inspections were made on approximately 300 broodmares throughout the state so as to verify that they were, in fact, in Minnesota as required by Commission rules. Consequently, 16 broodmares have been declared ineligible to participate in the Thoroughbred Breeders' Fund as a result of the residency requirements.

Also, races restricted for Minnesota-bred and owned horses were monitored on each race day requiring close interaction with Canterbury Downs' Racing Secretary's office.

On December 16, 1985 payments were made to breeders, owners, and stallion owners from the Breeders' Fund. \$144.0 was paid out to breeders and owners and \$4.0 was paid to stallion owners.

Further, the Breeders' Fund Coordinator made presentations to various equine organizations throughout the state so as to increase industry awareness of Breeders' Fund requirements and financial opportunities.

THOROUGHBRED ACTIVITY STATISTICS

	<u>CY 85</u>	<u>CY 86</u>	<u>CY 87</u>	<u>CY 88</u>	<u>CY 89</u>
# of Breeders	201	275	350	400	450
# of Owners	317	662	750	800	830
# of Broodmares	541	861	1050	1250	1450
# of Stallions	55	87	99	111	120
# of Foals	350	550	750	900	1050
# of MN Breds at Ctby. Downs	57	124	290	500	850
# of MN Breds participating in Breeders' Fund	43	88	230	350	600
# of MN Breds finishing 5th or better	23	66	150	250	420
# of MN Breds winning in open company	2	4	8	10	15
# of MN Breds winning any race	8	21	35	70	80
# of Breeders earning Fund monies	17	40	65	80	105
# of Owners earning Fund monies	19	55	90	120	210
# of Stallion Owners earning money from Breeders' Fund	4	9	15	30	40

(Continuation)

Program: MINNESOTA RACING COMMISSION

Agency: MINNESOTA RACING COMMISSION

STANDARD BRED ACTIVITY STATISTICS

	<u>CY 85</u>	<u>CY 86</u>	<u>CY 87</u>	<u>CY 88</u>	<u>CY 89</u>
# of Breeders	NA	50	85	100	120
# of Owners	NA	45	70	110	140
# of Stallions	18	22	25	30	33
# of Foals	50	90	155	200	260
# of MN Breds at Canterbury Downs	NA	17	35	55	93
# of MN Breds participating in Breeders' Fund	NA	10	17	27	46
# of MN Breds finishing 5th or better in any race	NA	6	11	16	27
# of MN Breds winning in open company	NA	1	2	5	7
# of MN Breds winning any race	NA	3	7	10	15
# of Breeders winning money from the Breeders' Fund	NA	4	8	12	18

THOROUGHBRED AWARD CATEGORIES

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Breeders' Awards 31%	\$144.5 (ACT.)	\$204.5 (ACT.)	\$213.0 (EST.)	\$227.0 (EST.)
Owners' Awards 31%	144.5	204.5	213.0	227.0
Purse Supplements 31%	144.5	204.5	213.0	227.0
Stallion Awards 7%	32.6	46.1	48.2	51.3

QUARTERHORSE ACTIVITY STATISTICS

	<u>CY 85</u>	<u>CY 86</u>	<u>CY 87</u>	<u>CY 88</u>	<u>CY 89</u>
# of Breeders	49	119	150	200	230
# of Owners	78	160	210	240	265
# of Broodmares	76	233	320	400	450
# of Stallions	39	52	60	63	65
# of Foals	76	150	200	240	270
# of MN Breds at Canterbury Downs	0	79	95	150	220
# of MN Breds participating in Breeders' Fund		61	73	115	169
# of MN Breds finishing 5th or better		39	46	73	108
# of MN Breds winning in open company		1	2	3	4
# of MN Breds winning any race		8	10	25	40
# of Breeders earning Fund monies		26	30	48	72
# of Owners earning Fund monies		35	41	65	96
# of Stallion Owners earning money from Breeders' Fund		12	14	22	40

STANDARD BRED AWARD CATEGORIES

	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Breeders' Awards 25%	\$ 41.8 (EST.)	\$ 41.8 (EST.)	\$ 41.8 (EST.)
Purse Supplements 75%	125.4	125.4	125.4

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Two positions to administer Breeders' Fund activity. See the change request sheet following the fiscal sheet for this activity.	-0-	-0-	ACTIVITY SPECIFIC

QUARTER HORSE AWARD CATEGORIES

	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Breeders' Awards 35%	\$11.2 (ACT.)	\$12.6 (EST.)	\$12.6 (EST.)
Owners' Awards 35%	11.2	12.6	12.6
Purse Supplements 20%	6.8	7.2	7.2
Stallion Awards 10%	3.2	3.6	3.6



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MINN BREEDERS FUND

PROGRAM: MINN RACING COMM

AGENCY: MINN RACING COMM

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		28.7	45.9	45.9		45.9	45.9	45.9		45.9	45.9
LOCAL ASSISTANCE		374.6	798.0	797.9		797.9	797.9	797.9		797.9	797.9
AIDS TO INDS.											
TOTAL EXPENDITURES		403.3	843.9	843.8		843.8	843.8	843.8		843.8	843.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		18.7	34.2	34.2		34.2	34.2	34.2		34.2	34.2
EXPENSES & CONTRAC. SERV		10.0	10.2	10.2		10.2	10.2	10.2		10.2	10.2
SUPPLIES & MATERIALS			1.5	1.5		1.5	1.5	1.5		1.5	1.5
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS		28.7	45.9	45.9		45.9	45.9	45.9		45.9	45.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		403.3	843.9	843.8		843.8	843.8	843.8		843.8	843.8
TOTAL FINANCING		403.3	843.9	843.8		843.8	843.8	843.8		843.8	843.8
POSITIONS BY FUND											
SPECIAL REVENUE			2.0		2.0	2.0	2.0		2.0	2.0	2.0
TOTAL POSITIONS			2.0		2.0	2.0	2.0		2.0	2.0	2.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MINNESOTA BREEDERS' FUND  
 PROGRAM: MINNESOTA RACING COMMISSION  
 AGENCY: MINNESOTA RACING COMMISSION

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Special Revenue Fund	\$ -0-	2.0	\$ -0-	2.0
Governor's Recommendation				
Special Revenue Fund	\$ -0-	2.0	\$ -0-	2.0

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Minnesota Racing Commission requests its complement to be increased by two positions to be funded by the various Minnesota Breeders' Funds (Special Revenue Fund).

DESCRIPTION/BACKGROUND:

The Minnesota Breeders' Fund, as created by Minn. Stat. §240.15, subd 1a and 240.18, was created to provide economic development and incentive awards to the breeders and owners of Minnesota-bred horses that compete in races on which pari-mutuel wagering is offered. A portion of these funds is authorized to be used for administration of the three Breeders' Fund programs (i.e., thoroughbred, quarter horse, and standardbred).

In addition to monitoring the daily finishes and purses won, the Breeders' Fund Coordinator and Registration Coordinator have responsibilities for mare, stallion, and foal registration for three separate breeds, rule changes, field inspection of all eligible horses, and other duties as directed by the Commission.

STATISTICS:

See Budget Activity Narrative

RATIONALE:

The racing Commission received approval by the Legislative Advisory Commission and the Governor on April 23, 1986, (LAC 1986-87 Order #5) to establish two positions (Breeders' Fund Coordinator and Registration Coordinator). Approval of these positions will allow the continued administration of the three funds and assure the integrity of the program as directed by the Legislature, Racing Commission, and the Breeders' Fund Advisory Committees.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY PURPOSE: The Charitable Gambling Control Board was created in the 1984 Legislative Session, Chapter 349, effective March 1, 1985. The purpose of the board is to regulate legal forms of gambling to prevent commercialization, to ensure integrity of operations and to provide for the use of net profits only for lawful purposes.

OPERATION AND CLIENTELE: The board consists of 13 members, 11 of which are appointed by the Governor for staggered 3-year terms. The other 2 positions are filled by the Attorney General or designee and the Commissioner of Public Safety or designee. The staff complement of the board is 12 members. The 12 members are assigned as follows:

Executive Secretary	Clerk Typist 3
Chief Auditor Supervisor	Clerk Typist 2
Office Services Supervisor III	Account Clerk
Intermediate Auditors (4)	Data Entry Operator
Executive I	

The lawful gambling activities are bingo, tipboards, pull-tabs, paddlewheels and raffles.

One of the powers and duties of the board is to issue, revoke and suspend licenses to organizations, distributors and manufacturers. Effective June 1, 1986, the board has the authority to provide exemptions to organizations conducting gambling 5 or fewer days in a calendar year and awarding less than \$50,000 in prizes (Chapter 467, 1986 Laws, Sec. 26).

Each licensed organization and each licensed distributor reports monthly to the board. No monthly reports are requested of the manufacturers. The organization reports its gross receipts, prizes, profit, tax obligation and expenditures. The distributor report includes a copy of an invoice for each sale and a registration stamp log. The log lists the state registration stamp number and the serial number of the game to which the stamp is affixed.

Another of the powers and duties of the board is to collect taxes and fees. The organization pays a tax of 10% of the gross receipts after the prizes are awarded. An exempted organization pays no tax or fee to the state. All licensees pay a license fee; only organizations pay tax on the conduct of gambling.

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987*</u>	<u>F.Y. 1988*</u>	<u>F.Y. 1989*</u>
Tax Receipts	\$ 442.2	\$ 6,377.9	\$ 4,900.0	\$ 2,460.0	\$ 2,700.0
Fees:					
Organizations	\$ 154.7	\$ 167.1	\$ 191.6	\$ 202.6	\$ 215.6
Distributors	NA	61.5	61.5	61.5	61.5
Manufacturers	NA	NA	12.5	12.5	12.5

\*Chapter 467, Laws 1986, Section 23 provides that after January 1, 1987, organizations will cease payment of tax on pull-tabs with their monthly report to the board. Organi-

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 154.7	\$ 243.9	\$ 265.6	\$ 276.6	\$ 289.6

zations will pay the tax to the distributor at the point of purchase. The collection of the tax on pull-tab activity is approximately 70% of the amount collected by the board. A reduction was made in F.Y. 1987 and F.Y. 1988 to reflect those changes.

Other powers and duties are to receive reports, to make rules, to register gambling equipment, to mandate posting, to report annually to the Governor and the Legislature, and to provide for civil penalties.

The powers and duties are standard with the exception of registration of gambling equipment. Each pull-tab, tipboard, and paddlewheel game and each device for selecting bingo numbers and each paddlewheel are registered with the board. Licensed distributors affix uniquely-numbered registration stamps to each of these items. The registration stamps are purchased from the board. By monitoring reports from distributors and organizations, the board controls gambling activity.

The clientele served directly by the board consists of licensed organizations, distributors and manufacturers. The board serves by regulating lawful gambling through uniform application of statutes and rules. The licensees can rely on action by the board staff within the limits of its authority. Another clientele served by the board is local government and local law enforcement agencies. They are provided with information about licensees in their jurisdiction, about board policy on gambling matters, and about alleged violators in their jurisdiction. The board also serves the participants in licensed gambling by monitoring the conduct of the activities and the accuracy of the reports of the organizations.

EXPLANATION OF BUDGET REQUEST: Two items are included within the CHANGE request for the board. One request is an addition of 10.0 to the complement for F.Y. 1988 and F.Y. 1989. The salary and operating costs are \$342.0 for F.Y. 1988 and \$292.0 for F.Y. 1989. The other request is for \$30.0 for F.Y. 1988 to reprogram the computer system to satisfy a legislative change in Chapter 467, Laws 1986, Section 26.

GOVERNOR'S RECOMMENDATION: The Governor recommends increased funding of \$175.0 in F.Y. 1988 and \$125.0 in F.Y. 1989, and an increase in complement of 4.0 positions. The Governor also recommends that the agency be given the authority to set all fees and that those fees be increased to recover at least 55% of the total costs of the activity in the 1987-89 biennium.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GAMBLING CONTROL BD

PROGRAM: GAMBLING CONTROL BD

AGENCY: CHARIT GMBLNG CTRL BD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	450.5	505.4	545.1	539.0	372.0	911.0	714.0	539.1	292.0	831.1	664.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	450.5	505.4	545.1	539.0	372.0	911.0	714.0	539.1	292.0	831.1	664.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	162.2	347.3	368.7	374.2	255.0	629.2	480.2	373.7	255.0	628.7	479.7
EXPENSES & CONTRAC. SERV	191.0	128.4	135.0	136.8	67.0	203.8	184.8	137.4	37.0	174.4	155.4
SUPPLIES & MATERIALS	23.2	19.1	18.0	18.0		18.0	18.0	18.0		18.0	18.0
EQUIPMENT	74.1	10.6	23.4	10.0	50.0	60.0	31.0	10.0		10.0	11.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	450.5	505.4	545.1	539.0	372.0	911.0	714.0	539.1	292.0	831.1	664.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	450.5	505.4	545.1	539.0	372.0	911.0	714.0	539.1	292.0	831.1	664.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	450.5	505.4	545.1	539.0	372.0	911.0	714.0	539.1	292.0	831.1	664.1
POSITIONS BY FUND											
GENERAL	12.0	12.0	12.0	12.0	10.0	22.0	16.0	12.0	10.0	22.0	16.0
TOTAL POSITIONS	12.0	12.0	12.0	12.0	10.0	22.0	16.0	12.0	10.0	22.0	16.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: CHARITABLE GAMBLING CONTROL BOARD  
 PROGRAM: CHARITABLE GAMBLING CONTROL BOARD  
 AGENCY: CHARITABLE GAMBLING CONTROL BOARD

Request Title: STAFF AND OPERATING CHANGE				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$372.0	10.0	\$292.0	10.0
Governor's Recommendation				
General Fund	\$175.0	4.0	\$125.0	4.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above dollar amounts and positions in order to provide greater scrutiny to the activities and reports of the licensees and to reprogram its data system in response to a change in statute (Chapter 467, Laws 1986, Sec. 23). Summary of the request is as follows:

Agency Request:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
<u>Complement Change Request</u>				
Auditor, Inter. - 4	\$108.0	4.0	\$108.0	4.0
Auditor, Senior - 2	60.0	2.0	60.0	2.0
DEO, Senior - 1	21.0	1.0	21.0	1.0
Clerk I - 1	20.0	1.0	20.0	1.0
Clerk Typ. III - 1	22.0	1.0	22.0	1.0
Acct. Tech. - 1	24.0	1.0	24.0	1.0
	<u>10</u>	<u>10.0</u>	<u>\$255.0</u>	<u>10.0</u>
<u>Operating Cost Change Request</u>				
Office Expansion	\$ 16.0		\$ 16.0	
Furniture, Equipment	50.0			
Travel Costs	21.0		21.0	
Computer Reprogramming	30.0			
	<u>\$117.0</u>		<u>\$ 37.0</u>	
TOTALS	\$372.0	10.0	\$292.0	10.0

DESCRIPTION/BACKGROUND:

Currently the auditing staff is involved with applicants, licensees and requests for interpretation of statute and rules. The activity is indicated below.

Applications for:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Licensed premises	1,423	2,351	2,660	2,870	3,090
Exempted activities	NA	32	1,200	1,800	2,000

In F.Y. 1986, the auditors had 345 recorded appointments, conducted 13 seminars state-wide, reviewed 2,351 applications, and were available for phone and walk-in consultation. Auditors conducted audits of licensees as the need occurred and the time was available. The auditors visited 176 licensed premises in F.Y. 1986. With over 2,500 licensed premises to visit and with annual renewal, the work load is impressive.

To insure that net profit is used for lawful purpose, the auditors review the monthly report of each licensed organization. To demonstrate the increase in workload and the need for additional staffing, the chart below gives the growth in the number of reports reviewed the final month of:

F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
447	1,351	1,700	1,900	2,000

That chart does not include reports of organizations granted exemptions to conduct lawful gambling.

The workload is overwhelming presently and will be increasing by any predictor available. Additional staff is needed.

The data system needs reprogramming to adapt to changes provided in Chapter 467, Laws 1986, Section 23. Chapter 349.212, Subd. 2, provides that the tax on gambling be paid in a time and manner prescribed by board rule. Rules, Chapter 7860.0180, Subp. 1, provides the tax be paid monthly on a form prescribed by the board. The board developed forms and computer programming to accelerate recording, retention and recall of data. Because of the need for reprogramming, additional funding of \$30.0 is needed to reprogram the system. The source of the figure is IMB.

RATIONALE:

The purpose of Chapter 349 is identified in the opening of this document. In order to satisfy those purposes, additional staff is a must. Nothing in the experience of the board points to a lessening of the intensity of gambling activity. More licenses means more reports which means more monitoring of expenditures. It means more visits to licensed premises to review the conduct of the games to insure their integrity. And when the auditors complete their duties, adequate support staff provide records and correspondence and continuity of activity for its clientele.

1987-89 Biennial Budget

CHANGE REQUEST

Agency    Program    Activity

(Continuation)

ACTIVITY: CHARITABLE GAMBLING CONTROL BOARD  
PROGRAM: CHARITABLE GAMBLING CONTROL BOARD  
AGENCY: CHARITABLE GAMBLING CONTROL BOARD

The change in the collection of the tax obligation on pull-tabs forces the board to redesign its report form and its data system to accept and utilize the data. The change in report forms must be structured to maintain its current user-friendly status. Without the funding, the current system would lose its effectiveness and utility.

Without the funding for reprogramming the report and tax data, a backlog would develop immediately. Over \$300 million dollars in cash was reported to the board as gross receipts of lawful gambling in F.Y. 1986. Monitoring that activity with a staff of this size is an impossible task. Providing adequate staff would increase compliance, increase revenue collected on the increased lawful activity, protect licensees by discouraging illegal activities, and increase the amount of profit available for charitable contributions.

GOVERNOR'S RECOMMENDATION:

While the request has merit, other spending priorities preclude funding this activity at the requested level. The Governor recognizes the need for additional audit staff for this activity and recommends that three of the four additional positions recommended be used for auditors.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	0	0	0	0	0

AGENCY PURPOSE:

The purpose of the council is to conduct research and meetings and make recommendations to the Minnesota Congressional Delegation, the National Park Service, the U.S. Department of Interior, and to the other federal and state agencies on all matters related to the establishment and operation of Minnesota's only national park. To insure the National Park is operated, implemented, and established in the best interests of Minnesota citizens and their fellow citizens throughout the country.

OPERATION AND CLIENTELE:

Full council meetings are held quarterly and subcommittee meetings are held as necessary. An office is maintained in International Falls and serves an information gathering and disseminating function and as a coordination element among agencies involved in the planning and development of Voyageurs National Park.

The council works directly with the National Park Service and approximately 20 other agencies on a wide variety of issues regarding Voyageurs National Park. The council also works with federal, state, and local legislators, as well as with interested and/or affected organizations and citizens. The council was originally created in 1975 and has remained in existence since then.

OBJECTIVES:

1. To monitor federal rules, regulations, policies, plans, and legislative initiatives and their implementation, governing the use of Voyageurs National Park, and to ensure they give proper consideration to the best interest of the citizens of Minnesota and of the nation as a whole.
2. To seek appropriate and timely federal funding for the planning and construction of new park facilities, the improvement and maintenance of existing facilities and park access roads, and for the acquisition of lands necessary for development and for landowners who wish to sell their land to the National Park Service.
3. To promote appropriate economic development initiatives for the Voyageurs region, consistent with the traditional character of the area and to determine and monitor the Park's economic impact on the area and state at large. To make recommendations to appropriate state and federal agencies and congressional delegation.
4. To promote cooperation and coordination between and among the National Park Service and other governmental and private entities to advance the interests of the Voyageurs National Park and adjacent areas.

EFFECTIVENESS MEASURES:

1. Number of council recommendations and the degree to which they are adopted by the National Park Service or the Congress.
2. Level of federal funding received for Voyageurs National Park and the comparison of that level with the other 75 developing units of the National Park System.
3. Number of council initiatives and the degree to which those initiatives are implemented by the appropriate governmental and/or private entities.

4. Number of council recommendations that deal with more than 1 government agency and/or private entity and the degree to which those recommendations are implemented.

EXPLANATION OF BUDGET REQUEST:

The 1975 Act creating the Citizens' Council on Voyageurs National Park is scheduled to expire on 6-30-87. Therefore, the entire budget is expressed as a CHANGE level request. Separate legislation will request the extension of the Councils' expiration date.

The budget request represents a higher level of funding for salaries and contracting. The office person will be required to work increased hours and the upgrading of the position will require higher wages. The position increase represents a better arrangement of office hours allowing for the office to be open from 9:00 a.m. to 3:00 p.m. daily. Thus, the increase from .5 to .6.

Contractor expense assumes a normal inflationary increase. The item contracting services also includes an economic impact study of the park on the immediate area. In addition, monies are requested for an indepth brochure on the Citizens' Council itself, (it is 1 of 2 in existence throughout the country).

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: VOYAGEURS NATL PK COMM

PROGRAM: VOYAGEURS NATL PK COMM

AGENCY: VOYAGEURS NAT PK ADV

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	74.6	56.2	59.2		84.9	84.9	84.9		89.9	89.9	89.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	74.6	56.2	59.2		84.9	84.9	84.9		89.9	89.9	89.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	14.3	12.6	14.3		18.0	18.0	18.0		18.0	18.0	18.0
EXPENSES & CONTRAC. SERV	56.9	43.4	44.4		66.3	66.3	66.3		71.3	71.3	71.3
SUPPLIES & MATERIALS	3.4	.2	.5		.6	.6	.6		.6	.6	.6
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	74.6	56.2	59.2		84.9	84.9	84.9		89.9	89.9	89.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	74.6	56.2	59.2		84.9	84.9	84.9		89.9	89.9	89.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	74.6	56.2	59.2		84.9	84.9	84.9		89.9	89.9	89.9
POSITIONS BY FUND											
GENERAL	.5	.5	.5		.6	.6	.6		.6	.6	.6
TOTAL POSITIONS	.5	.5	.5		.6	.6	.6		.6	.6	.6



CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY:

PROGRAM:

AGENCY:      CITIZENS' COUNCIL ON VOYAGEURS NATIONAL PARK

Request Title: Continuation of Council Activities	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Agency Request				
General Fund	\$ 84.9	.6	\$ 89.9	.6
 Governor's Recommendation				
General Fund	\$ 84.9	.6	\$ 89.9	.6
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected:   MS 84B.11				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to continue the activities of the Citizens Council beyond the current expiration date of 6-30-87. The Council's objectives are explained on the previous page.

DESCRIPTION/BACKGROUND:

The legislature created the Citizens' Council in 1975. Under this law, the Council was scheduled to expire in 1983. The 1983 legislature extended the Council to its current expiration date of 6-30-87.

RATIONALE:

The Voyageurs National Park is not yet fully developed. Therefore, the original purposes for the establishment of the Citizens' Council continue to exist.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: MINNESOTA HISTORICAL SOCIETY

<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>Section</u>	<u>Page</u>
MINNESOTA HISTORICAL SOCIETY OPERATIONS	•General Operations	19	10
	•Historic Site Operations		23
REPAIR AND REPLACEMENT	•Repair and Replacement		34
HISTORIC GRANT-IN-AID	•Historic Grant-In-Aid		42
	•Archaeology		46
FISCAL AGENTS	Sibley House Association		50
	Minnesota Humanities Commission		53
	Minnesota International Center		56
	Camp Ripley Military Museum		59
	Minnesota Air National Guard Museum		62
	Project 120		65
STATE HISTORY CENTER	State History Center		67

MINNESOTA HISTORICAL SOCIETY

ORGANIZATION CHART AS  
OF JULY 1, 1986

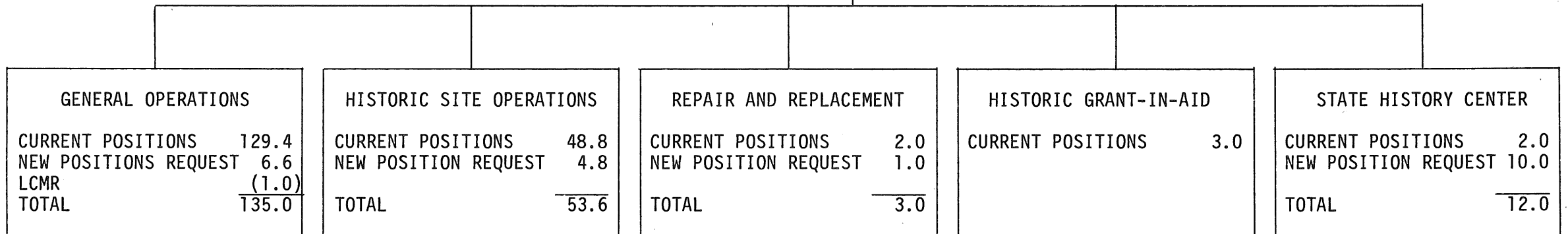
<u>POSITION RECONCILIATION</u>		
	<u>CURRENT</u>	<u>REQUESTED FOR 6/30/89</u>
GENERAL FUND	178.1	200.5
GENERAL FUND-LCMR	1.0	
OTHER:		
FEDERAL FUNDS	6.1	6.1
TOTAL ALL POSTIONS	<u>185.2</u>	<u>206.6</u>
EMPLOYEES ON 6/30/86	312.0 *	

\* EMPLOYEES COUNTED AS ONE REGARDLESS OF THE TIME THEY ARE EMPLOYED.

<u>POSITION SUMMARY</u>	
CURRENT POSITIONS	185.2
NEW POSITION REQUEST	21.4
TOTAL	<u>206.6</u>

MINNESOTA HISTORICAL SOCIETY  
EXECUTIVE COUNCIL

DIRECTOR



AGENCY: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

AGENCY PURPOSE:

The Minnesota Historical Society is the oldest educational institution in the state, having been chartered by the First Minnesota Territorial Legislature in 1849. The purpose of the Society is to nurture among people a knowledge of and appreciation for the history of Minnesota. To realize this objective, the Society shall collect and preserve the materials and records of human culture relating to Minnesota and Minnesotans, serve as an information center on and for the state, and through research and interpretation, illuminate the human story. It shall counsel and assist organizations, institutions, units of government and individuals in identifying, preserving and interpreting the cultural resources of Minnesota. Among the official state historical functions accepted by the Society and defined by statute are those of serving as a free public research library, overseeing the preservation of the State Capitol and administering the State's historic preservation, public records, archaeology, and folklife programs.

For the cultural enrichment of people everywhere, the Society shall make the collections confided to its care accessible, conduct and encourage scholarly research, and through these efforts, continue to illuminate the Minnesota story.

Through fostering a sense of history among all Minnesotans, the Society enriches the state's cultural environment and enables people everywhere to draw strength and perspective from the past and impart purpose to the future.

OPERATION AND CLIENTELE:

The programs of the Minnesota Historical Society reach over 1,000,000 individuals each year. The clientele served are individuals throughout the state, such as the general public, school children; scholars; tourists; state, county, and local units of government; lawyers; genealogists; business people; journalists; school teachers; and individuals from county and local historical organizations statewide. Individuals from other states, as well as from foreign countries, also use the resources of the Minnesota Historical Society.

The programs of the Minnesota Historical Society are comprised of the following:

Minnesota Historical Society Operations  
Repair and Replacement  
Historic Grant-In-Aid  
Fiscal Agents  
State History Center

The program titled Minnesota Historical Society Operations exists to collect, preserve, disseminate, and interpret the history of this state. During the 138 years since its establishment, the Society has been the official custodian of the state's history. The institution functions as Minnesota's memory

with its large collections on the state and its people. These collections (constantly used programs conducted by the Society in all parts of the state) and a network of 31 historic sites, function to help people define and understand Minnesota in all of its aspects as a community of 4,192,972 persons drawing strength from its past and giving purpose to its future.

The program titled Repair and Replacement provides for the on-going maintenance and repair of the 96 structures the Society is responsible for, as well as the exhibits and historical artifacts used as interpretive tools in historic sites and exhibitions. The program also provides state markers and monuments, including rest areas, on the interstate and highway waysides as well as the on-going restoration and preservation of objects in the public areas of the State Capitol.

The program titled Historic Grant-In-Aid consists of 2 grant assistance activities. This program serves county historical societies, local and regional historical organizations, subdivisions of government, non-profit organizations, and the state archaeology community.

The program titled Fiscal Agents functions at the request of the Governor and Legislature for the following organizations: (1) Sibley House Association; (2) Project 120; (3) Minnesota Humanities Commission; (4) Minnesota International Center; (5) Camp Ripley Military Museum; (6) Minnesota Air National Guard Museum. The Society functions as a conduit for the state in disbursing state funds to these organizations and monitoring their expenditures.

The program titled State History Center is to provide a facility which allows the Minnesota Historical Society to merge its operations and collections while maintaining a sense of continuity with the public that we serve.

Details of the Society's operation are provided on the program and activity pages which follow.

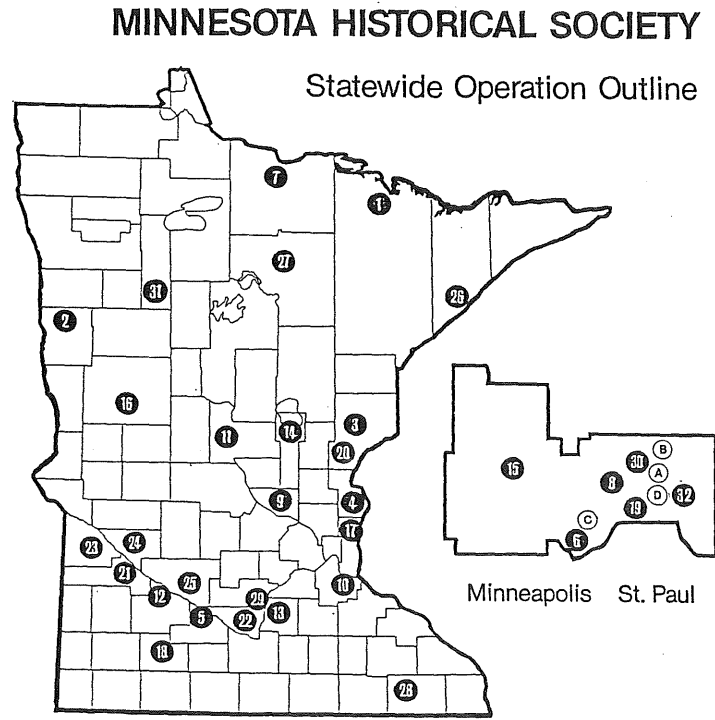
MAJOR POLICY ISSUES:

Recent trends and issues which affect the Minnesota Historical Society include:

- 1) The need to construct and staff the new State History Center.
- 2) The recognition that exhibits are "non-permanent" and need continuing financial resources to interpret the Minnesota story.
- 3) The recognition by one of the state's largest industries -- tourism -- that history and historical resources are a vital state resource.
- 4) The need to complete the development of the state's Historic Sites Program as enacted in 1965.
- 5) The necessity of processing historical data into computer databases to better serve the public and manage historical collections.
- 6) The need to provide grant-in-aid assistance to county and local historical activities at a level which will enable them to preserve their historical resources.
- 7) The need to develop significant historic districts with non-state funds.

STATEWIDE OPERATION OUTLINE:

The map below is intended to display the statewide distribution of Minnesota Historical Society operations.



- |   |  |  |
|---|--|--|
| <b>OPERATIONS OFFICES</b>   | 6. Fort Snelling                             | 19. Ramsey House & Interpretive Center |
| A. State History Center—Main Historical Building, Mechanic Arts Gymnasium and Parking Lot | 7. Grand Mound                               | 20. Stunne Mounds                      |
| B. Business Office & Research Center  | 8. Griggs House                              | 21. Upper Sioux Agency                 |
| C. Fort Snelling Historic Complex   | 9. Kelley Farm                               | 22. Harkin-Massogust Store             |
| D. James J. Hill House.   | 10. LeDuc House                              | 23. Lac qui Parle Mission              |
| <b>HISTORIC SITES</b>   | 11. Lindbergh House & Interpretive Center    | 24. Fort Renville                      |
| 1. Bourassa Fur Post  | 12. Lower Sioux Agency & Interpretive Center | 25. Birch Coulee                       |
| 2. Cornstock House  | 13. Mayo House                               | 26. Split Rock Lighthouse              |
| 3. Northwest Company Post   | 14. Mille Lacs Indian Museum                 | 27. Forest History Center              |
| 4. Folsom House   | 15. Minnehaha Depot                          | 28. Melghen Store                      |
| 5. Fort Ridgely   | 16. Morrison Mounds                          | 29. Traverse Des Sioux                 |
|   | 17. Marine Mill Site                         | 30. Minnesota State Capitol            |
|   | 18. Petroglyphs Site                         | 31. Itasca Headwaters Area             |
|   |  | 32. James J. Hill House                |

<u>INDEX</u>	<u>Agency Request 1987-89 Biennium All Funds</u>	<u>Governor's Recommendation 1987-89 Biennium All Funds</u>	<u>Page</u>
SAME Level Request	\$ 24,164.6	\$ 24,119.6*	
Management and Administrative Support	232.4	-0-	14
Acquisitions/Processing	364.4	-0-	16
Preservation	92.6	-0-	18
Public Access and Interpretation	167.5	-0-	19
Historical Data Base (LCMR)	100.0	-0-	21
Farm Economy Project (LCMR)	45.0	-0-	22
Historic Sites System	798.5	(451.8)	27
Archaeology	50.0	-0-	30
State Historic Preservation Office	199.6	-0-	31
Heritage Trails (LCMR)	45.0	-0-	32
Geographical Resources (LCMR)	45.0	-0-	33
Repair and Replacement	975.4	550.0	37
Historic Grant-In-Aid	373.4	-0-	44
Indian History Grant-In-Aid (LCMR)	70.0	-0-	45
Sibley House Association	23.8	-0-	52
Minnesota Humanities Commission	98.6	-0-	55
Minnesota International Center	40.0	-0-	58
Camp Ripley Military Museum	20.0	-0-	61
Minnesota Air National Guard Museum	11.3	-0-	64
State History Center	<u>686.0</u>	<u>289.4</u>	69
<u>AGENCY TOTAL</u>	<u>\$ 28,603.1</u>	<u>\$ 24,507.2</u>	

\*Reduction of \$45.0 for an LCMR funded project. The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
MHS OPERATIONS	10,563.3	10,696.9	11,228.1	11,303.7	1,067.8	12,371.5	11,058.4	11,321.9	1,072.2	12,394.1	11,070.4
REPAIR AND REPLACEMENT		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
HISTORIC GRANT-IN-AID	409.7	340.1	393.2	394.3	221.7	616.0	394.3	394.3	221.7	616.0	394.3
FISCAL AGENTS	164.5	223.7	177.1	227.1	96.9	324.0	227.1	177.1	96.8	273.9	177.1
STATE HISTORY CENTER			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
TOTAL	11,137.5	11,418.3	11,971.5	12,098.2	2,177.5	14,275.7	12,183.6	12,066.4	2,261.0	14,327.4	12,323.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10,694.4	11,010.7	11,568.6	11,644.2	1,860.8	13,505.0	11,729.6	11,662.4	1,944.4	13,606.8	11,919.6
LOCAL ASSISTANCE	430.6	406.9	402.2	453.3	316.7	770.0	453.3	403.3	316.6	719.9	403.3
AIDS TO INDS.	12.5	.7	.7	.7		.7	.7	.7		.7	.7
TOTAL EXPENDITURES	11,137.5	11,418.3	11,971.5	12,098.2	2,177.5	14,275.7	12,183.6	12,066.4	2,261.0	14,327.4	12,323.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	7,914.3	8,753.4	9,202.6	9,481.8	2,026.5	11,508.3	9,589.2	9,449.0	2,107.0	11,556.0	9,729.2
GENERAL FUND - LCMR	118.9										
MN RESOURCES		85.1	174.9	22.0	151.0	173.0		23.0	154.0	177.0	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	2,675.8	2,237.5	2,237.5	2,237.5		2,237.5	2,237.5	2,237.5		2,237.5	2,237.5
FEDERAL	428.5	342.3	356.5	356.9		356.9	356.9	356.9		356.9	356.9
TOTAL FINANCING	11,137.5	11,418.3	11,971.5	12,098.2	2,177.5	14,275.7	12,183.6	12,066.4	2,261.0	14,327.4	12,323.6
POSITIONS BY FUND:											
GENERAL	172.6	177.4	178.1	178.1	21.4	199.5	180.1	178.1	22.4	200.5	186.1
GENERAL FUND - LCMR	1.0										
MN RESOURCES		1.0	1.0								
FEDERAL	5.6	6.1	6.1	6.1		6.1	6.1	6.1		6.1	6.1
TOTAL POSITIONS	179.2	184.5	185.2	184.2	21.4	205.6	186.2	184.2	22.4	206.6	192.2

PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

PROGRAM PURPOSE:

- 1) To provide direction, administrative support and institutional management, both programatically and financially, to all programs and activities.
- 2) To collect, preserve, disseminate, and interpret the history of Minnesota.
- 3) To provide technical assistance to county and local units of government, historic districts, municipalities, state agencies, county, regional, local, and special purpose historical organizations.
- 4) To administer the National Historic Preservation Act and Program, and maintain the National and State Register of Historic Places.

PROGRAM DESCRIPTION:

The evidence of our past is represented by the vast holdings entrusted to the care of the Minnesota Historical Society. These holdings are comprised of over 1,860,650 rare and historically unique items organized into 14 collections described as follows:

CURRENT HOLDINGS

- 1) 348,833 Volumes of rare published books, pamphlets, trade books, journals, and reference works
- 2) 32,000 Issues of periodicals
- 3) 450,000 Issues of Minnesota newspapers
- 4) 263,087 Photographs
- 5) 1,751 Pieces of audio-visual media
- 6) 4,033 Works of art
- 7) 36,576 State, territorial, and regional maps
- 8) 39,071 Cubic feet of state and local government records - State Archives
- 9) 37,704 Cubic feet of manuscripts and papers of individuals such as Ignatius Donnelly, etc.
- 10) 112,000 Three-dimensional museum artifacts such as, tools, clothing etc.
- 11) 87 Historic structures
- 12) 500,000 Archaeological artifacts
- 13) 3,500 Standing structures inventory files
- 14) 32,000 Archaeological inventory files

OPERATION: The administration and management of each activity is performed by staff with appropriate skills relating to each operation. This program includes 2 activities:

- 1) General Operations: (1) To provide management, direction, and public information for all programs and activities of the Society; (2) to collect, preserve, interpret and make available to the public the holdings of the Society, which includes books, periodicals, state archives and manuscripts, 3-dimensional items, archaeological artifacts, newspapers, photographs, films, oral history tapes, works of art, standing structure inventory files, and archaeological inventory files. This activity represents the operations of the library/archives, museum collections, as well as education and publication programs.
- 2) Historic Site Operations: (1) To acquire, preserve, and make available to the public, the most significant historic sites in Minnesota; (2) to provide technical assistance to county and local units of government, historic districts, municipalities, state agencies, county, regional, local and special purpose historical organizations; (3) to administer the National Historic Preservation Act and maintain the National and State Register of Historic Places.

ACCOMPLISHMENTS:

- 1) Effectively served over 1,000,000 citizens from across the state and the nation.
- 2) In cooperation with the State Department of Administration purchased the Miller Hospital site from United Hospitals, Inc. This is the site selected for construction of the State History Center. The demolition of the Miller Hospital is now complete in preparation for construction of the Center.
- 3) The architectural firm of Hammel, Green, and Abrahamson, Inc., Minneapolis, was named the winner of the State History Center architectural competition.
- 4) Secured funding for the Minnesota textbook project NORTHERN LIGHTS from the Blandin Foundation. This funding is in the form of a grant with a partial payback provision.
- 5) Completed the construction of the Split Rock Lighthouse Interpretive Center.
- 6) Concluded a major study which resulted in a report that defines the requirements for automation support of collections processing and management, and for support of patron access to information about the collections as well as to items in the collections themselves.
- 7) Secured funding from the National Endowment for the Humanities for a major exhibition titled "The Way to Independence" to be produced and shown here before traveling to the Smithsonian Institution, the American Museum of National History in New York, the North Dakota Heritage Center in Bismarck, and the Joslyn Museum in Omaha. This exhibition will present the transition from traditional life to reservation life as experienced by a Plains Indian Tribe and documented by the vast collection of Hidatsa Indian artifacts given to the Society by St. Paul anthropologist Gilbert Wilson. This exhibition will open at 690 Cedar Street in June of 1987.

PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 (Continuation)  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

PUBLIC USE

GENERAL OPERATIONS	DIRECT				INDIRECT			
	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
LIBRARY COLLECTIONS AND STATE ARCHIVES								
In-Person Patrons	25,668	26,000	26,000	26,000	20,639	20,300	20,800	20,800
Telephone/Correspondence Inquiries								
MUSEUM COLLECTIONS AND REFERENCE SERVICES								
Museum Visitation and School Class Research Inquiries Addressed	69,786	70,286	70,500	70,500	1,118	1,170	1,170	1,170
EDUCATIONAL/SCHOOL SERVICES								
Teachers Reached by Workshops, Conferences, Etc.	521	550	550	550				
Film/Videotape Audience	15,750	15,750	15,750	15,750				
Traveling Exhibit Audience	241,548	232,258	232,258	232,258				
ROOTS Distribution					21,640	21,640	21,640	21,640
Educational Catalogs Disbributed					2,139	2,139	2,139	2,139
PUBLICATIONS AND RESEARCH								
Items Distributed					73,000	61,000	62,000	63,000
HISTORIC SITE OPERATIONS AND TECHNICAL ASSISTANCE								
Site Attendance	587,489	568,290	505,670	505,670				
Public Meeting Attendance	6,515	6,515	6,515	6,515				
Individuals Served through County and Local Historical Organizations					32,500	32,500	32,500	32,500
<u>TOTAL</u>	<u>947,277</u>	<u>919,649</u>	<u>857,243</u>	<u>857,243</u>	<u>151,036</u>	<u>138,749</u>	<u>140,249</u>	<u>141,249</u>



Agency: MINNESOTA HISTORICAL SOCIETY

EXPLANATION OF BUDGET REQUEST:

Eleven CHANGE items are requested for this program. (1) \$119.0 in F.Y. 1988 and \$113.4 in F.Y. 1989 is requested for management and administrative support; (2) \$182.2 each year for collections acquisition and processing; (3) \$46.3 each year for preservation of collections; (4) \$83.6 in F.Y. 1988 and \$83.9 in F.Y. 1989 for public access and interpretation of information; (5) \$50.0 each year for historical database (LCMR); (6) \$22.0 in F.Y. 1988 and \$23.0 in F.Y. 1989 for the farm economy project (LCMR); (7) \$396.0 in F.Y. 1988 and \$402.5 in F.Y. 1989 for operation of historic sites; (8) \$25.0 each year for the archaeology program; (9) \$99.7 in F.Y. 1988 and \$99.9 in F.Y. 1989 to administer the national Historic Preservation Act, and to maintain the National and State Register of Historic Places; (10) \$22.0 in F.Y. 1988 and \$23.0 in F.Y. 1989 for heritage trails (LCMR); and, (11) \$22.0 in F.Y. 1988 and \$23.0 in F.Y. 1989 for geographical resources (LCMR).

GOVERNOR'S REQUEST:

The Governor recommends the SAME level of funding for this program except for the following: 1) A biennial reduction of \$45.0 for an LCMR funded project. The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987; and 2) A biennial reduction of \$451.8 in the Historic Site Operations activity. The Governor recommends a change in state policy relating to funding of historic sites. For more details, see Historic Site System CHANGE request sheet in the Historic Site Operations Activity.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: MHS OPERATIONS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
GENERAL OPERATIONS	6,567.8	6,994.9	7,378.8	7,389.3	503.1	7,892.4	7,367.3	7,407.5	498.8	7,906.3	7,384.5
HISTORIC SITE OPERATIONS	3,995.5	3,702.0	3,849.3	3,914.4	564.7	4,479.1	3,691.1	3,914.4	573.4	4,487.8	3,685.9
TOTAL	10,563.3	10,696.9	11,228.1	11,303.7	1,067.8	12,371.5	11,058.4	11,321.9	1,072.2	12,394.1	11,070.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10,550.8	10,696.2	11,227.4	11,303.0	1,057.8	12,360.8	11,057.7	11,321.2	1,062.2	12,383.4	11,069.7
LOCAL ASSISTANCE					10.0	10.0			10.0	10.0	
AIDS TO INDS.	12.5	.7	.7	.7		.7	.7	.7		.7	.7
TOTAL EXPENDITURES	10,563.3	10,696.9	11,228.1	11,303.7	1,067.8	12,371.5	11,058.4	11,321.9	1,072.2	12,394.1	11,070.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	7,442.6	8,135.4	8,567.4	8,795.5	951.8	9,747.3	8,572.2	8,812.7	953.2	9,765.9	8,584.2
GENERAL FUND - LCMR	118.9										
MN RESOURCES		85.1	174.9	22.0	116.0	138.0		23.0	119.0	142.0	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	2,675.8	2,237.5	2,237.5	2,237.5		2,237.5	2,237.5	2,237.5		2,237.5	2,237.5
FEDERAL	326.0	238.9	248.3	248.7		248.7	248.7	248.7		248.7	248.7
TOTAL FINANCING	10,563.3	10,696.9	11,228.1	11,303.7	1,067.8	12,371.5	11,058.4	11,321.9	1,072.2	12,394.1	11,070.4
POSITIONS BY FUND:											
GENERAL	170.1	173.4	172.1	172.1	11.4	183.5	172.1	172.1	11.4	183.5	172.1
GENERAL FUND - LCMR	1.0										
MN RESOURCES		1.0	1.0								
FEDERAL	5.1	5.1	5.1	5.1		5.1	5.1	5.1		5.1	5.1
TOTAL POSITIONS	176.2	179.5	178.2	177.2	11.4	188.6	177.2	177.2	11.4	188.6	177.2

ACTIVITY: GENERAL OPERATIONS  
 Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY PURPOSE:

- 1) To provide direction, administrative support and institutional management, both programatically and financially, to all programs and activities in pursuing the agency purpose;
- 2) To collect, preserve, interpret and make available to the public the Society's collections that include books, maps, newspapers, photographs, films, oral history tapes, paintings, manuscripts, public records, 3-dimensional museum items, archaeological artifacts, standing structure inventory files, and archaeological inventory files.

ACTIVITY DESCRIPTION: This activity functions under its time-honored purposes of collecting, preserving, disseminating, and interpreting the history of Minnesota. Materials are added to the collections, enriching what is already one of the major research centers in the nation. A heightened consciousness of the need to conserve, as well as to preserve, the Society's collections is apparent. The Society constantly disseminates information about Minnesota -- drawn from its unique collections -- to the citizens of the state as well as to its visitors. Heavy use of collections is requiring the Society to take measures to ensure the survival of these precious items for future generations of Minnesotans. The basic operation of this activity is described as follows:

- 1) Management and Administrative Support: A major component of this activity provides direction, administrative support and institutional management, both programatically and financially, to all programs and activities in pursuing the agency purpose. (1) Establish policy for the agency in accordance with state law and the Society's 1849 Territorial Charter; (2) provide overall program planning and establish priorities; (3) structure and control all financial resources in accordance with state and federal law. This includes budgeting and accounting services in accordance with generally accepted accounting principles; (4) implement and administer the authorized legislative program; (5) coordinate inter-governmental contacts and serve as liaison with other state and federal agencies; (6) represent the Society in legal actions; (7) work with the Governor's office, executive branch of government, and the Legislature on statewide historical preservation policies and programs; (8) work with colleges, universities, public and private schools, and 300 county, local, and private historical organizations; (9) develop, with the assistance of the State Department of Finance, the Biennial Budget Request for presentation to the Governor and the Legislature; (10) establish and administer personnel policies and procedures; (11) establish and administer policies and procedures as they relate to public information; (12) establish and administer contracting and purchasing policies and procedures; (13) establish and administer policies and procedures as they relate to the Society's major buildings; (14) establish and administer policy and procedure for the stockroom and mailing functions; (15) establish and administer the membership program; (16) establish and administer policies and procedures for order processing for books, microfilm, and museum shops program; (17) function as fiscal agent for various activities specifically authorized by the Governor and the Legislature.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-
Statistics:		F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. programs managed		5	5	5	5
No. activities managed		12	12	12	12
No. budgets managed		150	150	150	150
Facilities managed:					
Buildings		96	96	96	96
Total gross square feet		437,977	437,977	437,977	437,977
Personnel administration, FTE		242	230	230	230
No. fiscal agents served		6	6	6	6

- 2) Acquisitions/Cataloging: Collection of rare and historically unique material is necessary to document the state's history. A small percentage of items are purchased and many are donated by Minnesotans and Minnesota corporations. Some of the material is received through state law and other material is created by the Society's activities. All items are evaluated for relevance, preservability, and historical value by staff before they are acquired. An important element of this program is the Environmental Oral History Series as funded by the Legislative Commission on Minnesota Resources.

Once items are acquired, they must be processed. This includes many steps from the initial record of receipt of an item to the final goal of making it usable by the public. Bibliographic information must be developed, collections organized, items housed, and finding aids developed.

More and more of the material is entered into national databases. This allows the collections to become known to other scholars and libraries across the nation. Efficiencies are gained by the use of shared cataloging.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of acquisitions:				
2-dimensional	57,027	56,700	56,000	56,000
3-dimensional	8,353	5,700	5,700	5,700
state archives and manuscripts (cubic feet)	2,829	2,100	2,000	2,000
No. of items processed:				
2-dimensional:				
-full processing	9,027	9,000	9,000	9,000
-partial processing	48,000	48,000	48,000	48,000
3-dimensional artifacts	1,055	500	500	500
state archives and manuscripts (cubic feet)	840	900	900	900
Total no. of records in national and local databases	52,034	63,172	74,310	85,448
No. of records entered into national and local databases	11,138	11,138	11,138	11,138

ACTIVITY: GENERAL OPERATIONS

1987-89 Biennial Budget

(Continuation)

Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS

Agency: MINNESOTA HISTORICAL SOCIETY

- 3) Preservation: Increased public use of the rare collections, coupled with their fragility due to age, requires the conservation and preservation of these materials. They are preserved for present and future generations by use of a variety of state-of-the-art conservation techniques. The greatest preservation need is a proper storage environment maintaining stable temperature and relative humidity. We also aid the preservation of materials with such things as the use of acid-free containers and secure storage covers. Another conservation/preservation technique is the newspaper microfilming project. Documents are repaired, deacidified, and encapsulated in conservation laboratories. Other methods include photographing, cleaning, and binding. Some preservation is accomplished through contracting with individuals with specialized skills.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. items preserved	13,619	14,600	15,600	15,600
No. items treated in conservation lab	314	850	350	450
No. master microfilm rolls produced	1,543	1,700	1,800	1,800
No. duplicate microfilm rolls produced	4,802	4,000	2,500	2,500
3-D artifacts photographed	2,468	3,000	3,000	3,000

- 4) Public Use and Interpretation: The collections are made available to the public in several ways:

- a. The Minnesota Historical Society libraries contain materials relating to the state's history and development. Our's is the oldest public library in the state, and the collections are among the largest and finest in the country. The libraries are used by researchers, authors, teachers, business people, collectors, government agency personnel, the general public interested in community history, genealogists, historic preservationists, and academic scholars. This clientele is served through facilities that are open to the public 6 days a week. Located at the main historical building at 690 Cedar Street is the reference reading room, the newspaper room, the audio-visual library, and the map library. Located in the Research Center at 1500 Mississippi Street is the state archives and manuscripts reading room.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
In-person patrons served	25,668	26,000	26,000	26,000
No. phone & correspondence inquiries addressed	20,639	20,300	20,800	20,800
No. collections used by public	90,651	92,000	92,000	92,000
Inter-library loans	4,133	4,300	1,500	1,500

- b. The collections are also made available to the public through the Society's exhibit program. This program provides opportunities for the general public, tourists to the state, community groups and school groups to learn about the past of the state and region. This is accomplished through a program of changing exhibits in the museum galleries and public areas of the Historical Building, and the State Capitol. Educational programs are conducted for school children and adult visitors to the museum. Traveling exhibits are offered for circulation to schools, libraries, museums, and community organizations throughout the state.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Museum visitors	69,786	70,286	70,500	70,500
Museum school adult classes	706	700	700	700
Traveling exhibit showings	104	100	100	100
Film and videotape showings	450	450	450	450

- c. The Society also disseminates information through research, publication, and distribution of printed materials which interpret state, regional, and local history to the general public and to Minnesota school children and teachers. These materials provide authoritative information on the past of Minnesota and the Upper Midwest region to users which include over 6,050 public, academic, private, and special libraries. This program serves a cross section of the reading public in all 50 states and some 10 foreign countries by annually editing and publishing journals, magazines, books, pamphlets, exhibit catalogs, historic sites guides, reports, leaflets, and prints of historical art works. The program initiates original research for future publications, encourages research and writing by both scholars and talented amateur historians, solicits manuscripts for books and articles pertinent to the history of Minnesota and evaluates unsolicited book and article manuscripts submitted by the public. Curriculum resource materials are provided to assist Minnesota schools in expanding and improving the teaching of state, regional, and local history. These materials are used in the classroom, both elementary and secondary. Teacher training and in-service programs related to the study of state history are provided. This is accomplished in cooperation with colleges and universities and with the State Department of Education to ensure the development of state programs of history.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Publications issued	23	27	28	28
No. publications distributed	73,000	61,000	62,000	63,000
Minnesota History distribution	30,580	31,000	31,000	31,000
Roots distribution	21,640	21,640	21,640	21,640
Manuscripts reviews:				
No. mss. acquired for publishing	20	20	20	20
No. mss. proposals evaluated	133	130	130	130
No. schools reached	2,139	2,139	2,139	2,139
Teachers reached by in-service programs, workshops, courses	521	550	550	550

ACTIVITY: GENERAL OPERATIONS 1987-89 Biennial Budget  
 (Continuation)  
 Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 Agency: MINNESOTA HISTORICAL SOCIETY

MAJOR OBJECTIVES: Some of the major objectives of this activity are listed as follows:

- 1) Develop and implement an institution-wide collections management and systems policy.
- 2) Develop institution-wide preservation priorities for collections.
- 3) Provide proper storage for all collections in secure, safe, and stable environments.
- 4) Develop a coordinated process of exhibit planning and a regular biennial plan for all exhibits.
- 5) Work to improve and expand the teaching of regional, state, and local history in Minnesota's schools.
- 6) Issue an "User's Guide to the Minnesota Historical Society," with information on what and where Society resources are available.
- 7) Encourage national and regional history organizations to meet in Minnesota with Society involvement in order to expand the use of Minnesota historical resources.
- 8) Maintain the high level of public use.
- 9) Provide evening hours allowing the working public access to the reference and research facilities.
- 10) Provide for institutional administration of our job classification structure and provide technical assistance in the preparation of position descriptions.
- 11) Establish in-house training and development programs.
- 12) Develop and maintain an in-house operations and financial auditing function.

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Management and Administrative Support Needed to fund financial controls, human resources, workers' compensation monthly benefit, and supply and expense needs. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 119.0	\$ 113.4	Activity Specific
Acquisitions/Cataloging Needed to fund increased costs of acquiring and cataloging rare and historically unique material. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 182.2	\$ 182.2	Activity Specific

Preservation Needed to accomplish bulk reduction of state archival material and preserve 3-dimensional museum artifacts. See CHANGE sheet following the fiscal sheet for this activity.	\$ 46.3	\$ 46.3	Activity Specific
Public Access and Interpretation Needed to fund increased public hours for libraries, education programs for museum visitors, and teacher training. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 83.6	\$ 83.9	Activity Specific
Historical Data Base (LCMR) Needed to organize and automate the collections, increase public awareness and improve management of the collections. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 50.0	\$ 50.0	Activity Specific
Farm Economy Project (LCMR) Needed to record the changes in farm economy and the effects on the social fabric and general economy. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 22.0	\$ 23.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GENERAL OPERATIONS

PROGRAM: MHS OPERATIONS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	6,555.3	6,994.2	7,378.1	7,388.6	503.1	7,891.7	7,366.6	7,406.8	498.8	7,905.6	7,383.8
LOCAL ASSISTANCE											
AIDS TO INDS.	12.5	.7	.7	.7		.7	.7	.7		.7	.7
TOTAL EXPENDITURES	6,567.8	6,994.9	7,378.8	7,389.3	503.1	7,892.4	7,367.3	7,407.5	498.8	7,906.3	7,384.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,280.8	4,384.2	4,658.5	4,637.9	195.8	4,833.7	4,637.9	4,637.9	195.9	4,833.8	4,637.9
EXPENSES & CONTRAC. SERV	1,681.9	2,015.8	2,106.0	2,109.6	248.7	2,358.3	2,087.6	2,127.8	244.3	2,372.1	2,104.8
SUPPLIES & MATERIALS	308.9	232.8	265.7	280.7	29.3	310.0	280.7	280.7	29.3	310.0	280.7
EQUIPMENT	233.7	292.7	247.9	247.9	29.3	277.2	247.9	247.9	29.3	277.2	247.9
OTHER EXPENSE ITEMS	50.0	68.7	100.0	112.5		112.5	112.5	112.5		112.5	112.5
TOTAL STATE OPERATIONS	6,555.3	6,994.2	7,378.1	7,388.6	503.1	7,891.7	7,366.6	7,406.8	498.8	7,905.6	7,383.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	4,645.8	5,435.7	5,760.2	5,843.6	431.1	6,274.7	5,843.6	5,860.8	425.8	6,286.6	5,860.8
GENERAL FUND - LCMR	118.9										
MN RESOURCES		40.1	94.9	22.0	72.0	94.0		23.0	73.0	96.0	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	1,769.1	1,487.2	1,487.2	1,487.2		1,487.2	1,487.2	1,487.2		1,487.2	1,487.2
FEDERAL	34.0	31.9	36.5	36.5		36.5	36.5	36.5		36.5	36.5
TOTAL FINANCING	6,567.8	6,994.9	7,378.8	7,389.3	503.1	7,892.4	7,367.3	7,407.5	498.8	7,906.3	7,384.5
POSITIONS BY FUND											
GENERAL	123.9	129.7	127.1	127.1	6.6	133.7	127.1	127.1	6.6	133.7	127.1
GENERAL FUND - LCMR	1.0										
MN RESOURCES		1.0	1.0								
FEDERAL	1.3	1.3	1.3	1.3		1.3	1.3	1.3		1.3	1.3
TOTAL POSITIONS	126.2	132.0	129.4	128.4	6.6	135.0	128.4	128.4	6.6	135.0	128.4

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: MANAGEMENT AND ADMINISTRATIVE SUPPORT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 119.0	2.0	\$ 113.4	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to provide direction, administrative support and institutional management, both programatically and financially, to all activities in pursuing the agency purpose.

DESCRIPTION/BACKGROUND:

The various elements of this change request are set forth as follows:

1) Financial Controls:

The Society currently works with 5 distinct accounting functions which are all integrated at the agency level in terms of the Society's financial reports, audits and the Biennial Budget Document. The 5 systems are as follows: (1) Scientific Computers, Inc.--State Funds; (2) Statewide Accounting System; (3) Biennial Budget System; (4) Scientific Computers, Inc.--Private Funds; and, (5) Federal Funds. These major systems must interface with sub systems such as Control Data Corporation payroll and personnel reporting, accounts payable and receivable, inventory and sales recording. Just as the state must issue and maintain procedural manuals, so must the Society serve this important function. Control, maintenance, and networking of all of these very technical functions is critical to the integrity that is vital in handling public and private monies.

A position is requested to perform a number of internal auditing functions such as conducting audits on accounts, projects, and systems. There is a need to design, enhance, maintain, interface, and network systems such as accounting general ledger, accounts payable and receivable, personnel and payroll functions as well as inventory reporting and sales recording. This position would also standardize work procedures, develop and maintain procedural manuals, and maintain a capital assets inventory. Currently the Society does not have a position to perform these tasks.

	F.Y. 1988	F.Y. 1989
1.0 FTE Systems Auditor	\$ 34.9	\$ 34.9
Support costs for position	1.0	1.0
TOTAL	\$ 35.9	\$ 35.9

2) Human Resources:

The Society is concentrating on strengthening its human resources management. With the Department of Employee Relations no longer able to provide these valuable services, our request here is twofold.

A position is requested to perform on-going maintenance to the Society's job classification structure. This position would also provide assistance to all programs in writing position descriptions.

	F.Y. 1988	F.Y. 1989
1.0 FTE Job Analyst	\$ 28.0	\$ 28.0
Support costs for position	1.0	1.0
TOTAL	\$ 29.0	\$ 29.0

Funding is requested to establish a comprehensive in-house training program. This program will provide training related to positive supervisory techniques, policies and procedures, and managing the human resources. This training is intended to result in peak employee performance which will allow the Society to more effectively and efficiently fulfill its mission.

	F.Y. 1988	F.Y. 1989
In-house training program	\$ 15.2	\$ 9.6

3) Workers' Compensation Monthly Benefit:

In F.Y. 1985 the Society settled a workers' compensation claim. The settlement included payment of a monthly benefit which replaced wages lost by the employee due to an injury. The funding requested represents this monthly benefit.

	F.Y. 1988	F.Y. 1989
Monthly benefit (annual amount)	\$ 3.9	\$ 3.9

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity  
(Continuation)

ACTIVITY: GENERAL OPERATIONS  
PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
AGENCY: MINNESOTA HISTORICAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend any increased funding this biennium. The Governor recommends that increased program funding requests, along with the potential for increased revenues, be reviewed next biennium in the context of the move to the new History Center.

4) Supply and Expense Needs:

This request is for supply and expense needs related to inflationary costs and increased prices and consumption by the various programs these funds support. No inflationary increases have been granted to the Society since the 1981-83 appropriations. This activity purchases supplies and materials for all program areas through Central Stores. This activity also supplies program areas with items such as stationery, envelopes, word processing and personal computer printout paper, software and supplies for word processors and personal computers, shipping cartons, copy machine paper and toner, building cleaning supplies, light bulbs, florescent fixture starter units, and restroom supplies. This activity is also responsible for repairs of equipment and communication costs.

The funding requested represents an increase for repairs and maintenance contracts for equipment such as personal computers, word processing systems, and copy machines. As this equipment ages it requires increased funding to maintain. Additional telephone lines are also required in order to access external service bureaus via personal computers. This request also includes the need to purchase newly developed software packages for personal computers and word processing systems as well as the host of supplies that are listed above.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Repairs to equipment	\$ 10.0	\$ 10.0
Communications	5.0	5.0
Supplies and materials	20.0	20.0
TOTAL	<u>\$ 35.0</u>	<u>\$ 35.0</u>

RATIONALE:

The funding request in this CHANGE level will allow the Society to keep pace with the changes occurring in our environment that relate to very basic concepts in management and administration. Areas undergoing these dramatic changes are human resources, financial controls, and electronic information systems. Failure to keep pace will greatly weaken the Society's operations and its ability to effectively manage and control the programs it is charged with supporting.



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: ACQUISITIONS/CATALOGING				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 182.2	2.0	\$ 182.2	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to fulfill the purpose of acquiring and cataloging rare and historically unique material. This material is necessary to document the state's history.

DESCRIPTION/BACKGROUND:

This rare and historically unique material is represented by collections that include books, maps, newspapers, photographs, films, oral history tapes, paintings, manuscripts, public records, 3-dimensional museum items, archaeological artifacts, standing structure inventory files, and archaeological inventory files. Items are evaluated for relevance, preservability, and historical value by staff before they are acquired.

Only a very small percent of items, mainly trade books, journals, 3-dimensional museum artifacts, artworks, photographs, and microfilms are purchased. Most items are donated by Minnesotans and Minnesota corporations. Some material, such as oral history, standing structures inventory files, and archaeological inventory files are created by operating divisions of the Society. Other material, such as state archives material is received through state laws.

The various elements of this change request are set forth as follows:

1) Acquisition of Materials:

The current funding level for books, out-of-print books, pamphlets, maps, historical paintings, bibliographies, journals, reference works, serials, trade catalogs, audio-visual materials, and 3-dimensional museum artifacts is \$53.0 per year. This amount has not increased for a decade, although the price of these items has increased dramatically. Funds are requested to keep pace with the increased cost of purchasing these historical materials.

A position is requested to meet the need to document the state's history through oral history. Oral history is being done across the state but much of it remains unused because it is not properly processed and no central clearing house or catalog exists to inform the public about what is available. The Society does not currently have a position to serve this function.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1.0 FTE Oral Historian	\$ 27.9	\$ 27.9
Support funds for position	1.0	1.0
Acquisition funds	23.5	23.5
TOTAL	\$ 52.4	\$ 52.4

2) Retrospective Cataloging:

Funds are requested to recatalog books processed prior to 1976. These books must be recatalogued in order to fully automate information about the library collections allowing these books to be entered into national databases. This allows the state's collections to become known and used by other scholars and libraries across the nation. Efficiencies are gained by the use of shared cataloging. The Society currently receives no funding in this area. At the current rate it will take over 19 years to complete the task. The contractual services amount requested assumes completion of this project in 4 years. (See visual next page.) This is another area that is a critical need to reach the goal of central reference.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1.0 FTE Retrospective Collection Analyst	\$ 27.9	\$ 27.9
Support costs for position	1.0	1.0
Contractual services	100.9	100.9
TOTAL	\$ 129.8	\$ 129.8

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of acquisitions:				
2-dimensional	57,027	56,700	57,500	58,000
3-dimensional	8,353	5,700	6,000	6,000
Total no. of records in national and local database	52,034	63,172	113,172	168,172
No. of records entered into national and local databases	11,138	11,138	50,000	55,000

RATIONALE:

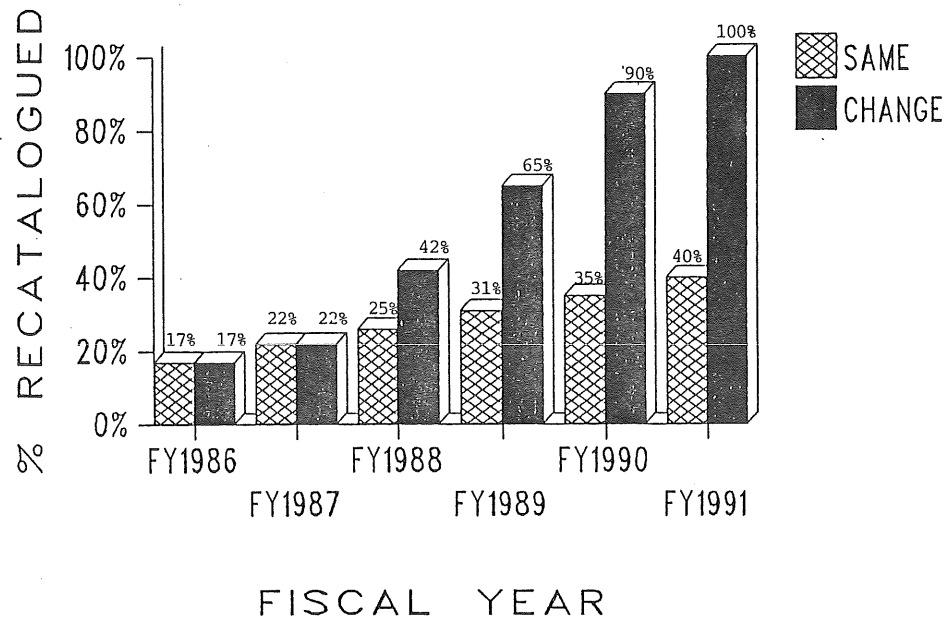
The collections are the very heart of the Society. It is important that we maintain our documentation of Minnesota history through the on-going acquisition of collections. Should we fail in this task, future generations will not have the primary source that provides the key to understand the past. The funding request in this CHANGE level will allow the Society to keep pace with the increased cost of reference books and trade journals. It will also provide increased funding to purchase 3-dimensional items that are now commonly sold on the open market rather than being donated to cultural institutions.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend any increased funding this biennium. The Governor recommends that increased program funding requests, along with the potential for increased revenues, be reviewed next biennium in the context of the move to the new History Center.

**EFFECT OF CHANGE LEVEL REQUEST**

RETROSPECTIVE CATALOGUING



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: PRESERVATION				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 46.3	1.0	\$ 46.3	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF OBJECTIVE/REQUEST:

The agency requests the above dollar amount to fulfill the purpose of preservation and conservation of the rare and historically unique material.

DESCRIPTION/BACKGROUND:

This rare and historically unique material is represented by collections that include books, maps, newspaper, photographs, films, oral history tapes, paintings, manuscripts, public records, 3-dimensional museum items, and archaeological artifacts. Increased public use of the rare collections, coupled with their fragility due to age, requires the conservation and preservation of the materials. This preservation is accomplished for present and future use through a variety of state-of-the-art conservation techniques such as microfilming, photographing, cleaning, binding, and in labs which repair, deacidifies, and encapsulates the materials.

The various elements of this change request are set forth as follows:

A position is requested to accomplish bulk reduction of state archival material. This position would prepare collections for filming so that many of the large collections could be eliminated and replaced with microfilm. This preparation includes identification of collections suitable for filming, organizing the collections, and preparing targets, indexes and cataloging information. There is currently no funding for this function specifically. The tasks are accomplished as time allows on a project by project basis. With this position, the tasks would be performed centrally resulting in bulk reduction of archival material and increased productivity of the microfilming operation.

1.0 FTE Document Preparer  
 Support costs for position  
 TOTAL

	F.Y. 1988	F.Y. 1989
\$	24.8	\$ 24.8
	1.0	1.0
\$	25.8	\$ 25.8

Funds are requested to preserve 3-dimensional museum artifacts. This is accomplished through contracting with individuals who possess the appropriate specialized skill as well as conservation of items in the Society's conservation laboratories.

	F.Y. 1988	F.Y. 1989
Contractual services	\$ 13.0	\$ 13.0
Supplies and materials	7.5	7.5
TOTAL	\$ 20.5	\$ 20.5

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
3-dimensional artifacts conserved	790	790	2,150	2,150
Bulk reduction of state archives material - cubic feet	430	430	650	650

RATIONALE:

The funding in this CHANGE level is requested to ensure the permanent preservation of the information and items. If the materials are not preserved, they are lost to future generations. Once items are appropriately treated, the material is then available for the public through the Society's reference rooms, inter-library loan, or purchase of microfilm.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend any increased funding this biennium. The Governor recommends that increased program funding requests, along with the potential for increased revenues, be reviewed next biennium in the context of the move to the new History Center.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: PUBLIC ACCESS AND INTERPRETATION				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 83.6	1.6	\$ 83.9	1.6
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to fulfill the purpose of making available to the public the state's historical resources as well as interpretation of the state's story.

DESCRIPTION/BACKGROUND:

The various elements of this change request are set forth as follows:

1) Public Access to Collections:

Direct public access to the collections is achieved through the Society's libraries. Located at the main historical building at 690 Cedar Street is the reference reading room, the newspaper room, the audio-visual library, and the map library. Located in the Research Center at 1500 Mississippi Street is the state archives and manuscripts reading room. This request would provide funding for the libraries at 690 Cedar Street to remain open one evening a week. This would allow access to the state's valuable historical resources by the working segment of our population. This request also includes funding for the library located in the Research Center to remain open Saturday afternoons.

	F.Y. 1988	F.Y. 1989
Evening hours - 690 Cedar Street	\$ 15.0	\$ 15.1
Saturday afternoon hours - Research Center	5.5	5.5
TOTAL	\$ 20.5	\$ 20.6

Statistics:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
In-person patrons served	25,668	26,000	28,000	28,600
No. of collections used by public	90,651	92,000	101,200	101,800

2) Exhibition Museum Lesson Program:

Through the museum lesson program the Society's exhibitions come to life for school children and adults. This is accomplished through a program of changing exhibits and educational programs for school children and adult visitors. Funds are requested to meet the demand for the educational programs offered to school children as well as adults in the museum facility at 690 Cedar Street. These programs deal with a variety of topics relating to Minnesota history as well as very specific themes utilizing current exhibitions on display in the museum galleries. The funding would also provide for preparation and planning to develop new presentations and programs.

Contractual services	F.Y. 1988	F.Y. 1989
	\$ 31.2	\$ 31.4

Statistics:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Museum visitors	69,786	70,286	75,381	79,018
Museum school adult classes	706	700	918	1,110

3) Interpretation and Publication:

The Society also disseminates information through research, publication, and preparation of printed materials which interpret state, regional, and local history. These materials are distributed to the general public and through the schools in Minnesota. Curriculum resources are provided to assist Minnesota schools in expanding and improving the teaching of our state's history. Teacher training and in-service programs are provided to assist teachers in utilizing these materials. Funds are requested to provide adequate resources to meet the demand for teacher workshops, and for a position to take resource materials into the classroom. The effects will be maximum utilization of the new history textbook and other resources produced for students and teachers.

1.0 FTE Outreach Teacher	F.Y. 1988	F.Y. 1989
Support costs for position	\$ 27.9	\$ 27.9
Contractual services	1.0	1.0
	3.0	3.0
TOTAL	\$ 31.9	\$ 31.9

Statistics:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Teachers reached by in-service programs, workshops, courses	521	550	1,182	1,182

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: GENERAL OPERATIONS  
PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
AGENCY: MINNESOTA HISTORICAL SOCIETY

RATIONALE:

The funding request in this CHANGE level is presented in response to increase demand by the public to use the facilities, and participate in the programs. Evening and Saturday hours for our libraries are especially important, since we can reach a clientele previously not served -- the working citizens of our state. With an Outreach Teacher we can have a positive influence on the quality of teaching history in the classroom. If this request is not funded the public will not be served.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend any increased funding this biennium. The Governor recommends that increased program funding requests, along with the potential for increased revenues, be reviewed next biennium in the context of the move to the new History Center.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: HISTORICAL DATA BASE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Legislative Commission on Minnesota Resources (LCMR)	\$ 50.0	-0-	\$ 50.0	-0-
Governor's Recommendation				
LCMR	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The objective of this change level is to organize and automate the collections of the Minnesota Historical Society by developing a project which will improve public utilization of these collections.

DESCRIPTION/BACKGROUND:

The Minnesota Historical Society's growth of collections and public use of those collections has, over the decades, been dramatic. The need to organize collections dating back to 1849 into an automated data base is one of the Society's most critical needs. The Society has experimented with the Planning Information Center (PIC) (formerly LMIC - Land Management Information Center) system to determine the potential of automation. The use of the PIC indicated significant potential. In 1985, with a private grant, the Society asked Jera & Associates, who specialize in library/historical data bases, to study the Society's operations and recommend a process of converting present manual collection systems into automated data bases for public use and control. That study defined a process to achieve that goal. The Legislative Commission on Minnesota Resources' assistance in accelerating this plan in conjunction with private support would greatly enhance the public's use and access to all of the Society's rich historical materials.

RATIONALE:

The funding request in this change level is to assist the Historical Society

in organizing and computerizing its extensive historical collections, many of which are the finest in the nation, thereby increasing the public's awareness and use of these collections, and improving, significantly, the management and control of these rare materials. This request would also make the Project for Automated Library Systems (PALS) available to the Society, and also cover cost relating to the Research Library Information Network (RLIN) system. The RLIN is an archival data base.

The PALS system, operating out of Mankato State University, is an access program for OCLC cataloging in the State Universities and the Legislative Reference Library. The funds requested would purchase terminals for the reference and cataloging areas, for the expense of "loading" MHS's OCLC tapes into the PALS system, and for the annual fee based on usage of the system.

With the Society a part of the PALS system, there would be subject access on-line to all books, maps, films, etc. cataloged in the MHS library since 1976, immediate access to the cataloging of the Legislative Reference Library (which would aid with our handling of state documents), and on-line access of the holdings of all of the Minnesota state universities.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: GENERAL OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

on the state's agricultural resources and make certain that the views of rural residents whose lives are directly affected by the farm economy are recorded and made part of the state's historical record for current and future generations.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

Request Title:	FARM ECONOMY PROJECT			
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Legislative Commission on Minnesota Resources (LCMR)	\$ 22.0	-0-	\$ 23.0	-0-
Governor's Recommendation				
LCMR	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The objective of this change level is to record the changes which are occurring in the state's farm economy and the effect of those changes on the state's social fabric and economy.

DESCRIPTION/BACKGROUND:

Dramatic changes are producing widespread crisis in the Minnesota farm economy. Major transformations have already taken place such as the rapidly diminishing number of family farms, depopulation of the countryside leaving abandoned landmarks, and disappearance of "small town" Minnesota. There is a need to record these rapid changes in the state's social fabric and economy. The project would ensure that records of farmers, agricultural cooperatives, and rural businesses are preserved and that a cross section of people involved in or affected by the farm economy are interviewed to make available information that does not exist on paper. The historical records available today on agriculture, one of Minnesota's major resources, is very limited. The history of agriculture is one involving the people who make up the family farm. Their records, in the form of oral histories, would add a significant resource to our state's historical collections.

RATIONALE:

The resulting records and oral histories will provide valuable information

ACTIVITY: HISTORIC SITE OPERATIONS  
 Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY PURPOSE:

- 1) To acquire, preserve, or improve, and make available to the public, the most significant historic sites in Minnesota.
- 2) To provide technical assistance to county and local units of government, historic districts, municipalities, state agencies, and 326 county, regional, local, and special purpose historical organizations.
- 3) To administer the National Historic Preservation Act and Program, and maintain the National and State Register of Historic Places.

ACTIVITY DESCRIPTION:

This activity will serve over 1,000,000 persons biennially. The clientele is composed of tourists, school children, scholars, the general public, 326 historical organizations, and state, county, and local units of government. This activity operates in 3 major areas:

- 1) Historic Site Operations: (a) identifies statewide historically significant sites for inclusion in the network of historic sites; (b) moves these sites through the development stage to the operations phase so that they may be appreciated by the public; (c) manages the state's historic sites system for public use, education, and enjoyment. The Minnesota Historical Society owns, and/or administers 31 major historic sites located throughout the state as follows: Alexander Ramsey House, Birch Coulee Battlefield, Bourassa Fur Post, Burbank-Livingston-Griggs House, Comstock House, Folsom House, Forest History Center, Fort Renville, Fort Ridgely, Fort Snelling, Grand Mound, Harkin Store, James J. Hill House, Jeffers Petroglyphs, Lac qui Parle Mission, LeDuc House, Lindbergh House and Center, Lower Sioux Agency, Marine Mill Ruins, Mayo House, Meighen Store, Mille Lacs Indian Museum, Minnehaha Depot, Morrison Mounds, Northwest Company Fur Post, Oliver H. Kelley Farm, Split Rock Lighthouse, Stumne Mounds, Traverse de Sioux State Monument, and the Upper Sioux Agency; (d) provides an exhibition program for the historic sites; (e) expands the knowledge of tourists, as to the location, quality, and historical themes of Minnesota's historic sites for their enjoyment and education when visiting and traveling in Minnesota; (f) provides significant economic benefits for the community or region in which each site is located; (g) provides an interpretive program for Itasca in accordance with 138.025, subd. b; and, (h) develops active craft programs at selected historic sites.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 96.0	\$ 92.7	\$ 98.4	\$ 103.3	\$ 108.5
Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. sites	31	31	31	31	31
No. sites managed by Society	29	27	27	27	27
No. sites managed by others	2	4	4	4	4
Sites requiring development	24	24	24	24	24
No. sites closed to public	3	5	5	5	5
Total site attendance	588,778	587,489	568,290	505,670	505,670
Exhibits in use	12	12	13	13	13

- 2) Field Services and Archaeology: (a) to provide technical assistance in terms of operations, archaeology, financial and the application of state and federal laws relating to historic preservation to over 300 county and local historical organizations, county and local units of government, as well as historic districts, municipalities, and state agencies; and (b) to provide archaeological expertise to historic sites owned and/or managed by the Minnesota Historical Society.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
County and local societies served	325	325	325	325
Public meetings	6,515	6,515	6,515	6,515
Interpreter distribution	16,800	16,800	16,800	16,800

- 3) State Historic Preservation Office: (a) performs surveys documenting significant historic properties and nominating the most significant to the National Register of Historic Places, which currently contains over 1,000 Minnesota listings; (b) conducts environmental reviews, administers the federal preservation tax benefit program, and provides technical and fiscal assistance to the state's 181 local heritage preservation commissions; and, (c) develops a comprehensive planning process to coordinate all aspects of this program.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. sites added to National Register	74	57	57	57
Environmental reviews	2,694	3,000	3,000	3,000
Local historic preservation commissions	21	21	21	21

BUDGET ISSUES AND MAJOR OBJECTIVES: Some of the budget issues and major objectives of this activity are listed as follows:

- 1) Develop a preservation and interpretation plan for the St. Anthony Falls Historic District.
- 2) Construct new Mille Lacs Indian Museum and Cultural Center and implement program described in Concept Plan.
- 3) Reinstate budget reduction impacts of F.Y. 1986-87 on state's historic site system.
- 4) Stabilize manpower planning in the historic sites system by providing security support hours as well as interpretive preparation time.
- 5) Secure additional funding for special events, animal care, and advertising at historic sites.
- 6) Secure additional funding to stabilize National Register program in accordance with federal match guidelines.



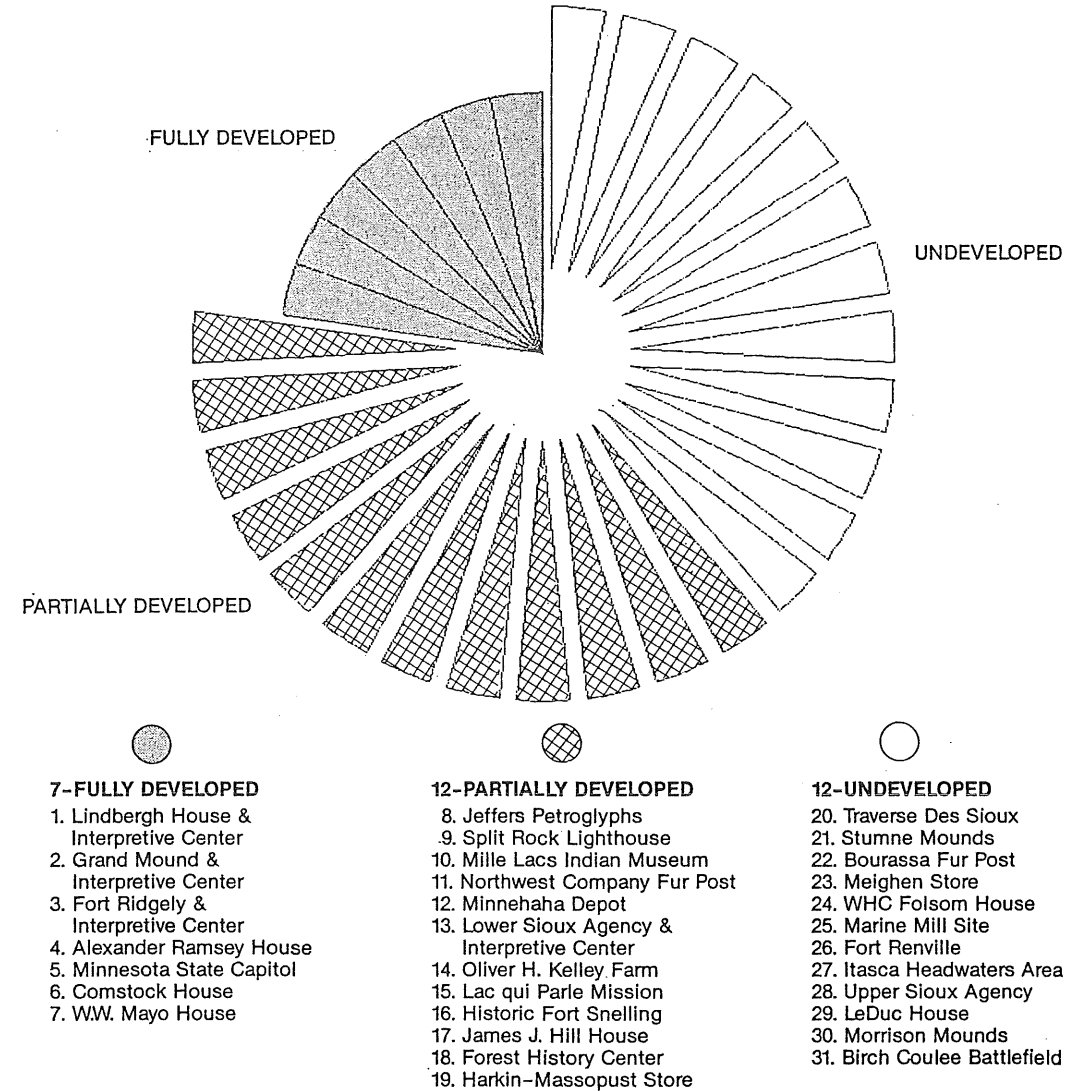
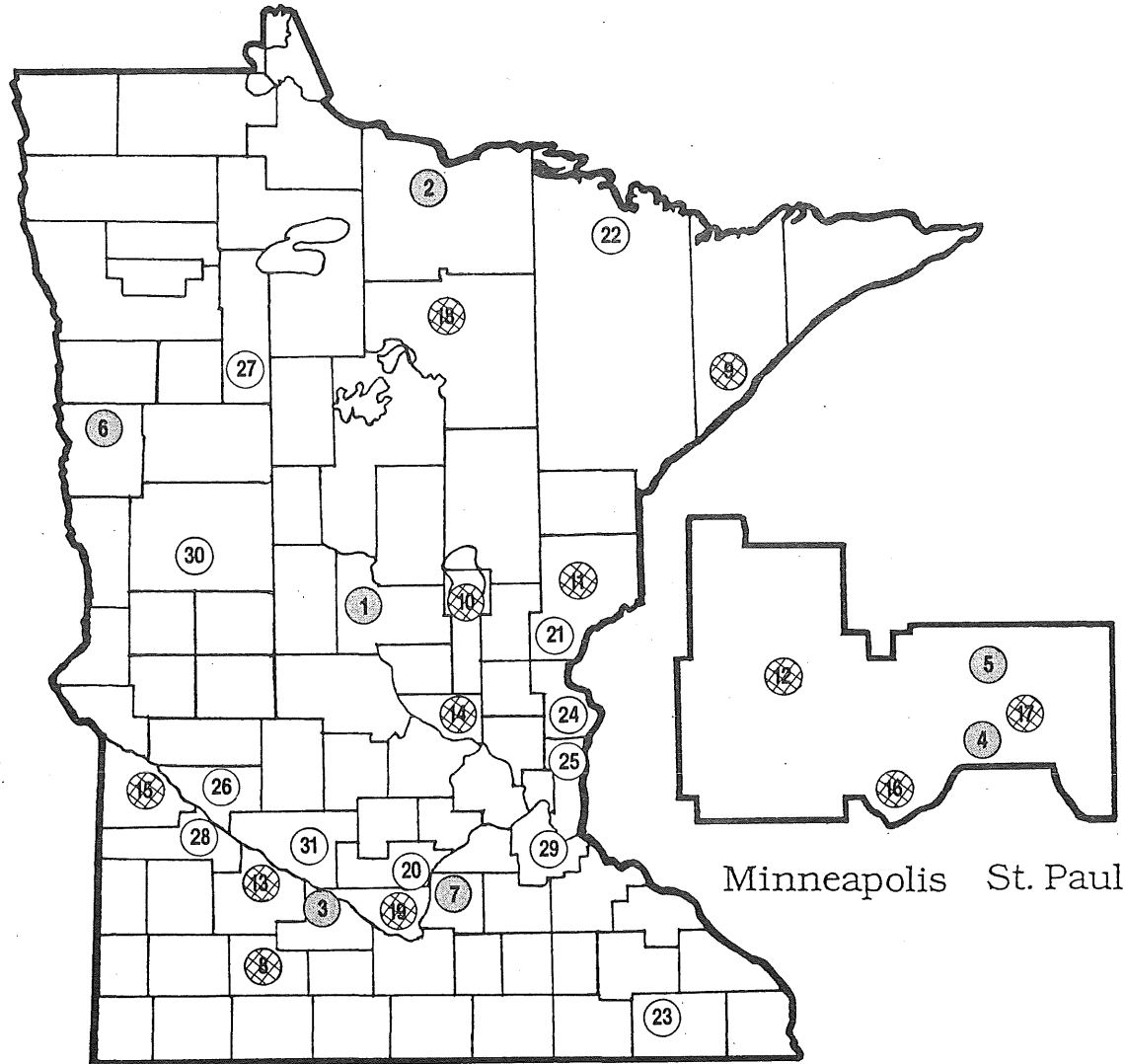
ACTIVITY: HISTORIC SITE OPERATIONS  
(Continuation)

1987-89 Biennial Budget

Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
Agency: MINNESOTA HISTORICAL SOCIETY

- 7) Plan and produce exhibits in historic sites and interpretive centers.
- 8) Promote the use of historic sites as research resources.

- 9) Implement and maintain winter operating hours at selected historic sites.
- 10) Standardize the design of informational brochures in cooperation with the State Department of Tourism.
- 11) Complete the development of the state's historic site program as enacted in 1965. The map and diagram below illustrates the geographic distribution of the historic sites in their current stage of development. The definition of development includes physical structures, program and the site in terms of roadways, parking, landscaping and handicapped access.



ACTIVITY: HISTORIC SITE OPERATIONS 1987-89 Biennial Budget  
 (Continuation)  
 Program: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 Agency: MINNESOTA HISTORICAL SOCIETY

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Historic sites system: Needed to reinstate budget reduction items, increase public hours and advertise sites, evaluate interpretation, provide security, and grant funds to organizations currently managing MHS sites. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 396.0	\$ 402.5	Activity Specific
Archaeology: Needed to conduct archaeological surveys of MHS sites and inventory archaeological collections. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 25.0	\$ 25.0	Activity Specific
State Historic Preservation Office: Needed to meet requirements of the National Historic Preservation Act and to respond to changes in federal reimbursement rates. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 99.7	\$ 99.9	Activity Specific
Heritage Trails (LCMR): Needed to interpret and preserve historic trails for public use. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 22.0	\$ 23.0	Activity Specific
Geographical Resources (LCMR): Needed for marking and interpretation of important geographic resources. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 22.0	\$ 23.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HISTORIC SITE OPERATIONS

PROGRAM: MHS OPERATIONS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,995.5	3,702.0	3,849.3	3,914.4	554.7	4,469.1	3,691.1	3,914.4	563.4	4,477.8	3,685.9
LOCAL ASSISTANCE					10.0	10.0			10.0	10.0	
AIDS TO INDS.											
TOTAL EXPENDITURES	3,995.5	3,702.0	3,849.3	3,914.4	564.7	4,479.1	3,691.1	3,914.4	573.4	4,487.8	3,685.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,579.4	2,559.7	2,494.9	2,495.1	416.3	2,911.4	2,495.1	2,495.1	416.0	2,911.1	2,495.1
EXPENSES & CONTRAC. SERV	1,079.3	809.0	927.6	927.5	125.4	1,052.9	927.5	927.5	136.4	1,063.9	927.5
SUPPLIES & MATERIALS	206.9	202.5	227.2	237.5	9.6	247.1	237.5	237.5	7.6	245.1	237.5
EQUIPMENT	62.5	72.6	91.4	90.1	3.4	93.5	90.1	90.1	3.4	93.5	90.1
OTHER EXPENSE ITEMS	67.4	58.2	108.2	164.2		164.2	59.1-	164.2		164.2	64.3-
TOTAL STATE OPERATIONS	3,995.5	3,702.0	3,849.3	3,914.4	554.7	4,469.1	3,691.1	3,914.4	563.4	4,477.8	3,685.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,796.8	2,699.7	2,807.2	2,951.9	520.7	3,472.6	2,728.6	2,951.9	527.4	3,479.3	2,723.4
MN RESOURCES		45.0	80.0		44.0	44.0			46.0	46.0	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	906.7	750.3	750.3	750.3		750.3	750.3	750.3		750.3	750.3
FEDERAL	292.0	207.0	211.8	212.2		212.2	212.2	212.2		212.2	212.2
TOTAL FINANCING	3,995.5	3,702.0	3,849.3	3,914.4	564.7	4,479.1	3,691.1	3,914.4	573.4	4,487.8	3,685.9
POSITIONS BY FUND											
GENERAL	46.2	43.7	45.0	45.0	4.8	49.8	45.0	45.0	4.8	49.8	45.0
FEDERAL	3.8	3.8	3.8	3.8		3.8	3.8	3.8		3.8	3.8
TOTAL POSITIONS	50.0	47.5	48.8	48.8	4.8	53.6	48.8	48.8	4.8	53.6	48.8

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: HISTORIC SITE SYSTEM				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 396.0	2.0	\$ 402.5	2.0
Governor's Recommendation				
General Fund	(\$223.3)	-0-	(\$228.5)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount in order to continue to adequately interpret, and make available to the public, the most significant historic sites in Minnesota.

DESCRIPTION/BACKGROUND:

The day-to-day operation of historic sites must be properly managed for public use, education and enjoyment. The operation must have adequate and updated exhibition and interpretive programs which will help to expand the knowledge of visitors, as to the location, quality, and historical themes of these sites.

The various elements of this change request are set forth as follows:

1) Reinstate Budget Reduction Items:

This request is intended to restore operating hours so the public may resume their appreciation of the historic sites. The 1986-87 state budget reduction had a major impact on the historic sites system, such that operating hours were reduced. The Grand Mound Interpretive Center, Lindbergh House and Interpretive Center, Mille Lacs Indian Museum, and Northwest Company Fur Post were closed to the public Labor Day through May of the following year. All sites, except for Historic Fort Snelling and Split Rock Lighthouse were closed to the public on Mondays and the State Capitol did not provide guided tours in the month of June. This request is intended to restore those hours so the sites may be open to the public on the schedule used prior to budget reduction.

	F.Y. 1988	F.Y. 1989
Reinstate Labor Day through May hours	\$ 23.9	\$ 23.9
Reinstate Monday closing hours	59.3	59.3
Reinstate State Capitol tour hours in June	6.1	6.1
TOTAL	\$ 89.3	\$ 89.3

See attendance statistics displayed following point 2) below.

2) Historic Site Utilization:

a) Increased public hours:

The Society, in developing the state's historic sites program, initially concentrated their operation for public use during the summer season. In recent years, there has been a developing demand for such resources during the winter, fall, and spring seasons. This request would fund winter programs at Fort Snelling, Forest History Center, and Split Rock Lighthouse and Interpretive Center. The public response to this site is great and we are constantly turning people away. This request seeks funding for 2 additional days per week. This request also provides for the sites to offer special programming which has proven to be very well received by the public.

	F.Y. 1988	F.Y. 1989
Winter programs	\$ 30.0	\$ 30.0
Special programs/events	22.9	20.9
TOTAL	\$ 52.9	\$ 50.9

b) Public information:

There is a need to promote and inform the public about our historic sites. As more of the sites are moving from the development stage to fully operational sites, the public must be made aware of these programs. This request is for increased funding for promotional materials and advertising. A position is requested to coordinate the production and design of the brochures that enhance the interpretive programs. The request also includes a modest increase in printing funds for these brochures.

	F.Y. 1988	F.Y. 1989
1.0 FTE Production Manager	\$ 28.8	\$ 28.8
Support costs for position	1.0	1.0
Site promotion	12.3	12.3
Printing of brochures	5.4	5.4
TOTAL	\$ 47.5	\$ 47.5

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity  
(Continuation)

ACTIVITY: HISTORIC SITE OPERATIONS  
PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
AGENCY: MINNESOTA HISTORICAL SOCIETY

c) Central scheduling:

This request initiates the concept of central scheduling. We would start with the metro area sites. The funds requested would allow for contractual services to develop a software package to accomplish this goal. After extensive research, nationwide, we have found that no such software currently exists.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Central reservation scheduling	\$ -0-	\$ 10.0

<u>STATISTICS for items 1), 2), a), b), and c):</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Site attendance	587,489	568,290	590,000	600,000

3) Interpretation:

This request is to provide contractual services to conduct on-going, specialized research to evaluate interpretation activities at sites, usually when the present interpretation is over 5 years old. Subsequent findings include a reinterpretation of historical artifacts and documents, changing interests of the public and routine replacement of outdated exhibits require this review on a periodic basis. Currently the Society has no funding to evaluate interpretive programs once they are in place. The current resources are intended to keep pace with interpretive programs as sites move through the stages of development. This request also includes funds to costume guides at the James J. Hill House. These costumes will provide living history capability at the site for regular interpretive tours and special events.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Contractual research services	\$ 19.0	\$ 19.0
James J. Hill House	2.5	1.0
costumes for guides		
TOTAL	<u>\$ 21.5</u>	<u>\$ 20.0</u>

<u>Statistics:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Reviews conducted	-0-	-0-	3	3

4) Security Support and Preparation Time:

This request would provide security support throughout the historic site system. The Society believes that it is our responsibility to provide at least 2 individuals on duty at a site. Some of our sites are located in remote areas, leaving a single guide vulnerable to a host of dangers. The sites that offer living interpretation programs require that guides dress in historical costume. These costumes are intricate and fragile, therefore, the guides must dress on the site. This request provides for dressing time. This request also provides funding for guides to perform tasks that must be accomplished pre and post public hours. These tasks are modern day in nature and intrude on the historical integrity of the program. Currently there is no funding to support these functions.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Security support	\$ 19.6	\$ 19.6
Dressing time	49.5	49.5
Pre/post tasks	73.1	73.1
TOTAL	<u>\$ 142.2</u>	<u>\$ 142.2</u>

5) Operations:

This request would provide for increased operating expenses at the Forest History Center and the Oliver H. Kelley Farm. These two sites use animals in the interpretation of the site. As more animals are acquired, there is a need to increase funding for maintenance and animal care. The Mille Lacs Indian Museum and Oliver H. Kelley Farm and Interpretive Center require support in terms of a .50 FTE Senior Clerk Stenographer at each site.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Animal care and maintenance	\$ 8.2	\$ 8.2
2 - .50 FTE Senior Stenographers	23.4	23.4
Support costs per position	1.0	1.0
TOTAL	<u>\$ 32.6</u>	<u>\$ 32.6</u>

6) Grants to Organization Operating MHS Historic Sites:

Pursuant to M.S. 138.66, county and local historical organizations currently operate 4 historic sites that are owned by the Minnesota Historical Society: Harkin Store, W. W. Mayo House, Folsom House and Lac qui Parle. This request is to provide grant dollars to assist these organizations in the operation of these historic sites.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Grant Funds	\$ 10.0	\$ 10.0

Agency  Program  Activity

(Continuation)

ACTIVITY: HISTORIC SITE OPERATIONS  
PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
AGENCY: MINNESOTA HISTORICAL SOCIETY

RATIONALE:

The funding request in this CHANGE level is to reinstate budget reduction items, to more fully utilize the historic sites, to provide funds to keep the interpretive programs timely in terms of content, to provide security for historic site personnel, to more adequately promote the sites, and to assist county and local organizations in the management of Society owned sites. These added resources will support the Society's mission to interpret the state's story to the citizens of Minnesota.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a change in policy relating to state funding of historic sites. Current state policy has been to fund nearly 100% of historic site operating costs from the General Fund. In order to control state spending in this area, and provide an incentive to the Society to raise revenue, the Governor recommends the following:

- a. The Society should begin charging admission fees at historic sites, including those within state parks, such as Split Rock, Lindbergh and Fort Ridgely. The Society should coordinate this change with the Department of Natural Resources. New income from these sites is estimated to be \$282,000 for the biennium.
- b. All historic site income should be dedicated to the Society for site operations, including \$211,800 biennially in Fort Snelling admission income which is currently non-dedicated, and \$240,000 biennially in admission income from Society sites which is currently dedicated to the Society. (The biennial reduction of \$451,800 is the result of these two items.)
- c. Future funding of expanded programs at historic sites should be financed either by the Society raising more revenue, reallocating funds from existing sites, or reducing costs of current programs.
- d. The Historic Sites Act of 1965 should be reevaluated and, if it is incompatible with this recommended change in policy, proposals to revise the act should be submitted to the Governor and the legislature by 7-1-88.

**CHANGE REQUEST**

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: HISTORIC SITE OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

**STATISTICS:**

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
MHS site surveys	1	1	4	4
Collections processed	-0-	-0-	5,000	5,000
No. of records entered into national and local databases	-0-	-0-	5,000	5,000

**RATIONALE:**

The funding request in this CHANGE level is in response to the Society's responsibility to administer and enforce all provisions of the Field Archaeology Act as stated in M.S. 138.21 through 138.42. The consequences of not funding this request, is the loss of nonrenewable resources.

**GOVERNOR'S RECOMMENDATION:**

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: ARCHAEOLOGY				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 25.0	-0-	\$ 25.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

**STATEMENT OF REQUEST/OBJECTIVE:**

The agency requests the above dollar amount to contract for archaeological surveys at Minnesota Historical Society sites and inventory archaeological collections.

**DESCRIPTION/BACKGROUND:**

The Society is responsible for carrying out the duties as set forth in the Field Archaeology Act of the State of Minnesota. This is currently being accomplished through a grant to the State Archaeologist and through the archaeology program administered by the Society as defined in this activity. This funding request provides for contractual dollars to conduct an inventory, through survey and testing, of archaeological resources on Society property and determine effects of public use on those nonrenewable resources. There is a need to implement archaeological surveys and testing, to undertake a major collections inventory and identification program, and, to undertake archaeological research on sites developed and interpreted by the Society. This research will provide data for expanded interpretation and a more complete understanding of these sites in their historic context.

	F.Y. 1988	F.Y. 1989
Contractual services	\$ 25.0	\$ 25.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: HISTORIC SITE OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Funding is requested to respond to the adjustment from 70% federal participation to 0-50% federal participation on certain positions. Changes in workload distribution caused a change in the methodology of performing the statewide survey and nominations. This caused a reassignment of tasks, so that staff previously qualifying under 70% federal participation are no longer eligible for reimbursement at this rate.

	F.Y. 1988	F.Y. 1989
1.8 FTE increased state burden	\$ 70.6	\$ 70.7
Support costs for positions	1.8	1.8
TOTAL	\$ 72.4	\$ 72.5

RATIONALE:

The funding request in this CHANGE level is in response to changes at the federal level in terms of reimbursement rates. Also reviews required by law are increasing in number and must by law be completed within thirty days.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: STATE HISTORIC PRESERVATION OFFICE (SHPO)				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 99.7	2.8	\$ 99.9	2.8
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to administer the National Historic Preservation Act and Program, and maintain the National and State Register of Historic Places.

DESCRIPTION/BACKGROUND:

A half-time position is requested to conduct reviews of federal, state, and local undertakings such as highway construction or building projects, in order to assess the impacts on cultural resources as required by federal law. This cultural resource information will then be available to a variety of public and private entities. Another half-time position is requested to operate and maintain a retrieval system for all State Historic Preservation standing structure file documents. This position would also assist the current staff allowing for more public seminars and conferences on preservation planning, to provide data for the environmental review process, to develop and maintain effective visual reference collections and organize and maintain SHPO reference library materials.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
.5 FTE Environmental Review Officer	\$ 13.9	\$ 14.0
.5 Inventory Coordinator	12.4	12.4
Support costs for positions	1.0	1.0
TOTAL	\$ 27.3	\$ 27.4

STATISTICS:

Environmental reviews	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
	2,694	3,000	3,500	3,500



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

provide a new dimension for public use and tourism promotion.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

Request Title: HERITAGE TRAILS				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Legislative Commission on Minnesota Resources (LCMR)	\$ 22.0	-0-	\$ 23.0	-0-
Governor's Recommendation				
LCMR	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This change level request relates to marking and interpreting two of Minnesota's most important historic trails.

DESCRIPTION/BACKGROUND:

In 1853, the United States Government built military and government roads in the Minnesota Territory. These roads were invaluable in opening up the territory, and functioned as transportation lines for over five decades. One of the most important military/government roads was the Point Douglas-St. Louis River Road. Originating at Point Douglas on the Lower St. Croix, it traveled all the way to the town of Duluth/Superior at the head of the Great Lakes. This story has never been told or interpreted. The Red River Oxcart Trail was one of history's most important roads. A number of Red River Oxcart Trail segments are already in public ownership. There is a need to determine where the Red River Trail should be marked to increase public awareness and understanding of its historic significance. The Legislative Commission on Minnesota Resources funding could add a valuable historic resource to our existing Historic Sites Program and the state's tourist program.

RATIONALE:

The interpretation of the Red River Oxcart Trail and the U. S. Government and Military road will add significantly to the state's historical resources and

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS  
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

as well as statewide tourism promotion. The resources relating to this request are consistent with the recommendations of M.O.R.R.C. Report No. 2 issued by the Legislature.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

Request Title: GEOGRAPHICAL RESOURCES				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Legislative Commission on Minnesota Resources (LCMR)	\$ 22.0	-0-	\$ 23.0	-0-
Governor's Recommendation				
LCMR	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Society requests the above dollar amount to mark Minnesota's most important geographic features.

DESCRIPTION/BACKGROUND:

There is a need to mark and interpret Minnesota's most important geographical features for preservation, tourism, and public use purposes. Examples of such resources are:

- Source of The Red River
- Source of the St. Louis River
- Eagle Mountain - highest point
- Continental divides
- Coteau DuPrairie - Murray County
- Three-way watershed near Virginia
- Iron Range

The Legislative Commission on Minnesota Resources could accelerate this process by providing funding assistance for its accomplishment.

RATIONALE:

The Society has a responsibility to identify important resources of regional

PROGRAM: REPAIR AND REPLACEMENT  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

PROGRAM PURPOSE:

- 1) To maintain, in good repair, the structures that the Minnesota Historical Society is responsible for managing.
- 2) To maintain, in good repair, interpretive exhibits and the historical artifacts used as interpretive tools in historic sites, interpretive centers, and exhibits.
- 3) To provide on-going restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and any object of art in the public areas of the State Capitol.
- 4) To provide state markers and monuments, including rest areas, on the interstate and highway waysides.

PROGRAM DESCRIPTION:

Facility Repair and Replacement Maintenance: Since 1958, the Minnesota Historical Society has acquired, or been given by law, administration of 31 historic sites of statewide significance located throughout Minnesota. These include structures which total 330,701 g.s.f., many of which require special restoration procedures. Many of the historic structures are very old and develop serious problems without warning. Some examples of repair and maintenance include tuck-pointing, roof repair and replacement, repainting of interior or exterior surfaces, renovation of floors and fixtures, recarpeting, replacement of windows and doors, repair and modification to fireplaces, replacement of steps and stairs, foundation repair and replacement, furnace repair and replacement, parking lot repair, sidewalk repair, prairie restoration, and replacement or major repair of building systems.

The Society is also responsible for the management of 1500 Mississippi Street, which houses the Research Center and totals 57,356 g.s.f. Repair needs would include security alarm repair, sprinkler system repair, electrical improvements, plumbing repairs and replacement, heating and cooling systems repair and replacement, and ice removal.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. structures managed	96	96	96	96
No. gross square feet managed	437,977	437,977	437,977	437,977
R & R projects completed	10	-0-	-0-	-0-

Collections and Exhibit Repair and Replacement: The Minnesota Historical Society operates major interpretive facilities, including a museum for public use. They are located in the Twin Cities, near Grand Rapids, Elk River, International Falls, Redwood Falls, Little Falls and Two Harbors. These centers and museum accommodate the permanent-type exhibits they house. The purpose of interpretation is to provide orientation for visitors and tell them the stories of important events and persons associated with major themes of Minnesota's past. To accomplish this purpose,

permanent exhibits utilizing current technology and modern museum techniques are needed. The centers all utilize permanent-type interpretive installations which require reconstruction such as repair or replacement of silkscreening, repair and restoration of exhibit cases, patching and repairing exhibit space, remounting photographs, audio-visual equipment repair and replacement, and lighting repair and replacement.

The Society also operates a program of changing exhibitions in our 6 formal gallery spaces. These museum exhibition galleries are located at 690 Cedar Street, the James J. Hill House, and the Fort Snelling History Center.

The collections utilized in exhibits cover a broad base of subjects at various historic sites throughout the state. These historically valuable artifacts are an integral part of the exhibits at the interpretive centers, the central museum, and historic houses such as the Alexander Ramsey House, the James J. Hill House, the Lindbergh House, the Comstock House, as well as Historic Fort Snelling, the Northwest Company Fur Post, Mille Lacs Indian Museum, and traveling exhibits. Examples of the problems addressed are the cleaning of the "Four Seasons" exhibit at Mille Lacs Indian Museum, furniture repair, collections repair, and quilt collection repair.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. formal museum exhibition galleries	6	6	6	6
No. exhibits in interpretive centers	12	13	13	13
Exhibition spaces - total square footage	36,000	36,000	36,000	36,000
No. historic houses	10	10	10	10
No. artifacts in use at exhibits	21,000	21,000	21,000	21,000

State Capitol Public Areas/Objects and Artworks: The State Capitol serves as a monument to Minnesota's heritage for the visiting public. There is an on-going need to provide technical assistance, direction and acquisition of materials and services to preserve the public areas. The Governor's Reception Room needs restoration to its original appearance. Repair and maintenance items would include paint analysis, repair and cleaning of murals and stencils, repair and cleaning of paintings, cleaning of bust and statues, repair and replacement of furnishings in public areas, and the exterior statues need to be cleaned and the figures on them coated with a protective coating.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Governor's portraits	35	35	35	35
No. statues interior and exterior	14	14	14	14
No. of paintings	11	11	11	11
No. of murals	36	36	36	36
No. of plaques	9	9	9	9
No. of busts	16	16	16	16
No. of furnishings	100	100	100	100
No. of statues on mall	11	11	11	11

State Monuments, Markers and Waysides: The Minnesota Historical Society must replace and keep in good repair 170 existing state markers that frequently need repair or replacement because of vandalism and the elements. These services.

PROGRAM: REPAIR AND REPLACEMENT  
(Continuation)

1987-89 Biennial Budget

Agency: MINNESOTA HISTORICAL SOCIETY

include preservation coating of bronze markers, foundation repair, and casting of new markers.

Also in need of on-going maintenance and repair are the 29 state monuments which are huge stone structures requiring significant treatment such as tuck-pointing, replacement of granite blocks, and foundation repair.

There are currently 65 markers at highway and interstate rest areas. Hundreds of thousands of people use Minnesota's rest areas on the highway system. By producing and erecting state markers at the interstate rest areas, travelers from other states, as well as citizens of Minnesota, can learn much about the people and the events that contributed to the state's rich heritage.

<u>Statistics:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. state markers	140	140	140	140
No. geographical markers	30	30	30	30
No. state monuments	29	29	29	29
No. state markers at interstate rest areas	65	65	65	65
No. counties with markers	60	60	60	60
No. counties with wayside markers & monuments	46	46	46	46

OPERATION:

The program provides the overall coordination and technical assistance to deal with the varied and distinct repair and replacement needs. Operating managers within the appropriate activity make decisions relating to their areas of expertise, whether it be a Ramsey House porch or a fine, delicate lace shawl. This is accomplished through systematic examination, inspection and monitoring of the relevant structures, exhibits and works of art. Recommendations for repair and replacement need, techniques used, and implementation plans are provided to determine a repair and replacement program for the biennium.

BUDGET ISSUE AND MAJOR OBJECTIVE: The budget issue and major objective of this program is listed as follows:

- 1) Reinstate a same level of funding that will allow the Society to maintain its structures and exhibits in order to prevent further deterioration, and ensure safety for our visitors, staff, and the collections.
- 2) The recognition that exhibits are "non-permanent" and need continuing financial resources to interpret the Minnesota story.

CHANGE REQUESTS:

Repair and Replacement:

Needed to establish an adequate base of funding for repair and replacement needs for structures, property, exhibition program, 3-dimensional artifacts, objects of art in public areas of the State Capitol, and monuments, markers, and waysides. See CHANGE request sheet following the fiscal sheet for this activity.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
	\$ 487.7	\$ 487.7	Activity Specific

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$550.0 for repair and replacement purposes. For more details, see Repair and Replacement CHANGE sheet.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REPAIR AND REPLACEMENT

PROGRAM: REPAIR AND REPLACEMENT

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		50.3	49.7	49.7	15.4	65.1	49.7	49.7	15.4	65.1	49.7
EXPENSES & CONTRAC. SERV		91.1	11.1	11.1	472.3	483.4	286.1	11.1	472.3	483.4	286.1
SUPPLIES & MATERIALS		6.8									
EQUIPMENT		9.3									
OTHER EXPENSE ITEMS		.1	37.3	37.3		37.3	37.3	37.3		37.3	37.3
TOTAL STATE OPERATIONS		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		157.6	98.1	98.1	487.7	585.8	373.1	98.1	487.7	585.8	373.1
POSITIONS BY FUND											
GENERAL		2.0	2.0	2.0	1.0	3.0	2.0	2.0	1.0	3.0	2.0
TOTAL POSITIONS		2.0	2.0	2.0	1.0	3.0	2.0	2.0	1.0	3.0	2.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: REPAIR AND REPLACEMENT  
 PROGRAM: REPAIR AND REPLACEMENT  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: REPAIR AND REPLACEMENT				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 487.7	1.0	\$ 487.7	1.0
Governor's Recommendation				
General Fund	\$ 275.0	-0-	\$ 275.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to provide repair and replacement of historically significant structures, interpretive exhibits, artifacts, and works of art.

DESCRIPTION/BACKGROUND:

The various elements of this CHANGE request are set forth below.

1) Facility Repair and Replacement:

The Society is responsible for the care and management of 96 structures located throughout the state and the metropolitan area. These structures include major facilities that house public exhibition galleries, public libraries, collections storage spaces, and offices. Also included is a network of 31 historic sites comprised of historic structures ranging from houses of great magnitude, carriage houses, a fog signal building, barns, out buildings, and fort complexes such as Fort Snelling. Many of these historic structures are well over 100 years old, are fragile, and require great care. Since many of these structures are available to the public through tour programs, they receive heavy traffic resulting in much wear and tear on the buildings. Roadways and parking areas, landscaping, walkways must also be maintained.

The funding for this activity is expended in 2 ways. Projects are identified, defined and a plan is developed, authorized, and implemented. Examples of projects needing immediate attention are building foundation stabilization at Fort Ridgely, and Upper Sioux Agency, repair of the Officer's Quarters piazza and roofs at Fort Snelling, painting the exterior of the Lindbergh

Interpretive Center, and replacing exterior doors of the Research Center at 1500 Mississippi Street. The second manner in which these funds are expended is for ongoing maintenance and emergency maintenance. Examples are furnace repair, broken windows, trees downed by lightning, water in basements, and damage due to vandalism.

Based on the current inventory of need, funds are requested to reinstate 1.0 position that was eliminated due to the budget reduction of F.Y. 1986 and to restore dollars for projects as well as ongoing maintenance and emergency needs. Currently the SAME level funding is \$60.8.

	F.Y. 1988	F.Y. 1989
Repair and replacement projects	\$ 200.0	\$ 200.0
Ongoing and emergency maintenance	34.6	34.6
1.0 FTE	15.4	15.4
TOTAL	\$ 250.0	\$ 250.0

Statistics:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Repair and replacement projects completed	8	-0-	24	24
% of ongoing repair and replacement and emergencies responded to	50%	20%	100%	100%

2) Collections and Exhibit Repair and Replacement:

Funding is requested to restore resources to a level which will adequately respond to the program needs. Specifically, this request relates to repair and maintenance of the 13 permanent-type exhibitions that are a part of interpretive centers. These installations require ongoing repairs such as silkscreening, exhibit cases, typesetting, remounting photographs, and repair and replacement of audio-visual equipment and lighting fixtures.

Funding is also requested to maintain the program of changing exhibitions that are displayed in the 6 formal gallery spaces located at 690 Cedar Street, the James J. Hill House, and the Fort Snelling History Center. These spaces house temporary exhibits with a life span ranging from 6 months to 2 years.

Finally, this request includes funds to repair and replace 2 and 3-dimensional artifacts utilized as interpretive tools in historic houses, changing exhibitions and the exhibit installations located in interpretive centers. Currently the same level funding is \$37.3.

	F.Y. 1988	F.Y. 1989
Exhibition installations housed in interpretive centers - repair and replacement	\$ 50.0	\$ 50.0
Changing exhibition program	50.0	50.0
Artifact repair and replacement	12.7	12.7
TOTAL	\$ 112.7	\$ 112.7

CHANGE REQUEST

Agency  Program  Activity  
(Continuation)

ACTIVITY: REPAIR AND REPLACEMENT  
PROGRAM: REPAIR AND REPLACEMENT  
AGENCY: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Changing exhibits produced	2	2	6	6
% of ongoing repair and replacement need responded to	50%	20%	100%	100%
Changing exhibits cancelled due to budget reduction	4	4	-0-	-0-
Artifacts repaired or replaced	447	450	900	900

3) State Capitol Public Areas/Objects and Artworks:

Funding is requested to provide ongoing restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and any object of art or historical artifacts in the public areas of the State Capitol. Examples of projects to be undertaken include:

- Governor's Ante Room
  1. Four walls to be painted original color.
  2. Replace light shades on lamps.
  3. Reconfigure lighting on two paintings on west and east walls.
  4. Clean paintings and chandeliers.
  
- Governor's Reception Room
  5. Replace leather on seats and backs and refinish wood on arm rests and legs of 4 chairs.
  6. Repair broken German silver wire and add electrical output on 2 chandeliers.
  7. Examine and clean fireplace.
  8. Clean paintings and chandeliers.
  
- Governor's Private Office
  9. Recover leather couch and add castors to legs.
  10. Replace leather seat and back and refinish wood arms and legs on rotary chair.
  11. Clean brass chandelier.
  12. Reproduction or adaptation of 1905 furniture.

Currently there is no funding appropriated for this need. The request is as follows:

	F.Y. 1988	F.Y. 1989
Contractual services	\$ 100.0	\$ 100.0

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of projects completed	-0-	-0-	20	20

4) State Monuments, Markers, and Waysides:

Funding is requested to provide state markers and monuments, including rest areas, on the interstate and highway waysides, to function as interpretive devices to inform visitors of historic places, people, and events at sites which no longer have any other means of telling their part of Minnesota's history.

Currently there is no funding appropriated for this need. The request is as follows:

	F.Y. 1988	F.Y. 1989
Repair services	\$ 25.0	\$ 25.0

FUNDING HISTORY:

A history of funding for this activity is set forth below.

	F.Y. 1984	F.Y. 1985	F.Y. 1986	F.Y. 1987
Capital budget items	\$ 241.0	\$ 225.0	\$ -0-	\$ -0-
Operating budget items	50.0	100.0	154.2	98.1
TOTAL	\$ 291.0	\$ 325.0	\$ 154.2	\$ 98.1

RATIONALE:

The funding request in this CHANGE level is in response to the need to maintain structures, property, the exhibition program, objects of art and historical artifacts in public areas of the State Capitol, and the state's monuments, markers, and waysides. The 1983-85 appropriation began to build on an adequate base of funding, but since, has been eroded by the budget reduction of 1986. The consequences of not funding this CHANGE request is the loss of these historically valuable natural resources to future generations.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$275.0 for F.Y. 1988 and \$275.0 for F.Y. 1989 rather than the agency's full request. This recommendation is part of a statewide policy initiative to improve each agency's ability to maintain its physical plant within available General Fund revenues. The Governor's intent has been to remove all Repairs and Replacements (R & R) projects from the Capital Budget in favor of consolidating R & R funding in the Operating Budget.

Appropriations are divided equally between F.Y. 1988 and F.Y. 1989 in order to identify the increase in each agency's funding level for future biennia. The Governor further recommends that agencies be permitted to move funds between fiscal years.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: REPAIR AND REPLACEMENT

PROGRAM: REPAIR AND REPLACEMENT

AGENCY: MINNESOTA HISTORICAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor has directed agencies to develop criteria for allocation of R & R dollars and recommends that each agency report to the Legislature and to the Governor on the disposition of funds for R & R projects by 11-1-88.



PROGRAM: HISTORIC GRANT-IN-AID  
Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

PROGRAM PURPOSE:

The Minnesota Historical Society administers state-funded grants-in-aid programs supporting projects in the preservation and interpretation of Minnesota history.

This program includes 2 activities: (1) Historic Grant-In-Aid; and, (2) Archaeology.

OPERATION:

Funds will be granted pursuant to guidelines set forth by the Minnesota Historical Society. The Society will be responsible for the administration and management of this program and will also ensure compliance with guidelines set forth. The Grants Management office staff is available to assist in the planning of eligible projects and in making application for grants.

BUDGET ISSUE:

To provide an increased level of grants-in-aid assistance for a range of high quality historical projects involving such categories as collecting preservations and interpretation.

EXPLANATION OF BUDGET REQUEST:

Two CHANGE items are requested for this program: (1) \$186.7 each year is requested to keep pace with requests for grants. This request would restore grant dollars to the 1979-81 level of funding; and, (2) \$35.0 each year for Indian history grant-in-aid (LCMR).

GOVERNOR'S RECOMMENDATION:

The Governor recommends the SAME level of funding for this program.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: HISTORIC GRANT-IN-AID

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
HISTORIC GRANT-IN-AID	383.2	313.6	366.7	367.8	221.7	589.5	367.8	367.8	221.7	589.5	367.8
ARCHAEOLOGY	26.5	26.5	26.5	26.5		26.5	26.5	26.5		26.5	26.5
TOTAL	409.7	340.1	393.2	394.3	221.7	616.0	394.3	394.3	221.7	616.0	394.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	92.2	99.3	110.1	110.1		110.1	110.1	110.1		110.1	110.1
LOCAL ASSISTANCE	317.5	240.8	283.1	284.2	221.7	505.9	284.2	284.2	221.7	505.9	284.2
AIDS TO INDS.											
TOTAL EXPENDITURES	409.7	340.1	393.2	394.3	221.7	616.0	394.3	394.3	221.7	616.0	394.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	307.2	236.7	285.0	286.1	186.7	472.8	286.1	286.1	186.7	472.8	286.1
MN RESOURCES					35.0	35.0			35.0	35.0	
DEDICATED APPROPRIATIONS:											
FEDERAL	102.5	103.4	108.2	108.2		108.2	108.2	108.2		108.2	108.2
TOTAL FINANCING	409.7	340.1	393.2	394.3	221.7	616.0	394.3	394.3	221.7	616.0	394.3
POSITIONS BY FUND:											
GENERAL	2.5	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	.5	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0

ACTIVITY: HISTORIC GRANT-IN-AID  
 Program: HISTORIC GRANT-IN-AID  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY PURPOSE:

To provide funding for county, local, and regional nonprofit organizations to preserve and interpret the state's history.

TITLE OF GRANT PROGRAM:

Historic Preservation Grants

STATUTORY REFERENCE: M.S. 138

ACTIVITY DESCRIPTION:

The Historical Grant-In-Aid activity is to enable county, local, and regional non-profit organizations to preserve and interpret the state's history. The grants may be used for the following purposes: (1) to acquire, restore, or preserve buildings, structures, or sites; (2) to collect, process, and conserve artifacts; (3) to interpret local history; (4) to purchase microfilm copies of historic records; (5) to record and transcribe oral history interviews; (6) to acquire, process, or conserve historic photographic collections; and, (7) to survey, collect, preserve, or process manuscripts. Grant funds may not be used to support administrative, operating, or maintenance costs.

RECIPIENT IDENTIFICATION AND ELIGIBILITY CRITERIA: Regional, county and local nonprofit organizations may apply for state grant-in-aid for projects whose purpose is historic preservation and/or interpretation. Organizations are eligible when the application includes the following:

- 1) Assurance the organization is a certified nonprofit organization by the Internal Revenue Service.
- 2) Assurance that the governing body has approved the application or an officer has power to act for the organization.
- 3) Assurance that the project will be of public benefit.
- 4) Assurance that the project is of historical value.

CRITERIA AND FORMULA FOR APPROVAL OF GRANTS:

Grants are approved by the Minnesota Historical Society's Executive Committee upon the recommendation of the Grants Review Committee. All applicants are given an opportunity to make a presentation at an open meeting. Grants are made when the application contains:

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

- 1) Budget information that assures that grant funds are matched on an equal basis by cash, donated services, or donated materials.
- 2) Evidence that the project work meets the guidelines as set forth in the Minnesota Historical Society Grants Manual.

Grant recipients are required to submit completion reports that document fiscal responsibility as well as evidence of work accomplished.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. grant applications	64	120	120	120
No. grants awarded	24	45	45	45
% grant applications funded	38%	38%	38%	38%
No. counties served	20	45	45	45
Grant dollars awarded	\$ 81,915	\$ 189,262	\$ 189,262	\$ 189,262
State grant requests	\$ 305,228	\$ 376,000	\$ 376,000	\$ 376,000
Applicant match	\$ 705,990	\$ 800,000	\$ 800,000	\$ 800,000
Total project value generated	\$1,012,218	\$1,176,000	\$1,176,000	\$1,176,000

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Grant-In-Aid Needed to restore grant dollars to 1979-81 level in order to meet demand. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 186.7	\$ 186.7	Activity Specific
Indian History Grant-In-Aid (LCMR) Needed for grants to preserve and develop the Battle Point and Kathio sites. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 35.0	\$ 35.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HISTORIC GRANT-IN-AID

PROGRAM: HISTORIC GRANT-IN-AID

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS	92.2	99.3	110.1	110.1		110.1	110.1	110.1		110.1	110.1
LOCAL ASSISTANCE	291.0	214.3	256.6	257.7	221.7	479.4	257.7	257.7	221.7	479.4	257.7
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>383.2</b>	<b>313.6</b>	<b>366.7</b>	<b>367.8</b>	<b>221.7</b>	<b>589.5</b>	<b>367.8</b>	<b>367.8</b>	<b>221.7</b>	<b>589.5</b>	<b>367.8</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES	92.2	99.2	110.1	110.1		110.1	110.1	110.1		110.1	110.1
EXPENSES & CONTRAC. SERV		.1									
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>	<b>92.2</b>	<b>99.3</b>	<b>110.1</b>	<b>110.1</b>		<b>110.1</b>	<b>110.1</b>	<b>110.1</b>		<b>110.1</b>	<b>110.1</b>
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	280.7	210.2	258.5	259.6	186.7	446.3	259.6	259.6	186.7	446.3	259.6
MN RESOURCES					35.0	35.0			35.0	35.0	
<b>DEDICATED APPROPRIATIONS:</b>											
FEDERAL	102.5	103.4	108.2	108.2		108.2	108.2	108.2		108.2	108.2
<b>TOTAL FINANCING</b>	<b>383.2</b>	<b>313.6</b>	<b>366.7</b>	<b>367.8</b>	<b>221.7</b>	<b>589.5</b>	<b>367.8</b>	<b>367.8</b>	<b>221.7</b>	<b>589.5</b>	<b>367.8</b>
<b>POSITIONS BY FUND</b>											
GENERAL	2.5	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	.5	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
<b>TOTAL POSITIONS</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>		<b>3.0</b>	<b>3.0</b>

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: HISTORIC GRANT-IN-AID  
 PROGRAM: HISTORIC GRANT-IN-AID  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. The Governor recommends that the agency increase the match for historic preservation grants if increasing the numbers of such grants is a higher priority than maintaining the current 50% match policy.

Request Title: GRANT-IN-AID				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 186.7	-0-	\$ 186.7	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to provide funding for county, local, and regional non-profit organizations to preserve and interpret the state's history.

DESCRIPTION/BACKGROUND:

The state first initiated Grant-in-Aid for historic preservation in 1969. Since that time, it has been a most productive program in preserving valuable historic resources and in sharing that cost burden with entities other than the state. The demand for this program far exceeds the funding available. This request returns this program to its 1979-81 level.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Grant-in-Aid Funds	\$ 186.7	\$ 186.7

STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Grant dollars awarded	\$ 81,915	\$ 189,262	\$ 375,962	\$ 375,962
No. counties served	20	45	60	60
% grant applications funded	38%	38%	100%	100%

RATIONALE:

The funding request in this CHANGE level is in response to the number of grant requests submitted to the Society. The funding level is needed to keep pace with that demand. The total cost burden is shifted from the state to others on a 50% shared basis, and provides county historical societies with critical funding to preserve local and regional historical resources.

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: HISTORIC GRANT-IN-AID  
 PROGRAM: HISTORIC GRANT-IN-AID  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor has recommended that LCMR funding be discontinued beginning July 1, 1987. As a result, there is no funding recommended for the LCMR project contained within this activity.

Request Title: INDIAN HISTORY GRANT-IN-AID	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Legislative Commission on Minnesota Resources (LCMR)	\$ 35.0	-0-	\$ 35.0	-0-
Governor's Recommendation				
LCMR	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This change level is to assist Indian communities in preserving and interpreting historic sites within their reservation boundaries.

DESCRIPTION/BACKGROUND:

Program Objectives: Indian communities are in the process of trying to preserve and interpret their own history. Traditionally, all Indian history has been passed down from generation to generation by word of mouth. Many of these communities own major historical sites within their reservation boundaries. Examples would be Mille Lacs, Leech, Lower Sioux, Grand Portage, Nett Lake, and Upper Sioux communities. Two reservations in particular, Leech and Mille Lacs, are now directly involved in trying to preserve historic sites on their reservations. These sites are available for unrestricted public use. One is Battle Point Site on Leech Lake, the other is Kathio on Lake Mille Lacs. A grant-in-aid program would greatly accelerate the preservation and development of these sites.

RATIONALE:

This grant-in-aid program will accelerate the development of state-designated sites on certain Indian reservations.

ACTIVITY: ARCHAEOLOGY  
 Program: HISTORIC GRANT-IN-AID  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	ESTIMATED F.Y. 1988	ESTIMATED F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY PURPOSE:

To provide a program for field archaeology in Minnesota as set forth in the Field Archaeology Act.

TITLE OF GRANT PROGRAM:

Archaeology

STATUTORY REFERENCE: M.S. 138.34

ACTIVITY DESCRIPTION:

The archaeology activity is to provide funding to carry out the responsibilities and duties as set forth in the Field Archaeology Act of the State of Minnesota. This act is to protect and preserve archaeological and scientific information, matter and objects on state property. A state archaeological site means land or water area owned or leased by, or subject to, the right of the state, county, and township or municipality where there are objects or other evidence of archaeological interest. This term includes all Indian mounds, earth works, historical remains, and other archaeological features on state land or on land subject to the paramount rights of the state. Elements of the Field Archaeology Act as defined in M.S. 138.31 through 138.42 are:

- 1) Prohibition of unlicensed field archaeology
- 2) Surveys and testing as conducted by the Minnesota Historical Society
- 3) Licensing provisions for field archaeology
- 4) Ownership, custody, and use of objects and data
- 5) Cooperation of state agencies, including developmental plans

The Minnesota Historical Society is the agency of the state under M.S. 138.34 to administer and enforce all provisions of the Field Archaeology Act as stated in M.S. 138.31 through 138.42.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
State archaeologist grants	\$ 26,500	\$ 26,500	\$ 26,500	\$ 26,500
Licenses issued	22	22	25	25
State plans reviewed	2	2	2	2

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ARCHAEOLOGY

PROGRAM: HISTORIC GRANT-IN-AID

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	26.5	26.5	26.5	26.5		26.5	26.5	26.5		26.5	26.5
AIDS TO INDS.											
TOTAL EXPENDITURES	26.5	26.5	26.5	26.5		26.5	26.5	26.5		26.5	26.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	26.5	26.5	26.5	26.5		26.5	26.5	26.5		26.5	26.5
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	26.5	26.5	26.5	26.5		26.5	26.5	26.5		26.5	26.5
POSITIONS BY FUND											
TOTAL POSITIONS											



PROGRAM PURPOSE:

The Minnesota Historical Society, at the request of the Governor and the Legislature, serves as fiscal agent for the following activities: (1) Sibley House Association; (2) Minnesota Humanities Commission; (3) Minnesota International Center; (4) Camp Ripley Military Museum; (5) Minnesota Air National Guard Museum and; (6) Project 120.

PROGRAM DESCRIPTION:

The Society functions as a conduit in disbursing state funds to the 6 activities in this program. The amount appropriated is disbursed in a lump sum the beginning of each fiscal year to the respective activities, with the exception of the Sibley House Association. In their case, the money is disbursed and expended on a monthly basis during each fiscal year. The activity detail sheet for each of the above 6 activities sets forth the objectives of each activity and briefly discusses their method and purpose of operation.

The clientele served by this program includes international visitors, school children of all ages, adults, community groups and organizations, school teachers, and the general public.

EXPLANATION OF BUDGET REQUEST:

This program consists of 6 activities. CHANGE items are requested for activities as follows: (1) Sibley House Association requests a CHANGE of \$11.9 each year; (2) Minnesota Humanities Commission requests a CHANGE of \$49.3 each year; (3) Minnesota International Center requests a CHANGE of \$20.0 each year; (4) Camp Ripley Military Museum requests a CHANGE of \$10.0 each year; and, (5) Minnesota Air National Guard requests a CHANGE of \$5.7 in F.Y. 1988 and \$5.6 in F.Y. 1989.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding for this program. While the CHANGE requests have merit, other spending priorities preclude additional funding.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
SIBLEY HOUSE ASSN	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
MN HUMANITIES COMM	32.1	32.1	32.1	32.1	49.3	81.4	32.1	32.1	49.3	81.4	32.1
MN INTRNL CENTER	18.0	18.0	18.0	18.0	20.0	38.0	18.0	18.0	20.0	38.0	18.0
CAMP RIPLEY MIL MUSM		30.0	30.0	30.0	10.0	40.0	30.0		10.0	40.0	
MN AIR NATL GRD MUSM		20.0	20.0	20.0	5.7	25.7	20.0		5.6	25.6	
PROJECT 120	63.0	66.0	69.0	69.0		69.0	69.0	69.0		69.0	69.0
TOTAL	164.5	223.7	177.1	227.1	96.9	324.0	227.1	177.1	96.8	273.9	177.1
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
LOCAL ASSISTANCE	113.1	166.1	119.1	169.1	85.0	254.1	169.1	119.1	84.9	204.0	119.1
AIDS TO INDS.											
TOTAL EXPENDITURES	164.5	223.7	177.1	227.1	96.9	324.0	227.1	177.1	96.8	273.9	177.1
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	164.5	223.7	177.1	227.1	96.9	324.0	227.1	177.1	96.8	273.9	177.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	164.5	223.7	177.1	227.1	96.9	324.0	227.1	177.1	96.8	273.9	177.1
POSITIONS BY FUND:											
TOTAL POSITIONS											

ACTIVITY: SIBLEY HOUSE ASSOCIATION  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY PURPOSE:

To keep the Sibley House Association properties open to the general public in a safe and beneficial manner for the education and enjoyment of all visitors, both young and old.

ACTIVITY DESCRIPTION:

The Sibley House Association of the Minnesota Daughters of the American Revolution (MN DAR) owns, operates and maintains the 7½ acre site in Mendota, which consists of the Sibley House, the Faribault House and the DuPuis House. This is a unique historical site--these are the only original buildings of the period remaining in the State of Minnesota. The Sibley House was constructed in 1835 of local limestone. It was the home of General Henry Hastings Sibley, who became Minnesota's first governor while occupying this home, and is shown as a period home museum to allow for the interpretation of life in Minnesota during that time as well as for the presentation of information pertaining to Henry Hastings Sibley and this site. The Faribault House was built around 1836 of similar materials and was the home of Jean Baptiste Faribault, a fur trader. It is currently shown to the public as a museum and houses part of the valuable Bishop Whipple Indian collection and a unique Native American basket collection in addition to other Native American artifacts. The DuPuis House is a red brick structure built during 1853-1854 by Governor Sibley's secretary, Hypolite DuPuis. This home presently serves as a business center for the site and houses rotating displays. The site displays many period pieces and artifacts which were given to or purchased by the MN DAR. Many of the items belonged to the original families, and all pieces on display are originals and not reproductions.

OPERATION:

The site is operated by a paid staff consisting of qualified Interpreters who guide tours, perform curatorial and cataloging duties and establish outreach programs; two Caretakers who perform regular maintenance and upkeep of the buildings and grounds as well as provide security to the site at all times; and a Site Manager, who under the direction of the Sibley House Association Board, supervises all operational aspects of the site activities. Aside from the paid staff, 10,000 volunteer hours are utilized in the general operation and management of this site annually. Five of the present SHA board members have a combined total of 23 years experience on this board and the by-laws have been changed so that the entire board is never changed in any one year.

RECENT BUDGET HISTORY:

Prior to the 1970's, funding for the site was from admissions and sales and member contributions. During the 1970's, Minnesota appropriations paid salary dollars and artifacts insurance. In 1982, state appropriations were increased to cover

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

75% of the operating costs. Due to the extensive capital improvements necessary and increasing costs, the SHA has begun a private fund-raising campaign. As of July 1986, approximately \$13,000 has been raised through these initial efforts.

ACCOMPLISHMENTS:

This historic site, comprised of several buildings and 7½ acres, has been put together into one site with its original buildings intact. Not only have we kept the site open, but we have established additional educational programs for use on site and other locations and are learning more of the area's history from our research and current archaeological survey.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. adult visitors	2,025	3,018	3,500	3,900
No. school children	2,576	2,800	3,800	4,800
Volunteer hours	8,125	11,000	12,500	12,500
Total income	\$ 83,224	\$ 79,150	88,000	97,000
State appropriations	\$ 57,600	\$ 58,000	58,000	58,000
Non-state sources	\$ 25,264	\$ 21,150	30,000	39,000

CHANGE REQUEST:

	F.Y. 1988	F.Y. 1989	Type
Operating expenses Needed to fund increased costs for operations of the site. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 11.9	\$ 11.9	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SIBLEY HOUSE ASSN

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	33.4	38.9	40.7	40.7	7.3	48.0	40.7	40.7	7.3	48.0	40.7
EXPENSES & CONTRAC. SERV	12.2	12.2	12.0	12.0	2.5	14.5	12.0	12.0	2.5	14.5	12.0
SUPPLIES & MATERIALS	5.5	6.5	5.3	5.3	2.1	7.4	5.3	5.3	2.1	7.4	5.3
EQUIPMENT	.3										
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	51.4	57.6	58.0	58.0	11.9	69.9	58.0	58.0	11.9	69.9	58.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SIBLEY HOUSE ASSOCIATION  
 PROGRAM: FISCAL AGENTS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: OPERATING EXPENSES				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 11.9	-0-	\$ 11.9	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to keep the Sibley House Association properties open to the public in a safe and beneficial manner for the education and enjoyment of all visitors, both young and old.

DESCRIPTION/BACKGROUND:

The various elements of this change request are set forth below:

1) Personnel Expenses:

The salaries for paid staff have been increased but are still below comparable job wages. In addition, the upkeep of the artifacts, the cataloging of collections and the increasing number of visitors due to special programming and the archaeological dig and anticipated restoration have necessitated more employee hours and expanded responsibilities for both the Site Manager and the Interpreters.

	F.Y. 1988	F.Y. 1989
Caretaker	\$ 1.1	\$ 1.1
Site Manager	1.9	1.9
Interpreters	4.3	4.3
TOTAL	\$ 7.3	\$ 7.3

2) Heat and Electricity:

The ice house, an additional building of historical significance, is to be restored; and the continuation of the current archaeological survey and anticipated restoration activities will require heat and electricity in this structure. Also, it has been indicated that some heat must be kept year round in the Sibley and Faribault Houses to decrease deterioration of the artifacts and buildings due to moisture build up and extreme temperature variations.

	F.Y. 1988	F.Y. 1989
Utilities	\$ 3.6	\$ 3.6

3) Insurance:

Our insurance premiums have increased. Commercial insurance premium due 7/1/86 was \$6,000, an increase of \$500 over prior policy year premiums. In addition, Worker's Compensation premium was \$340.

	F.Y. 1988	F.Y. 1989
Insurance	\$ 1.0	\$ 1.0

RATIONALE:

The funding requested in this CHANGE level is intended to keep pace with increased costs of insurance, to keep a minimal level of heat in these buildings in the winter months to decrease deterioration and to pay staff comparable wages.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA HUMANITIES COMMISSION  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY PURPOSE:

To support and conduct education programs in the humanities (history, ethics, literature, etc.) throughout the state.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Grants awarded	82	90	100	100
Programs supported by grants	305	325	350	350
Attendance at programs	19,825	21,125	22,750	22,750
Communities served	110	115	120	120

ACTIVITY DESCRIPTION:

The Minnesota Humanities Commission is a 15 year old organization which gives grants-in-aid and conducts programs for community-based serious but informal adult education. The Commission operates with a combination of federal, private, and since 1979 under M.S. 138.91, state funds. The Commission is governed and grants are awarded by a 21 member board from all areas of the state representing many occupations and professions. Five of the members are appointed by the Governor. The Commission works to make its funds accessible to small groups and organizations throughout the state and has consistently given more than half its grants to groups outside the metro area. The Commission has directed its staff to work closely with first-time applicants so they can learn grantsmanship and compete for other funds as well. Last year, Dassel, Staples, Calendonia, Red Lake Falls, and Gilbert were among the small communities from which groups successfully applied for grants. In 1984 and 1985 the Commission was awarded bonus grant funds by the National Endowment for the Humanities for its excellent management and in 1986 the Commission was awarded a large special NEH grant to build and circulate an exhibit entitled "A House of Our Own: The American Family Dream," a history of American family life project. This exhibit will travel to eighteen Minnesota communities and then be given to the Minnesota Historical Society's traveling exhibit program. The Commission also supported the Minnesota Chautauqua which appears in more than one hundred communities each year.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Requests for technical assistance:				
- by community organizations	200	200	225	225
- by academic institutions	100	100	125	125
Funds awarded by the Commission	\$ 300.0	\$ 300.0	\$ 350.0	\$ 350.0
Funds requested by applicants	\$ 900.0	\$ 900.0	\$ 1,000.0	\$ 1,000.0

CHANGE REQUEST:

Operating Expenses

Growth of the program has resulted in increased operating costs. The state funds have not kept pace with the expansion of the program. An increase is necessary to continue to manage the growth. See CHANGE request following the fiscal sheet for this activity.

	F.Y. 1988	F.Y. 1989	TYPE
Operating Expenses	\$ 49.3	\$ 49.3	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MN HUMANITIES COMM

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	32.1	32.1	32.1	32.1	49.3	81.4	32.1	32.1	49.3	81.4	32.1
AIDS TO INDS.											
TOTAL EXPENDITURES	32.1	32.1	32.1	32.1	49.3	81.4	32.1	32.1	49.3	81.4	32.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	32.1	32.1	32.1	32.1	49.3	81.4	32.1	32.1	49.3	81.4	32.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	32.1	32.1	32.1	32.1	49.3	81.4	32.1	32.1	49.3	81.4	32.1
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MINNESOTA HUMANITIES COMMISSION  
 PROGRAM: FISCAL AGENTS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: OPERATING EXPENSES	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Agency Request				
General Fund	\$ 49.3	-0-	\$ 49.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Commission requests the above dollar amount for general operating support.

DESCRIPTION/BACKGROUND:

Since 1979, the State of Minnesota has provided general operating funds to the Minnesota Humanities Commission. That support has helped the Commission provide wide access to federal funds for educational programs. From 1979 until 1982, the federal government matched the state's contribution. Since 1982, federal and private funds have quadrupled the state's contribution. The federal humanities program and the private sector funders have cited the state support as a contributing factor in their determination to fund the Commission.

RATIONALE:

Since it began, the Commission has brought nearly \$7,000,000 for education in new funds into the state. The Commission has hosted two national meetings and many smaller meetings, thus providing both an educational and an economic benefit to Minnesota. The federal humanities program has worked to provide incentives for state support by actually increasing the level of federal support as the state support increases. Funds for this program are awarded on an evaluative basis. In order to continue to earn the excellent evaluation, the Commission should demonstrate that the state is willing to increase its contributions so that the growth is well managed.



ACTIVITY: MINNESOTA INTERNATIONAL CENTER  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY PURPOSE:

To serve as a catalyst for improving communications and understanding between Minnesotans and the world.

ACTIVITY DESCRIPTION:

The Minnesota International Center (MIC) is a statewide, nonprofit community volunteer organization. MIC: (1) arranges professional appointments and hospitality for officially-sponsored, short-term international visitors sent to Minnesota by the U.S. Information Agency and other public and private national and international agencies; (2) sponsors activities that promote interchange between international students and Minnesotans; (3) serves as an information clearing house for international organizations and an initiator of public programs dealing with global issues; (4) enables foreign visitors and students to learn more about Minnesota's agricultural economic, cultural, and recreational resources, our government, and our people.

In order to reach these goals, additional funding is necessary. Same level funding will decrease program output, since program costs increase at the rate of 4% or more per annum. The following statistics reflect the impact of same level funding on productivity.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Visitors programmed	1,112	1,112	1,068	1,025
Countries represented	125	125	120	116
Professional appointments arranged	1,330	1,330	1,277	1,226
Minnesotans involved	12,307	12,307	11,815	11,343
Homestays (no. individuals/ no. of days)	441/1,993	461/2,393	443/2,297	425/2,205
Statewide affiliates	58	58	54	52
Language services provided	711	711	683	656
Communities visited	90	90	86	82

ACCOMPLISHMENTS:

MIC received its first legislative appropriation in F.Y. 1979, in the amount of \$15,000; from F.Y. 1979 through F.Y. 1987, appropriations averaged \$16,467. During this period, the number of international visitors MIC programmed annually increased 35% (from 856 to 1,112); the number of countries they represented increased from 81 to 125. A statewide network of community affiliates, established in 1980, grew from 28 to 58. A Language Bank which assists hospitals and public agencies tripled its services. The "Minnesota Awareness Project: (MAP)", funded since 1982 by the U.S. Agency for International Development, arranged for students from developing countries to present programs statewide to audiences totaling 18,600. "Minnesota

<u>ACTIVITY GENERATES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
<u>NON-DEDICATED REVENUE</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

Meets Japan", also grant-funded, enabled 20 Minnesota teachers to develop curricula about Japan for distribution statewide by the Minnesota Department of Education. MIC added a world affairs component in 1984; it now coordinates a network of 50 international organizations and produces programs and publications reaching annual audiences of 5,000. A development audit providing guidelines for a comprehensive development program was completed in 1986. The total number of Minnesotans impacted by MIC exceeds 30,000 per annum.

FEDERAL (OTHER) FUNDING SOURCES:

Sources of support are corporate, membership, and individual contributions; earned income; an annual benefit, a U.S.I.A. incentive grant; and the legislature. MIC's F.Y. 1986 operating budget of \$131,855 was leveraged to \$600,279 by income from grants and in-kind contributions and staff work done by volunteers and interns. Contributions to the economy of the State through per diem and transportation expenditures by visitors and escorts totalled \$705,850. Financial scope of the total operations was \$1,306,129; \$844,950 of this amount was injected into Minnesota from sources outside of the state.

MAJOR GOALS:

- 1) To initiate an expanded development program. For this purpose, a Bridge Fund of \$60,000 per annum from F.Y. 1986 through F.Y. 1989 is being solicited.
- 2) To use a newly-acquired database management system to maximize MIC's efficiency in utilizing volunteers and community resources.
- 3) To keep Minnesota a magnet for sponsored visitors by providing high quality programs involving increasing numbers of urban and rural Minnesotans, including programs involving representatives of state, metropolitan, county and city governments.
- 4) To increase the number of community affiliates in MIC's Statewide Network from 58 to 68, and provide increased services and support to host communities.
- 5) To respond to requests by the State of Minnesota for assistance in arranging programs for groups of international visitors arriving as a result of state trade initiatives.

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Operating expenses	\$ 20.0	\$ 20.0	Activity Specific
Need to avoid cutbacks in programs and respond to an increasing number of requests for assistance. See CHANGE request sheet following the fiscal sheet for this activity.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MN INTRNL CENTER

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	18.0	18.0	18.0	18.0	20.0	38.0	18.0	18.0	20.0	38.0	18.0
AIDS TO INDS.											
TOTAL EXPENDITURES	18.0	18.0	18.0	18.0	20.0	38.0	18.0	18.0	20.0	38.0	18.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	18.0	18.0	18.0	18.0	20.0	38.0	18.0	18.0	20.0	38.0	18.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	18.0	18.0	18.0	18.0	20.0	38.0	18.0	18.0	20.0	38.0	18.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: MINNESOTA INTERNATIONAL CENTER  
 PROGRAM: FISCAL AGENTS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Request Title: OPERATING EXPENSES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 20.0	-0-	\$ 20.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Minnesota International Center requests the above dollar amount in order to avoid cutbacks in the quantity and quality of its programs and respond to an increasing number of requests for assistance in programming students and visitors for national and international agencies, Minnesota educational institutions, and the State of Minnesota.

DESCRIPTION/BACKGROUND:

In 1986 an independent consultant who audited MIC drew the following conclusions: MIC provides unique services for visitors and students; is a key networker for Minnesota international institutions and agencies; is a resource for the state, the University of Minnesota, and business, schools, community agencies and citizens. The MIC costs/benefit ratio is remarkable when size of budget is measured against constituency served, and its array and complexity of activities are remarkable for size of organization and staff. However, staff are overworked and underpaid, and budget and office space are inadequate. In order to sustain its present performance level and meet expanding needs, increased income from public and private sources is necessary.

In response to these recommendations, MIC is revising its long-range plan, restructuring its board and staff, and increasing its operating budget by 35%. Increased state funding will assist MIC in meeting development needs and responding to requests for assistance in programming visitors who come to Minnesota as a result of new trade and development initiatives. Expansion plans include:

- 1) adding 1 professional staff member as recommended in the development audit and augmenting staff through expanded use of volunteers and interns;
- 2) strengthening and expanding the statewide network of volunteer affiliates;
- 3) maintaining the successful Minnesota Awareness Project after grant funding ceases, with help from network members;
- 4) forming a legislative advisory committee to assure optimal participation of Minnesota legislators and other government officials in student and visitor programs;
- 5) developing special projects for collaboration with educational institutions, international organizations, corporations and government entities; and,
- 6) expanding special services such as the Language Bank and the International Student Speakers Bureau.

ACTIVITY STATISTICS:	Actual			
	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Visitors programmed	1,112	1,210	1,325	1,500
Countries represented	125	125	128	130
Professional appointments arranged	1,330	1,330	1,395	1,465
Minnesotans involved	12,307	12,307	13,000	13,650
Homestays (No. individuals/No. of days)	441/1,993	461/2,393	484/2,512	508/2,637
Statewide affiliates	58	58	61	65
Communities visited	90	90	95	100
Language services provided	711	711	747	785

RATIONALE:

Minnesota International Center with its statewide network is uniquely placed to develop and administer programs providing positive and productive experiences for annually increasing numbers of international visitors. Of the 1,112 visitors in F.Y. 1986 one-third were from the top 20 U.S. overseas export markets. Minnesota International Center arranged 296 appointments involving 949 contacts with Minnesota government officials and 279 appointments involving 867 contacts with Minnesota business and agricultural leaders. Such contacts offer potential for expanding Minnesota's trade outlets overseas and increasing tourism, as well as furthering international understanding. Funding requested will allow MIC to provide comprehensive, professionally managed visitor programs, based on adequate staffing and a statewide corps of trained volunteers.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: CAMP RIPLEY MILITARY MUSEUM  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY PURPOSE:

The basic purpose of the Military Historical Society of Minnesota (MHSM) is to preserve and explain military history as it has been experienced by Minnesota servicemen and women. More specifically, it is:

- 1) To collect, preserve and display weapons, uniforms, equipment, vehicles, documents, books, photographs, art, memorabilia and other artifacts which reflect:
  - a. military activity in which Minnesotans have played an important role;
  - b. the history of old Fort Ripley and Camp Ripley; and,
  - c. the history of Minnesota's militia and National Board.
- 2) To enhance public understanding and appreciation of military history as it pertains to Minnesota, through its museum and related education programs.
- 3) To provide referral services to persons seeking information about Minnesota's military history.

ACTIVITY DESCRIPTION:

The Camp Ripley Military Museum is located just inside the post's main gate. Camp Ripley is a 53,000 acre military training site owned by the State of Minnesota and operated by the Minnesota National Guard. Approximately 60,000 troops from across the nation train there each year. Camp Ripley is located 7 miles north of Little Falls and 125 miles north of the Twin Cities.

The museum is in its 9th year of existence. Presently located in a 3,463 square foot wood frame structure (exhibit area 2,541 square feet), it is managed by the MHSM, a state-chartered nonprofit corporation which was set up primarily for the purpose of establishing and maintaining a military museum in Minnesota.

Nearly all financial support for the museum has come from private donations and, more recently, also from legislative grants via the Minnesota Historical Society. An annual membership drive will also be begun this fall as a means of securing additional financial support.

UNIQUE FEATURES OF THE MUSEUM:

- 1) An artillery ammunition cart (several thousand built and used during the Civil War) and a recently restored "Jumbo" Sherman tank (262 manufactured for use in World War II) are the last known ones in existence.
- 2) The museum is the only one in Minnesota which attempts to tell the story of Old Fort Ripley, a post which played an extremely important role in promoting a government presence on the Minnesota frontier between 1849 and 1877.

- 3) Plans for 1987 include installation of an exhibit of memorabilia of General John Vessey, recently retired chairman of the Joint Chiefs of Staff, who began his military career as a private in the Minnesota National Guard. The exhibit will remain for an indefinite period of time.

RECENT DEVELOPMENTS: Since the last biennial budget was submitted, the museum has been recognized as an official Army National Guard Museum. This means that it has met standards as set forth by Army regulations and is now considered part of the Army museum system. As such, it is eligible to receive historic federal property. While not offering direct funding, its new status as part of the Army museum system gives national recognition to the museum and opens up excellent opportunities to significantly enhance the museum's collection.

This opportunity for expansion of the collection, coupled with existing serious deficiencies in the present museum building (inadequate space for display and storage, need for rewiring, poor insulation and energy efficiency), has prompted a plan for closing the museum at the end of the summer and moving it to another building at Camp Ripley. The new building, when remodeled and enlarged, will solve problems which have plagued the present structure since the museum was initially housed there in 1977. The new building will also enable us to completely reconceptualize and rebuild all exhibits--exhibits which can better tell the story of Minnesota's military history.

A special building fund drive is planned for fall 1986 and the new museum is expected to be open to the public by mid-May 1987.

<u>ACTIVITY STATISTICS</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of museum visitors	11,258	9,704	12,750	13,250
Number of acquisitions	128	180	200	200
Volunteer hours	520	1,500	1,040	1,040

Hours: 10:30 a.m. - 5:30 p.m. (except Wednesday and Thursday), May 1 - Labor Day, and other times during the year by special arrangement for groups.

<u>CHANGE REQUEST:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Exhibition development Needed to develop and install interior and exterior exhibitions. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 10.0	\$ 10.0	Activity Specific

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: CAMP RIPLEY MIL MUSM

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE		30.0		30.0	10.0	40.0	30.0		10.0	10.0	
AIDS TO INDS.											
TOTAL EXPENDITURES		30.0		30.0	10.0	40.0	30.0		10.0	10.0	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		30.0		30.0	10.0	40.0	30.0		10.0	10.0	
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		30.0		30.0	10.0	40.0	30.0		10.0	10.0	
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: CAMP RIPLEY MILITARY MUSEUM  
 PROGRAM: FISCAL AGENTS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY OPERATIONS

Request Title: EXHIBITION DEVELOPMENT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 10.0	-0-	\$ 10.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to preserve and explain military history as it has been experienced by Minnesota servicemen and women.

DESCRIPTION/BACKGROUND:

As noted in the narrative under "Recent Developments", the museum is vacating its present building in September 1986. While the old building had adequate square footage, much of it was unusable because of the building's layout. When coupled with the many basic upgrades required (e.g., complete rewiring and insulation), its continued use as a museum could not be justified. Another building at Camp Ripley is being remodeled and enlarged for use by the museum next summer. It is located near the present structure. A fund drive will be launched this fall to help finance the building itself, but we do not expect to be able to raise enough money to also renovate the exhibits.

With the move, all exhibits would have to be redone. The move also affords an ideal opportunity to significantly improve the quality of exhibits. The intent is to complete the conversion of the museum from a collection of labeled artifacts to a true "interpretive center" which educates and instills appreciation for the accomplishments and sacrifices of Minnesotans in uniform during the past 150 years. The objective of the change request, then, is to finance this renovation and conversion.

The plan would call for complete renovation and installation of permanent interior exhibits for 1987-88, and, for 1988-89, development of an outdoor exhibit area

plus further improvements to the interior exhibits. More specifically, renovation would include some additional cases, new movable partitions (these are lacking in the present building and thereby prevented flexible and innovative use of space), new text and label panels, photo remounting, and new exhibit design to correspond to the special opportunities presented within the new building.

The entire project would be accomplished at a very low cost because exhibit layout, writing, and installation would largely be done by volunteers. Construction would only involve the cost of materials.

	F.Y. 1988	F.Y. 1989
Design and construction of new exhibits in association with new museum	\$ 10.0	\$ -0-
Development of outdoor exhibit area	-0-	10.0
<b>TOTAL</b>	<b>\$ 10.0</b>	<b>\$ 10.0</b>

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Museum visitors	11,258	9,704	13,250	13,750

RATIONALE:

We are confident that with the new building and completely redone exhibits, we will dramatically improve the appearance and impact of the museum on visitors. Full realization of this will be contingent upon funding of the change request, however. It is anticipated that redone exhibits will attract more return visitors and enhance word-of-mouth advertising.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA AIR NATIONAL GUARD MUSEUM  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ACTUAL F.Y. 1985 -0-	ACTUAL F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY PURPOSE:

To collect, preserve, interpret, and display the history of the Minnesota Air National Guard through:

- 1) Displays of aircraft restored to their markings as used by the units.
- 2) Displays of clothing, memorabilia, and photographs portraying a history of growing importance to the state and nation.
- 3) Documentation by tapes and printed materials of the significant personnel before they pass on.

To provide an opportunity for all Minnesotans to understand and appreciate the great history of the air side of the Minnesota National Guard at no cost to them.

ACTIVITY DESCRIPTION:

The Minnesota Air National Guard Museum is located in Area "D" - Minneapolis-St. Paul International Airport. Area "D" is the home of the 133rd Tactical Airlift Wing of the Minnesota Air National Guard. While the museum is located in converted alert hangars in the Twin Cities, it also represents and presents the history of the 148th Fighter Interceptor Group of the Minnesota Air National Guard located at Duluth, and the 208th Weather Flight which operates at Holman Field in St. Paul.

Opened on July 22, 1984, the museum is documenting, preserving and displaying the Air National Guard history back to its inception in 1921. The Minnesota Air National Guard Historical Foundation, Inc. finances and operates the museum for the 133rd Tactical Airlift Wing. The museum is operated under directives of the United States Air Force and the Adjutant General, State of Minnesota. Although display aircraft are provided through the military, there is, at present, no funding for the museum through either federal or state military budgets.

UNIQUE FEATURES:

Ten aircraft of specific significance to the Air National Guard of Minnesota are on hand and in various stages of reconstruction. Each will be marked as they were used by the units and available for viewing either in an area around the museum or in the alert hangars.

The center bay of the hangar has been restructured to allow for a visually pleasant atmosphere with the ability to handle up to 100 people viewing different displays at one time. The upper level of the center bay displays models of aircraft and an unique viewing window where museum visitors can see the current aircraft traffic. Viewers from this area can also watch the Air National Guard members performing their aircraft functions from a safe and protected distance.

FINANCIAL SUPPORT:

The Historical Foundation is funded through four primary channels:

- 1) Legislative grants through the Minnesota Historical Society.
- 2) Private individual, foundation and corporation grants for specific projects.
- 3) Membership as a Minnesota Air Guard Historian (memberships are open to the public).
- 4) Museum gift shop sales.

RECENT DEVELOPMENTS:

A continuing but heightened awareness exists that much of any history is locked in the minds of past and present unit members. The most immediate challenge is to record and document these thoughts, reminiscences, and memories for others to enjoy in the future. An eighteen year old member serving when the units were activated in 1941 would now be sixty-three years old. Time is running out; the necessity is for the museum to move swiftly with money and effort to do the critical documentation.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of visitors	6,000	20,000	20,000	20,000

Current hours of operation: 10:00 a.m. - 4:00 p.m. every second Saturday  
 10:00 a.m. - 4:00 p.m. every third Saturday and Sunday  
 Beginning April 1987, April through October, 10:00 a.m. - 4:00 p.m. every weekend  
 Groups by appointment

Dues-Paying Members: 313

CHANGE REQUEST:

	F.Y. 1988	F.Y. 1989	Type
Program expenses Needed to conduct oral history and insignia marking of restored aircraft. See CHANGE request sheet following the fiscal sheet for this activity.	\$ 5.7	\$ 5.6	Activity Specific

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: MN AIR NATL GRD MUSM

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE		20.0		20.0	5.7	25.7	20.0		5.6	5.6	
AIDS TO INDS.											
TOTAL EXPENDITURES		20.0		20.0	5.7	25.7	20.0		5.6	5.6	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		20.0		20.0	5.7	25.7	20.0		5.6	5.6	
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		20.0		20.0	5.7	25.7	20.0		5.6	5.6	
POSITIONS BY FUND											
TOTAL POSITIONS											



CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: MINNESOTA AIR NATIONAL GUARD MUSEUM  
 PROGRAM: FISCAL AGENTS  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Oral history development and archival material  
 Unique unit insignia and marking of restored aircraft  
 TOTAL

	F.Y. 1988	F.Y. 1989
	\$ 5.7	\$ -0-
	-0-	5.6
	\$ 5.7	\$ 5.6

RATIONALE:

The funding requested in this CHANGE level completes the aircraft to make a truly significant experience for the museum visitor. No other funds are available for this task.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: PROGRAM EXPENSES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 5.7	-0-	\$ 5.6	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to collect, preserve, interpret, and display the history of the Minnesota Air National Guard.

DESCRIPTION/BACKGROUND:

Equipment purchases and subsidiary expense for the oral and visual documentation of unit members' recollections back to the establishment of the Air National Guard. Each year more of our history is lost as former members pass on without relating their own significant history to the museum. The wife of the unit's founder still lives at the age of ninety, but time is running out for a complete oral documentation. A change level grant would enable the Foundation to purchase equipment and support staff necessary to accomplish the task.

Many of our former members have donated artifacts to be preserved. As our daily volunteers work on the task of preserving and cataloging this material, they need proper archival materials.

Therefore, the F.Y. 1987-88 requests represent an important, immediate opportunity to do valuable documentation of history before it is too late. The F.Y. 1988-89 request would allow the museum to truly represent the units' aircraft history through individual design and colors for the restored aircraft. Much of the World War II aircraft beauty came from unique designs. The Minnesota Air National Guard also had its own colors and markings. The aircraft restored to date have been painted with generic metal preserving paint.

ACTIVITY: PROJECT 120  
 Program: FISCAL AGENTS  
 Agency: MINNESOTA HISTORICAL SOCIETY

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION:

PROJECT 120 brings 30 high school students to the State Capitol each week to study first-hand how state government works. Urban Concerns Workshops, Inc. contracts with the center to run PROJECT 120. Students are asked to pay a \$175.00 fee to cover a 40% portion of the week's costs. While a majority pay the full fee, scholarships are available, and no student is prevented from participating on the basis of financial need.

Pre- and post-program attitude surveys are administered to each group of students. The results of these surveys show that a distinct change takes place during their week of exposure to government. They leave St. Paul with a better understanding of the role that state government plays in their daily lives. They are better able and more prepared to integrate their experience with real life activities such as school, family, church and job.

The goals of PROJECT 120 are to provide the student with:

- 1) a better understanding of the basic structure of state government and how the political process works;
- 2) a forum for the exchange of ideas with decision-makers and peers from around the state;
- 3) the knowledge of how he/she can become involved with the system and be effective; and,
- 4) an overview of politics and government in Minnesota which allows him/her to make a decision about his/her role in the political process.

OBJECTIVE:

To increase the amount of time spent by individual Minnesota high school students in studying state government by an equivalent of 184 hours (standard classroom period).

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of students	307	250	250	250
No. of hours/units (# students x 184)	56,488	46,000	46,000	46,000
Percent change in student: pre/post attitude survey +/-	+17.0%	+10.0%	+10.2%	+10.4%
Score on PROJECT 120 evaluation forms (perfect score 57)	53.8	53	53.2	53.4

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of weeks of program	12	12	12	12
No. of schools	129	130	135	140
No. of students	307	250	250	250
No. of counties	66	70	72	75
Female participants	181	150	150	150
Male participants	126	100	100	100
Non-white participants	35	50	50	50
Metro area residents	127	120	120	120
Non-metro area residents	180	130	130	130

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PROJECT 120

PROGRAM: FISCAL AGENTS

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	63.0	66.0	69.0	69.0		69.0	69.0	69.0		69.0	69.0
AIDS TO INDS.											
TOTAL EXPENDITURES	63.0	66.0	69.0	69.0		69.0	69.0	69.0		69.0	69.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	63.0	66.0	69.0	69.0		69.0	69.0	69.0		69.0	69.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	63.0	66.0	69.0	69.0		69.0	69.0	69.0		69.0	69.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST:

Operations, Collections, and Exhibitions  
 Needed to plan for the move of staff and collections, conserve museum artifacts, and prepare for exhibition galleries in State History Center. See the CHANGE request sheet following the fiscal sheet for this activity.

<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
\$ 303.4	\$ 382.6	Activity Specific

PROGRAM PURPOSE:

To provide for the management and operation of the State History Center. This new facility will allow the Minnesota Historical Society to preserve its collections, merge its operations, provide for better public service through the concept of a central reference area in which the user will have immediate access to all of the collections, and provide an exhibition gallery program worthy of the state's rich history.

PROGRAM DESCRIPTION:

The State History Center will bring together all of the Society's activities and services except those which, by their very nature, must be elsewhere. This facility will be operational by 1989. The plan which has been developed encompasses 6 program elements which are: (1) Galleries, Education and Museum Collections; (2) References Services and Library/Archival Collections; (3) Publications and Research; (4) Collections Services; (5) Visitor Services, and; (6) Administrative Support. This appropriation will address 3 major areas:

- 1) Operations: To plan and implement the smooth transition of Society staff, collections, and programs, minimize the interruption of services provided to the public that we serve. Three locations are included in this move; 690 Cedar Street, 1500 Mississippi Street, and the James J. Hill House. Also, to develop and implement a plan for computerized central reference to the Society's research collection.
- 2) Collections: To plan and coordinate the move of the valuable collections, which number over 1.8 million pieces, to ensure their safety. Also, to process and standardize information regarding the collection and to provide state-of-the-art storage techniques for housing the collections once they are situated in the new State History Center.
- 3) Exhibitions: To continue planning and preparation for exhibits in the new State History Center. A major interpretive exhibit demands 3 or 4 years to develop and it is anticipated that, upon opening of this building, a major survey gallery of Minnesota and 2 other new exhibits be fully installed. An expanded exhibition program also places increased demands on the museum collections operations. Artifacts must be catalogued and conserved so that they may be used as interpretive tools in exhibits.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$55.7 and 2 positions in F.Y. 1988 and \$233.7 and 8 positions in F.Y. 1989 for the purpose of developing programs, exhibits and preparing the Society's valuable collections for the move to the new History Center in 1990.

This recommendation is contingent upon approval of the new State History Center project by the 1987 Legislature.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Program elements	6	6	6	6
New exhibit galleries	-0-	-0-	-0-	10
Exhibition space in State History Center (total square feet)	-0-	-0-	-0-	42,000
Current exhibition space at 690 Cedar Street (total square feet)	6,000	6,000	6,000	-0-

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE HISTORY CENTER

PROGRAM: STATE HISTORY CENTER

AGENCY: HISTORICAL SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			52.6	52.6	242.4	295.0	105.3	52.6	270.6	323.2	276.3
EXPENSES & CONTRAC. SERV			22.4	22.4	50.0	72.4	22.4	22.4	100.0	122.4	22.4
SUPPLIES & MATERIALS					2.7	2.7	2.0		3.0	3.0	8.0
EQUIPMENT					8.3	8.3	1.0		9.0	9.0	2.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING			75.0	75.0	303.4	378.4	130.7	75.0	382.6	457.6	308.7
POSITIONS BY FUND											
GENERAL			2.0	2.0	9.0	11.0	4.0	2.0	10.0	12.0	10.0
TOTAL POSITIONS			2.0	2.0	9.0	11.0	4.0	2.0	10.0	12.0	10.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

The timeline below is intended to identify the sequence of events in preparation for the move into the State History Center:

ACTIVITY: STATE HISTORY CENTER  
 PROGRAM: STATE HISTORY CENTER  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: OPERATIONS, COLLECTIONS, EXHIBITIONS				
Agency Request				
General Fund	\$ 303.4	9.0	\$ 382.6	10.0
Governor's Recommendation				
General Fund	\$ 55.7	2.0	\$ 233.7	8.0
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to provide for a move into the State History Center.

DESCRIPTION/BACKGROUND:

The Society, in its Capital Budget Request, is requesting funds for the State History Center. The site has been selected and cleared and the architect has been chosen by a juried competition. This new Center will allow people access to the Society's rich collections for first-hand research in public reading rooms. The Center will contain, for the first time, an appropriate state historical museum with adequate gallery space. In this facility, the visitor will encounter interpretive and educational programs, including exhibitions, demonstrations, workshops, lectures, publications and tours.

	July 86	July 87	July 88	July 89	July 90	July 91
Construction of State History Center: -Begin Construction - Fall 1988 -Construction 60% Complete - Fall 1989 -Construction Complete - Summer 1990			xxxxx	xx	xxxx	xxxxx
State History Center Operations: -Plan for Move into State History Center -Begin Centralizing Clerical Function -Move into State History Center - Fall 1990 -State History Center Open to the Public - Winter 1990			xxxxxxxx	xxxxxxxx	xxxx	xxxxxxxx
Exhibitions: -Research "The Story of Minnesota" Exhibit -Order "The Story of Minnesota" Exhibit Components -Construct "The Story of Minnesota" Exhibit -Research 4 Other Exhibits -Order Exhibit Components -Exhibition Construction -5 Exhibits Open to the Public - Winter 1990	xxxxxxxx		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxxx
Collections: -Catalogue Collections -Begin Conservation and Restoration of Collections -Identify Collections Move Sequence -Move Collections into State History Center - Fall 1990	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Central Reference: -Develop Plan for Central Reference -Accelerate Cataloging Functions -Centralize Public Reference Functions -Public Use of Central Reference - Winter 1990		xxxxxxx	xxxxxxx	xxxxxxx	xxxxx	xxx xxxxxxx

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity  
(Continuation)

ACTIVITY: STATE HISTORY CENTER  
PROGRAM: STATE HISTORY CENTER  
AGENCY: MINNESOTA HISTORICAL SOCIETY

The various elements of this change request are set forth as follows:

1) Operations:

a) Operations Location Plan:

Funding is requested to contract with individuals with the appropriate skills to work with Society staff to develop a plan to implement the move of staff and operations from their current locations to the new Center.

F.Y. 1988 F.Y. 1989

Contractual services \$ -0- \$ 50.0

b) Work Service Center:

This position is requested to complete the staffing need in the work service center. This center provides clerical services such as word processing, central filing, central telephone responsibility as well as routine clerical and technical tasks that can benefit from the concept of centralization. Currently, many of these tasks are being performed by professional staff which is not the most efficient, effective, or economical use of their skills.

F.Y. 1988 F.Y. 1989

1.0 FTE Senior Clerk Stenographer \$ 23.4 \$ 23.4  
Support costs for position 1.0 1.0  
TOTAL \$ 24.4 \$ 24.4

c) Coordinate and Manage Reference Service:

A position is requested to administer the existing reference department which consists of 5 reference reading rooms. This position will coordinate and manage these 5 public use areas, encourage and direct the use of the Society's collections, and plan for on-line reference systems to be used as the information on the collections is automated.

F.Y. 1988 F.Y. 1989

1.0 FTE Head of Reference \$ 37.5 \$ 37.6  
Support costs for position 1.0 1.0  
TOTAL \$ 38.5 \$ 38.6

d) Marketing and Production Assistant:

Funds are also requested for a position to support marketing, research, and production activities of the Minnesota Historical Society Press. State appropriations fund positions and a modest grants program. Press operations are funded by income generated by the sale of the publications.

F.Y. 1988 F.Y. 1989

1.0 FTE Marketing and Production Assistant \$ 23.4 \$ 23.4  
Support costs for position 1.0 1.0  
TOTAL \$ 24.4 \$ 24.4

2) Collections:

a) Collections, Conservation, and Cataloging:

Funding is requested to contract with an individual who can offer specialized expertise in terms of moving and housing the collections in the Center. Over 1.8 million items must be packed, moved, and housed using state-of-the-art storage techniques. These items include books, photographs, fragile documents, delicate items of clothing, Indian artifacts, housewares, furniture, state archives and manuscripts, archaeological artifacts, and canoes, to name just a few.

A position is requested for the biennium to catalog 3-dimensional museum artifacts so they may be available to use in the exhibitions that must be installed and ready for public enjoyment when the new State History Center is opened. Two positions are requested for the biennium to conserve artifacts and textiles so these items are properly prepared for the move into the Center. The Society has never had adequate funding to preserve these fragile items. With the move into the State History Center, there is a focus on public access to these collections through the central library facility and an expanded museum gallery program. This new focus requires attention to the collections.

F.Y. 1988 F.Y. 1989

1.0 FTE Artifacts Conservator \$ 27.9 \$ 27.9  
1.0 FTE Textiles Conservator 27.9 27.9  
1.0 FTE Collections Cataloger 24.8 24.8  
Support costs for position 3.0 3.0  
Contractual services 50.0 50.0  
TOTAL \$ 133.6 \$ 133.6

b) Processing of Materials:

A position is requested to perform tasks such as acquiring, weeding, and disposing of books. Currently, the Society has one position to perform these tasks and seeks funding as more bulk donations are received. This additional position is needed to cope with the increased workload.

## CHANGE REQUEST

1987-89 Biennial Budget

 Agency  Program  Activity

(Continuation)

ACTIVITY: STATE HISTORY CENTER  
 PROGRAM: STATE HISTORY CENTER  
 AGENCY: MINNESOTA HISTORICAL SOCIETY

A position is also requested to standardize and bring together the registration and accessioning records of library materials, artworks, manuscripts and artifacts. This is critical to the concept of central reference which will allow the user to receive information about all of the collections from one access point rather than many. The Society does not currently have such a position, but with central reference as the goal, this position is critical. This request also includes funds for equipment to assist in the museum's collections processing.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1.0 FTE Book Acquisitions Assistant	\$ 24.8	\$ 24.8
1.0 FTE Registrar	24.8	24.8
Support costs for positions	2.0	2.0
Equipment	2.0	2.0
TOTAL	<u>\$ 53.6</u>	<u>\$ 53.6</u>

3) Exhibitions:

Funding is requested to continue planning and preparation for exhibits in the State History Center. A major interpretive exhibit demands 3 to 4 years to develop and it is anticipated that upon opening of this building, a major survey gallery of Minnesota and 2 other exhibits be fully installed.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1.0 FTE Exhibits Technician	\$ -0-	\$ 28.1
1.0 FTE Exhibits Research Historian	27.9	27.9
Support costs for position	1.0	2.0
TOTAL	<u>\$ 28.9</u>	<u>\$ 58.0</u>

RATIONALE:

A move of this magnitude requires careful and thorough planning that must begin now. Over 1.8 million items and 175 staff must be moved with minimal interruption to public services. This request will allow the Society to keep pace with the changes in our environment that relate to very basic concepts in management and administration. It will also provide the funds to assist in the definition of our clientele as it relates to marketing our publications and planning exhibitions. It will allow us to process the materials that are being donated as well as the backlog of materials in order to make them more accessible to the public that we serve. For a move of this scale, the consequences of not funding this request

are obvious--inadequate storage and moving techniques, items lost or damaged, and disorganization, all of which would result in a prolonged disruption of service to the public.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$55.7 and 2 positions in F.Y. 1988 and \$233.7 and 8 positions in F.Y. 1989 for the purpose of developing programs and exhibits and preparing the Society's valuable collections for the move to the new History Center.

The following items have not been recommended: 1) the Governor does not include funding of \$150.0 for the biennium to plan the move of staff, operations and collections to the new History Center in F.Y. 1991. These items should not be requested until the next biennium; 2) the Governor's recommendation does not include funding of \$97.6 for the biennium for the work service center or the marketing and production assistant because these items are not critical to the new History Center, and 3) the remaining items of \$149.0 and 5 positions have not been recommended in F.Y. 1988 but have been recommended in F.Y. 1989.



1987-89 BIENNIAL BUDGET  
PROGRAM STRUCTURE

AGENCY: ARTS, BOARD OF

SECTION PAGE  
20

PROGRAMS

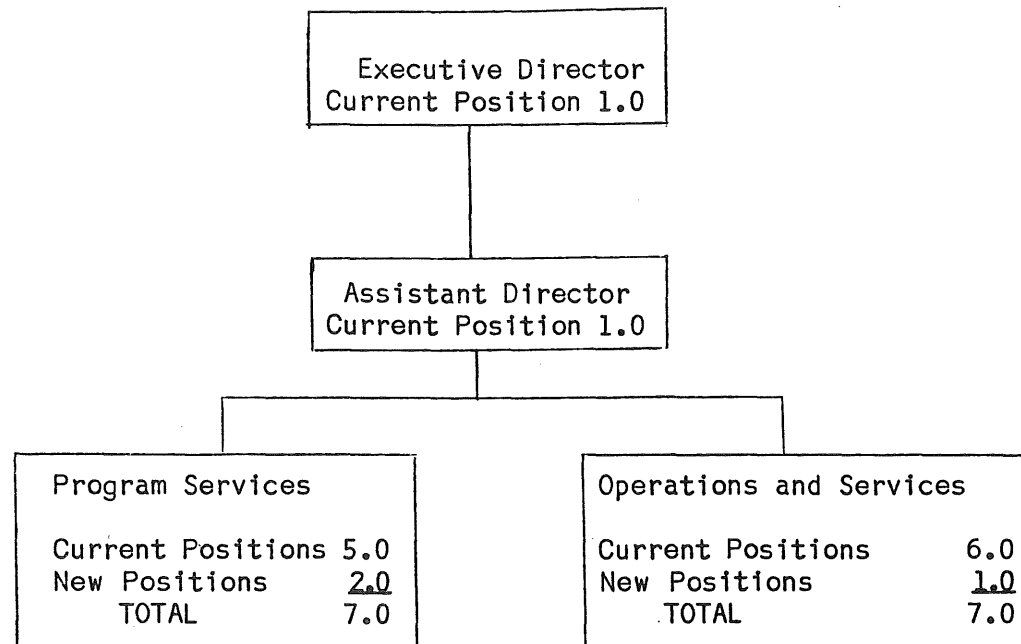
ACTIVITIES

OPERATIONS & SERVICES	OPERATIONS AND SERVICES	9
	DEVELOPMENTAL PROGRAMS	12
	OPERATING SUPPORT GRANTS	17
	SPECIAL PROJECT GRANTS	20
PROGRAM GRANTS	SERIES PRESENTER GRANTS	26
	ARTISTS IN EDUCATION GRANTS	29
	ARTIST ASSISTANCE GRANTS	33
REGIONAL ARTS FISCAL AGENT	REGIONAL GRANTS, PROGRAMS, AND SERVICES	36

MINNESOTA STATE ARTS BOARD

Organization Chart  
Current as of 7/1/86

POSITION RECONCILIATION		
AUTHORITY:		
LEGISLATIVE AUTHORIZED	CURRENT E.Y. 1987	REQUESTED FOR 6/30/89
General Fund	10.0	13.0
Federal Fund	<u>3.0</u>	<u>3.0</u>
Total Permanent Positions	13.0	16.0
Employees on 6/30/86	13.0	



AGENCY PURPOSE: The Minnesota State Arts Board serves the public through its support of the arts. The Board seeks to enhance the quality of life in Minnesota by supporting ongoing creative activity, encouraging new forms of artistic expression, and preserving the artistic heritage of the state. The Arts Board strives to accomplish this purpose through the following goals: 1) to enhance the development of the arts throughout the state; 2) to foster the development of artists and arts organizations in ways that enable them to share their work with the people of Minnesota; 3) to nurture the arts in educational settings, recognizing that creativity is a catalyst for change and growth; 4) to encourage the availability and accessibility of the arts to all citizens; 5) to explore partnerships with the public and private sectors in support of the arts; and 6) to contribute to the quality of cultural life in Minnesota by being an advocate for the arts. This mission statement serves as the guide for agency program planning and policy development.

AGENCY OPERATION AND CLIENTELE: The agency supports a broad range of artistic activities by maintaining an office and professional staff capable of effectively administering grant programs that assist artists, arts organizations, schools, and presenting organizations and providing advocacy and technical assistance wherever needed. The agency is governed by 11 private citizens appointed by the governor to serve nonsalaried terms of 4 years. For over 10 years the agency has engaged in strategic planning efforts that have guided it in establishing programs and services that respond to the needs of artists and the public and help to develop the arts as a significant service industry throughout the state.

Arts organizations who can demonstrate high standards of excellence in their artistry, management, and outreach efforts may receive support from the agency's Operating Support program activity. Over the past two years the agency has implemented a Special Projects program activity that focused on nurturing the state's folk arts community. During that period the agency received financial support from the National Endowment for the Arts (NEA) to employ a professional staff person responsible for helping to develop the folk arts throughout the state. The agency's folk arts efforts exist to provide central resource services, technical assistance, and programming that supports the work of Minnesota's traditional folk artists and folk arts organizations. During the F.Y. 1987-89 biennium the agency proposes to broaden its Special Projects program activity by partnering with the NEA to establish a statewide Challenge Grant/Long Term Enhancement Program for Minnesota's Regional Arts Councils (RACs) and professional arts organizations. Challenge III, as it is known, will focus on the areas of excellence, access and appreciation. The agency also anticipates a continuing partnership with the American Craft Council (ACC), begun in F. Y. 1987, to promote and host a nationally recognized Craftfair that may annually generate \$9 million in economic activity for the state. Minnesota organizations who are in the business of presenting (not producing) high quality arts attractions may receive support from the agency's Series Presenter program activity if they can demonstrate quality programming and accessibility to the public. The agency's Artists in Education program activity

assists artists and schools in working together to provide high quality, participatory arts experiences for K-12 aged students in the state. In support of high quality independent artists, the agency has maintained an Artist Assistance program activity that provides funding and technical assistance to artists interested in advancing their careers or completing projects of high artistic merit and quality. Individual artists also benefit from the agency's Art in Public Buildings program administered on behalf of the Department of Administration. This program seeks to commission or purchase high quality works of art from independent artists for installation in public buildings throughout the state. Regional Arts Councils are unique in the nation as a model in decentralizing decision making about grants, programs, and services. The 11 independently governed councils encourage and develop both rural and urban arts activities at the grassroots level statewide. This is accomplished through grants programs and services developed in response to regular needs assessments and locally based plans.

Councils also participate in joint ventures with the private sector, receiving independent grants from The McKnight, Bremer, and Blandin Foundations for programs which strengthen the development of the Councils and their clientele.

The agency has worked hard over the past 6 years to maintain strong partnership programs with the federal government and private sector corporations and foundations. In F.Y. 1985 the agency was officially recognized by President Ronald Reagan for "the exemplary partnership the Minnesota State Arts Board has developed with the private sector in support of the arts." The agency currently has partnerships with the NEA, The McKnight Foundation, Dayton Hudson Foundation, Northwest Area Foundation, and the Jerome Foundation. In F.Y. 1987, these partnerships will provide the agency with \$802,700 in leveraged dollars annually to support the arts throughout the state and will be described more fully later in this document.

In September, 1986 the agency, with the cooperation of the Regional Arts Councils (RACs), traveled to 5 cities around Minnesota to gather testimony regarding their plan and budget request for the F.Y. 1987-89 biennium. The agency held hearings in Marshall, Rochester, St. Paul, Moorhead, and Grand Rapids. The meetings were chaired by an agency board member who maintained protocol and facilitated the order of testimony. Agency staff verbally presented the agency plan and budget request and provided clarification wherever necessary. After public testimony was taken the agency encouraged open commentary about the following questions: 1) should the agency provide direct financial support to individual artists; 2) should the agency conduct a program that develops public understanding about the folk arts; 3) should the agency provide operating grants to medium and large budgeted arts organizations; 4) should the state have an art-in-public places program; 5) should the agency make grants to schools and arts groups to foster arts-in-education; 6) should the agency make grants to foster arts touring within Minnesota; 7) what other program should the agency establish to develop the arts;

and 8) what has been the level of satisfaction in working with the Minnesota State Arts Board?

An overwhelming majority of the public who attended these meetings supported the agency's plan and budget request in total. After the meetings concluded the agency invited written public comment provided such letters were received by 9-26-86. There was no further comment received by the deadline date.

The public benefits in a significant way from the programs and services administered by the agency. In F.Y. 1986 alone, application statistics indicated that over 15 million people experienced Minnesota art through live performances, museum and gallery shows, and audio and visual broadcasts presented by artists and arts organizations supported by the state. The agency also continues to work in partnership with Minnesota's 11 RACs to encourage local arts development and help make the arts available to all citizens of the state.

RACs also participate in joint ventures with the private sector. The RACs receive independent grants from McKnight, Bremer, and Blandin Foundations for programs which strengthen the development of the councils and their clientele.

The RACs are unique in the nation as a model in decentralizing decision making about grants, programs, and services. The 11 independently governed councils encourage and develop both rural and urban arts activities at the grassroots level statewide. This is accomplished through grant programs and services developed in response to regular needs assessments and locally-based plans.

RATIONALE: The importance of the state's support of the arts can be characterized in many ways. Arts Board grants and services provide support to a service industry that contributes over \$300 million annually to the state's economy. It is a labor intensive industry that provides jobs, but at the same time, faces many of the same economic survival challenges as do other businesses in the state. According to 1980 census data, Minnesota is home to about 20,000 professional artists who make a living from their art work and constitute about 1 percent of the state's civilian labor force. As a group, however, they are underemployed individuals who, according to 1980 census data, had an annual median income of just under \$10,000 with dancers being the lowest paid at only \$5,400. Artists and arts organizations are in need of financial assistance from the state just as businesses need tax incentives and economic development assistance to help capitalize and develop their industries. The arts play a significant role in the tourism industry by attracting out-of-state tourists in all seasons. In 1986 the City of St. Paul received the City Livability Award presented by the United States Conference of Mayors in recognition of excellence in urban arts development and renowned travel writer Arthur Frommer named the Twin Cities as one of the top ten vacation spots in the world because of its artistic climate. The quality of life in our communities is another important reason why the state must continue its investment in the arts industry. Communities identify with their cultural leaders, and arts institutions are a source of pride. Technical, professional, and business and industry personnel are recruited, in part, because of the cultural resources evident in a

community and many of Minnesota's talented youth may choose to remain in the state if opportunities continue to be available. Nationally and internationally recognized arts institutions in Minnesota are considered state treasures and bring prestige to the state as a place for quality lifestyles.

This biennial request represents a strategic investment in a Minnesota industry that provides significant levels of economic activity and reflects an important dimension of the quality of life in Minnesota. Details of the agency's operations are provided in the activity pages which follow.

INDEX	Agency Request	Governor's	Page
	1987-89 Biennium	Recommendation	
	All Funds	All Funds	
Same Level Request	\$ 8,066.0	\$ 8,066.0	
CHANGE Requests			
General Increase	-0-	930.0	6
Operations and Services	189.8		11
Operating Support Grants	1,328.6		19
Special Project Grants	980.0	70.0	23
Series Presenter Grants	163.6		28
Artists in Education Grants	245.2		31
Artist Assistance Grants	244.4		35
Regional Arts Fiscal Agent	1,003.4		39
AGENCY TOTAL	\$12,221.0	\$ 9,066.0	

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$70.0 for the 1987-89 biennium for funding the Craftfair. Rather than making individual recommendations on the remaining CHANGE requests, the Governor recommends that a general increase of \$930.0 be provided for the activities of the Arts Board. In addition, the Governor recommends that the Arts Board be given the authority to allocate funding to all grantees, including the Regional Arts Councils.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
OPERATIONS AND SERVICES	560.7	655.9	719.4	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
GRANTS PROGRAMS	2,051.9	2,307.7	2,519.2	2,524.9	1,065.9	3,590.8	3,449.0	2,524.9	1,895.9	4,420.8	3,449.0
REGION ARTS FISC AGENT	839.4	797.3	889.1	889.1	501.7	1,390.8		889.1	501.7	1,390.8	
TOTAL	3,452.0	3,760.9	4,127.7	4,044.0	1,647.5	5,691.5	4,544.0	4,022.0	2,507.5	6,529.5	4,522.0
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	560.7	655.9	663.9	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
LOCAL ASSISTANCE	2,726.7	2,913.4	3,215.8	3,245.2	1,445.4	4,690.6	3,374.0	3,245.2	2,275.4	5,520.6	3,374.0
AIDS TO INDS.	164.6	191.6	248.0	168.8	122.2	291.0	75.0	168.8	122.2	291.0	75.0
TOTAL EXPENDITURES	3,452.0	3,760.9	4,127.7	4,044.0	1,647.5	5,691.5	4,544.0	4,022.0	2,507.5	6,529.5	4,522.0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,265.1	2,495.3	2,762.7	2,755.1	1,647.5	4,402.6	3,255.1	2,755.1	2,507.5	5,262.6	3,255.1
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	738.9	736.4	802.7	750.0		750.0	750.0	750.0		750.0	750.0
FEDERAL	448.0	529.2	562.3	538.9		538.9	538.9	516.9		516.9	516.9
TOTAL FINANCING	3,452.0	3,760.9	4,127.7	4,044.0	1,647.5	5,691.5	4,544.0	4,022.0	2,507.5	6,529.5	4,522.0
POSITIONS BY FUND:											
GENERAL	7.0	10.0	10.0	10.0	2.0	12.0	10.0	10.0	3.0	13.0	10.0
GIFTS AND DEPOSITS	1.0										
FEDERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	11.0	13.0	13.0	13.0	2.0	15.0	13.0	13.0	3.0	16.0	13.0

CHANGE REQUEST

Agency    Program    Activity

1987-89 Biennial Budget

ACTIVITY:  
PROGRAM:  
AGENCY:     ARTS, BOARD OF

RATIONALE:

While the Governor agrees with the agency's request to achieve the 1987-89 objectives, other spending priorities preclude funding the full CHANGE request of \$4,155.0. As an alternative, the Governor recommends that the Arts Board be given the authority to allocate the recommended increase of \$930.0 among its various programs. This additional discretion will allow the agency to distribute its limited resources in the areas of the greatest need.

Request Title: GENERAL INCREASE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$ 465.0	-0-	\$ 465.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the funding for the Arts Board be increased by \$930.0 for the biennium, with discretion given to the Arts Board for allocating the increase by year and by program. No specific recommendation is made for an increase in positions, although the board may seek additional positions to be funded by the increased appropriation.

DESCRIPTION/BACKGROUND:

The Arts Board plays a major part in promoting the arts and the arts programs throughout the state. A greater diversity of arts programs and an increased level of grant applications have strained the ability of the Arts Board as currently funded to meet these changing needs. Increased funding will mean that more artists and arts organizations are assisted through direct funding and other technical assistance. The public will benefit from a greater diversity of art available for its enjoyment. The ability of the Arts Board to enter into matching fund agreements with other public and private sources will be enhanced. The increase will enable the Arts Board to continue its important role of promoting the arts into the next biennium.

PROGRAM PURPOSE: This program enables the agency to abide by the laws that govern its operation, provide accessibility to the public, and administer its programs and services in the most efficient and effective manner possible. This program provides the agency with the resources necessary to carry out its legislative mandate and perpetuate the goals of its mission statement. The agency is governed by an 11 member Board of Directors and staffed by 13 highly trained individuals responsible for developing and implementing the policies and procedures that guide the agency in its operations, programs, and services. The Board is responsible for establishing policies, adopting plans and budgets, making grant awards, debating issues, and serving as advocates for the arts wherever possible. The staff assists the Board by providing professional administration in the areas of executive management, grants management, fiscal accountability, public information dissemination, and grants programming. The work of the entire agency is reinforced by a well trained and experienced support staff who ensure accuracy and quality in the day to day clerical and administrative tasks of the agency.

OPERATIONS: This program encompasses the following operations:

- 1) Planning for programs and services that assist the arts community in providing accessible, high quality arts experiences to the citizens of the state.
- 2) Administering grant programs that assist artists, arts organizations, schools, and presenting organizations in developing the arts industry in the state.
- 3) Managing the agency by employing an executive management team that includes an Executive Director and Assistant Director who are long-term professionals in the field of arts administration.
- 4) Accountability for operations by maintaining a staff of professionals in the areas of finance, public information, and grants management.
- 5) Recruiting highly qualified individuals to serve on voluntary advisory panels that make grant recommendations to the agency's governing board.
- 6) Leveraging increased support by developing and maintaining partnership programs with the federal government and private sector corporations and foundations.
- 7) Evaluating programs and services to ensure that the agency is effectively responding to the critical needs of the arts community.
- 8) Promulgating rules and policies to ensure equal opportunity and fairness to all of the agency's constituencies.
- 9) Developing new programs that further meet the needs of the arts community and assist in creating opportunities for underserved populations.
- 10) Serving as a fiscal agent for Minnesota's 11 regional arts councils and working together to provide a comprehensive system of support for the arts in the state.

BUDGET ISSUES: In recent years the agency has made many administrative advancements that have increased its effectiveness and expanded its ability to serve its constituency. During the last biennium the agency developed and adopted its first

comprehensive master calendar and formal policy manual and engaged in a strategic planning effort that will serve as the foundation for the F.Y. 1987-89 biennium. In regard to levels of activity, agency personnel processed 1,033 applications for support in F.Y. 1986 which represents a 83.1% increase in the number of applications received in F.Y. 1985. Agency staff reviewed final reports from 275 grantees, responded to 423 requests for mailing lists and reports in various formats, and maintained an active mailing list with 10,168 entries. The agency resumed circulation of its quarterly newsletter in the spring of 1986 and responded to a dramatic increase in the number of requests for information about its programs and services. Requests for information in F.Y. 1986 totaled 1,820 which reflects an increase from 65 to over 150 requests per month. The agency worked hard to maintain its partnerships with the private sector and the private sector responded by continuing to support agency programs at increased levels of financial investment. The agency continued to manage the state's Percent for Art in Public Buildings program on behalf of the Department of Administration without an increase in staffing levels. During the past 20 months the agency facilitated arts installations in the State Office Building, Department of Transportation Golden Valley, and the Baptism River and Rum River Rest Areas through the Percent for Art Program. Agency staff provided significant levels of technical assistance to the arts community through workshops, conferences, and site visits throughout the state. In September, 1986 the agency conducted hearings in 5 Minnesota cities to gather testimony regarding its F.Y. 1987-89 biennial plan and budget request. Professional staff within the agency continued a tradition of leadership by serving on a variety of local and national professional associations that help to nurture a healthy environment for the arts in America. In F.Y. 1987 the agency began sponsorship of the midwest site of the American Craft Council's national Craftfair by providing staff assistance and helping to raise support for promotional activities associated with the event. In F.Y. 1986 the agency entered the second of a three year partnership with the National Endowment for the Arts (NEA) to support folk arts in the state. The NEA currently supports the salary of a folk arts professional responsible for serving the various constituencies within Minnesota's folk arts community. NEA funding for this position is scheduled to end in March, 1988. In F.Y. 1986 the agency appointed 85 volunteer panelists to make recommendations in the allocation of grant support and each panel was assisted in its work by agency staff.

The activities identified in the preceding paragraphs and the agency's plan for the future represents significant growth and justifies the need for additional staff and funding support to effectively serve a growing arts constituency.

EXPLANATION OF BUDGET REQUEST: The change items requested in this program are \$79.9 in F.Y. 1988 and 2 positions and \$109.9 in F.Y. 1989 and 3 positions. The positions being requested are 2 Arts Program Associates, and 1 Clerk Typist II.

GOVERNOR'S RECOMMENDATION: The Governor does not specifically recommend any CHANGE request for this program. However, the Governor does recommend a general increase for the agency of \$930.0 for the biennium, part of which may be allocated for this program. No specific recommendation is made for an increase in positions, although the board may seek additional positions to be funded by the increased appropriation.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: OPERATIONS AND SERVICES

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
OPERATIONS AND SERVICES	538.6	565.5	635.2	608.0	79.9	687.9	1,073.0	608.0	109.9	717.9	1,073.0
DEVELOPMENTAL PROGRAMS	22.1	90.4	84.2	22.0		22.0	22.0				
TOTAL	560.7	655.9	719.4	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	560.7	655.9	663.9	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
LOCAL ASSISTANCE			55.5								
AIDS TO INDS.											
TOTAL EXPENDITURES	560.7	655.9	719.4	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	328.4	343.1	405.3	402.1	79.9	482.0	867.1	402.1	109.9	512.0	867.1
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	32.7	94.0	100.6	25.0		25.0	25.0	25.0		25.0	25.0
FEDERAL	199.6	218.8	213.5	202.9		202.9	202.9	180.9		180.9	180.9
TOTAL FINANCING	560.7	655.9	719.4	630.0	79.9	709.9	1,095.0	608.0	109.9	717.9	1,073.0
POSITIONS BY FUND:											
GENERAL	7.0	10.0	10.0	10.0	2.0	12.0	10.0	10.0	3.0	13.0	10.0
GIFTS AND DEPOSITS	1.0										
FEDERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	11.0	13.0	13.0	13.0	2.0	15.0	13.0	13.0	3.0	16.0	13.0



ACTIVITY: OPERATIONS AND SERVICES  
 Program: OPERATIONS AND SERVICES  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION: The agency is governed by 11 private citizens, appointed by the governor to serve nonsalaried terms of 4 years. Board members represent each of Minnesota's 8 congressional districts and the state at large. The agency maintains a staff of 13 professional and clerical employees who provide the human resources necessary to ensure statutory compliance and implement the policies and procedures promulgated by the governing board and the State of Minnesota. The operations of the agency are carried out by experienced personnel in the areas of executive management, finance, public information, grants management, grant program administration, and clerical support. Through strategic planning efforts the agency has established the following goal statement and set of objectives that will assist in effectively administering this activity.

GOAL STATEMENT: To operate an administrative office which is accountable to the citizens of Minnesota and other funding sources.

OBJECTIVES:

1. To lease and maintain an office facility at 432 Summit Avenue, St. Paul, to serve as the agency's primary place of business.
2. To employ a staff of at least fourteen persons to administer the grants, programs, and services of the agency.
3. To conduct no fewer than 6 business meetings and 8 board committee meetings annually, with two business meetings to be conducted outside the Twin Cities Metro area.
4. To recruit, orient, and maintain no fewer than 14 advisory panels.
5. To research and prepare no fewer than 5 statistical reports for the public concerning the Arts Board's grants, programs, and services.
6. To comply fully with all contracts, preliminary and final reports as required by the public and private funding sources.
7. To log and respond to at least 135 requests for mailing lists or sets of mailing labels from outside organizations or individuals; and to at least 175 requests for mailing lists or sets of mailing labels from Arts Board staff.
8. To maintain a reliable computerized office records system that can be used by staff at varying levels of computer expertise.
9. To maintain a financial accounting system in full compliance with generally accepted accounting principles.
10. To evaluate all grants, programs, and services of the agency.
11. To conduct 5 regionally based public hearings on the new biennial plans and budget requests of the MSAB.

Authority for this activity is found in M.S. 139.10.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
# of grant applications received and processed	1,033	1,085	1,140	1,197
# of public members serving as board advisors	85	99	114	120
Grantee final report compliance rate	91.3%	91.3%	91%	91%
# of individuals served by agency publications	10,168	10,245	10,323	10,401
# of artists maintained on the Percent for Art in Public Buildings slide registry	348	382	420	462
# of requests for public information	800	1,820	2,000	2,200
% of total agency budget dedicated for operations and services	15%	15.3%	15%	15%
# of artists included on AIE roster	45	45	54	54
<u>CHANGE REQUEST:</u>		<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Operations and Services Provides support for increased staff, and reduction of other dedicated receipts		\$ 79.9	\$ 109.9	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: OPERATIONS AND SERVICES

PROGRAM: OPERATIONS AND SERVICES

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	538.6	565.5	635.2	608.0	79.9	687.9	1,073.0	608.0	109.9	717.9	1,073.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	538.6	565.5	635.2	608.0	79.9	687.9	1,073.0	608.0	109.9	717.9	1,073.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	352.5	354.6	396.4	399.2	50.8	450.0	399.2	399.2	78.7	477.9	399.2
EXPENSES & CONTRAC. SERV	166.6	176.2	187.4	176.0	29.1	205.1	176.0	176.0	31.2	207.2	176.0
SUPPLIES & MATERIALS	12.3	19.4	14.4	14.4		14.4	14.4	14.4		14.4	14.4
EQUIPMENT	4.1	1.8	23.0	6.6		6.6	6.6	6.6		6.6	6.6
OTHER EXPENSE ITEMS	3.1	13.5	14.0	11.8		11.8	476.8	11.8		11.8	476.8
TOTAL STATE OPERATIONS	538.6	565.5	635.2	608.0	79.9	687.9	1,073.0	608.0	109.9	717.9	1,073.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	328.4	343.1	405.3	402.1	79.9	482.0	867.1	402.1	109.9	512.0	867.1
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	23.4	12.0	38.0	25.0		25.0	25.0	25.0		25.0	25.0
FEDERAL	186.8	210.4	191.9	180.9		180.9	180.9	180.9		180.9	180.9
TOTAL FINANCING	538.6	565.5	635.2	608.0	79.9	687.9	1,073.0	608.0	109.9	717.9	1,073.0
POSITIONS BY FUND											
GENERAL	7.0	10.0	10.0	10.0	2.0	12.0	10.0	10.0	3.0	13.0	10.0
GIFTS AND DEPOSITS	1.0										
FEDERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	11.0	13.0	13.0	13.0	2.0	15.0	13.0	13.0	3.0	16.0	13.0

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: OPERATIONS & SERVICES  
 PROGRAM: OPERATIONS & SERVICES  
 AGENCY: ARTS, BOARD OF

Request Title: OPERATIONS & SERVICES				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$79.9	2.0	\$109.9	3.0
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

**STATEMENT OF REQUEST/OBJECTIVE:** The agency is requesting increased support and 3 new staff positions in this activity in order to respond to increased demand for its current programs and services; new initiatives that have been or will be implemented in the next biennium; and to continue the balance of support between state and federal sources related to the agency's operations and services.

**DESCRIPTION/BACKGROUND:** This activity provides the agency with the resources necessary to operate an office and administer its various grant programs. The agency currently has a staff complement of 13 in the areas of executive management, program administration, grants management, financial management, public information, and clerical. The staff is responsible for ensuring that the agency operates within the laws of the state and that its programs are accessible to all citizens of Minnesota. Over the past two years there has been significant growth within agency programs and operations without a corresponding increase in staff or funding. Annually, the National Endowment for the Arts (NEA) provides the agency with block grant funds that can be applied toward the agency's operations and services budget. This grant is expected to decrease during the next biennium. Over the past 3 years the NEA Folk Arts Program has totally supported the agency's folk arts staff position. This funding will end in early 1988. New programs proposed by the agency are labor intensive and will require the addition of one new position.

**RATIONALE:** The agency is requesting 3 new staff positions at adequate funding levels and additional support to respond to increased levels of activity and

offset the anticipated loss of federal funds. In F.Y. 1988 the agency is requesting two positions: Arts Program Associate I and Clerk Typist II. The Arts Program Associate I position will be responsible for preparing for the Challenge Grant III program, administering the Craftfair activity, and providing support in other program areas where demand has been great. The Clerk Typist II position will provide clerical and administrative support in response to increased levels of activity. In F.Y. 1989 the agency is requesting these same 2 positions plus the addition of 1 Arts Program Associate I. This Arts Program Associate I position is a continuation of the folk arts position previously funded by the NEA.

This request is based on the agency's need to effectively administer its programs and services at increased levels of activity and the potential and actual loss of federal funds. Activity statistics point out the dramatic increase in the number of applications processed between F.Y. 1985 and F.Y. 1986 (83.8%); the number of requests for information is up from 65 to 150 per month; and the overall increase in levels of activity identified in the operations and services program narrative. The issue of access is very important to the agency and is taken very seriously. Agency programs and services must be available to every interested citizen and each application for support, whether funded or not, must receive the same rigorous attention to detail. Application review is a time consuming task for both staff and advisory panel and the recent 83.8% increase in this area has placed significant new pressure on the agency's already strained operations activity.

The expected and actual loss of federal funds will adversely affect the operations of the agency. Annually, the agency receives a NEA block grant that supports approximately 32% of its operating budget. A reduction of \$60,000 is expected from this source over the next biennium (F.Y. 1988 - \$30.0, F.Y. 1989 - \$30.0). Early 1988, will mark the end of a 3 year grant cycle in which the NEA provided support to hire a folk arts professional. Typically, the NEA will provide a state arts agency with 2 to 3 years of support with the expectation that the state will begin supporting the position at the end of that period.

The proposed Challenge Grant program, the ACC Craftfair, and other professional activities identified throughout this narrative are important to the growth of the arts community. These efforts are labor intensive and will require corresponding staff support to ensure they comply with agency policies and procedures and are effectively and efficiently administered.

<u>ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Grantee Final Report Compliance Rate	+4.0%	+4.0%
% of Total Agency Budget Dedicated for Operations and Services	-2.5%	-4.0%

**GOVERNOR'S RECOMMENDATION:** The recommendations for funding of Arts Board programs and activities are summarized in the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding and positions are included in this activity request, the Governor makes no specific recommendations for these items.

ACTIVITY: DEVELOPMENTAL PROGRAMS  
 Program: OPERATIONS AND SERVICES  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION: This budget activity was created so that short term projects supported by both the federal government and the private sector are more accurately presented in the overall budget process of the agency. These projects are made possible by the agency's statutory authority to enter into public-private partnerships and have enabled the agency to increase the impact and stature of the arts in Minnesota by making the arts more accessible to the citizens of the state and by the further nurturing of under-represented arts forms. The largest of these projects (Arts Access) was made possible by the combined effort of the American Express Company, the Minnesota State Arts Board (MSAB), and the Metropolitan Regional Arts Council.

The Arts Access project was created as an effort to make the arts more accessible to underserved populations who, for socio-economic or physical reasons, have not had access to the arts. Its purpose was to allow these citizens an opportunity to attend arts activities of high quality and to enable the participating arts organizations to perform for nontraditional audiences. The partnerships that create this type of high impact, short term activity will continually be developed by the MSAB.

Authority for this activity is found in M.S. 139.10

CHANGE REQUEST:

None for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DEVELOPMENTAL PROGRAMS

PROGRAM: OPERATIONS AND SERVICES

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	22.1	90.4	28.7	22.0		22.0	22.0				
LOCAL ASSISTANCE			55.5								
AIDS TO INDS.											
TOTAL EXPENDITURES	22.1	90.4	84.2	22.0		22.0	22.0				
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	12.8	8.4	18.0	22.0		22.0	22.0				
EXPENSES & CONTRAC. SERV	9.3	82.0	7.1								
SUPPLIES & MATERIALS			3.6								
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	22.1	90.4	28.7	22.0		22.0	22.0				
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	9.3	82.0	62.6								
FEDERAL	12.8	8.4	21.6	22.0		22.0	22.0				
TOTAL FINANCING	22.1	90.4	84.2	22.0		22.0	22.0				
POSITIONS BY FUND											
TOTAL POSITIONS											

PROGRAM: PROGRAM GRANTS  
Agency: ARTS, BOARD OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

This program encompasses all of the grant making activities administered by the agency. The agency maintains 5 activity categories that include: 1) Operating Support Grants; 2) Special Project Grants; 3) Series Presenter Grants; 4) Artists in Education Grants; and 5) Artist Assistance Grants. The Operating Support grant activity supports large and medium sized arts producing and exhibiting organizations who provide arts services to the general public. Special Project grants support activities that meet the needs of special constituencies and provide an opportunity for the agency to initiate new developmental programs that may have a significant impact on the arts industry. Series Presenter grants support the activities of presenting and touring organizations in the state and help to provide the public with the finest local, national, or international artistic talent available. Artists in Education grants provide assistance to artists, arts organizations, and schools in developing and implementing participatory arts experiences for K-12 aged school children. Artists Assistance grants provide support for career or project development to artists who wish to pursue individual goals related to their work.

Program grants serve the purpose of providing organizational stability, access, expanded programming, public service activities, educational opportunities, and they continue to perpetuate the high standards of artistic excellence that have been historically attributed to the arts in Minnesota. On the economic side, program grants serve to strengthen the arts as a vital economic industry in the state. They help to maintain jobs and provide incentives for research and development into new forms of artistic expression and presentation. They provide working capital for new ventures and they help to leverage increased funding from other government and private sources. These grants are vital to the continued growth and development of the arts industry in the State of Minnesota.

APPLICATION AND REVIEW PROCEDURES:

This program encompasses the following application and review procedures:

1. Applications:

Requested and completed by artists, arts organizations, and schools interested in applying for support from the agency.

2. Information:

Provided in each application varies from activity to activity but generally includes material that must demonstrate high standards of artistic excellence, merit of proposed activities, fiscal responsibility and good management, and outreach in terms of education and access.

3. Review of applications:

Takes place throughout the year by various volunteer advisory panels responsible for judging the quality of each application with regard to established review criteria.

4. Recommendations:

Made by the advisory panels to the agency's governing board regarding judgments about which applicants should receive grant support.

5. Evaluation of grantees:

Takes place through information provided in a written final report that documents the results of the grant activity.

BUDGET ISSUES:

The following information will summarize budget issues for each of the five activity categories. Each budget issue will then be more fully explained within the activity level narratives.

1. Operating Support Grants:

Grants to support the activities of medium and large budgeted arts organizations. Budget issues include growth in the number of grantees; decreasing levels of state funding to operating budgets of grantees; increase in partnership support from The McKnight Foundation; growth in organizational operating budgets; tax reform; Gramm-Rudmann legislation; union demands; and the general economy.

2. Special Projects:

Grants to assist underserved populations and help develop the arts industry in the state. Budget issues include a legislative mandate to serve the folk artists of the state; the elimination of support for folk arts activities from the National Endowment for the Arts in March, 1988; an opportunity to leverage federal support for a statewide challenge grant program which will stimulate new private giving to the arts; and a legislative mandate to serve craft artists in the state and a continuation of the American Craft Council's Craft-fair begun in F.Y. 1987.

3. Series Presenter Grants:

Grants to support the activities of presenting and touring organizations in the state. Budget issues include the need to make the arts accessible and more

(Continuation)

Agency: ARTS, BOARD OF

affordable to the public; the possible continuation of a private-public partnership program with the Northwest Area Foundation scheduled to end in F.Y. 1987; the need to provide rural Minnesota with arts experiences that do not regularly tour in those areas; and the importance of contributing to the economic well being of artists who tour throughout the state.

#### 4. Artists in Education Grants:

Grants to arts organizations and schools for the purpose of providing supplemental arts experiences to school age children. Budget issues include the agency's inability to respond to many high quality applications because of a lack of financial resources; an anticipated increase in the number of grant applications during the next biennium; the need to demonstrate a strong cash commitment and respond to substantial changes that have taken place in the NEA's funding requirements; the need to provide access to arts experiences in rural areas; the importance of providing a fair wage to artists; and the opportunity to help schools in developing their own arts curriculum.

#### 5. Artist Assistance Grants:

Grants to support the arts activities of individual artists. Budget issues include the need to help develop the careers of Minnesota's 20,000 professional artists; an anticipated increase in the number of applications in the next biennium; the agency's ability to grant only 4.4 cents of each dollar requested; the importance of maintaining the agency's private-public partnership program with the Jerome Foundation; and the need to continue a program of support that assists artists in responding quickly to sudden opportunities that advance their careers.

The agency's Program Grants represent a relatively comprehensive system of support for Minnesota's arts industry and help to provide the resources necessary to maximize public access and nurture the creative process that sustains our cultural identity. Details of the agency's program grants are provided in the activity pages which follow.

#### EXPLANATION OF BUDGET REQUEST:

The CHANGE items requested are \$1,065.9 in F.Y. 1988 and \$1,895.9 in F.Y. 1989. The requested increases will allow the agency to meet its goals and objectives detailed in the activity narratives.

#### GOVERNOR'S RECOMMENDATION:

The Governor recommends that this program and the Regional Arts Councils Fiscal Agent Program be broadened into an omnibus grants effort and retitled Grants Program. This new program should include the objectives of the following activities:

- Operating Support Grants
- Special Project Grants
- Series Presenter Grants
- Artists in Education Grants
- Artist Assistance Grants
- Regional Grants, Programs and Services

The Governor recommends a general increase for the agency of \$930.0 for the biennium, part of which may be allocated by the board for this program. It is recommended that the board allocate all grant funds made available for this program, except that at least an additional \$70.0 for the biennium must be used for the Craftfair. No specific recommendations are made for other CHANGE requests under this program.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: GRANTS PROGRAMS

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
OPERATING SUPPORT GRANTS	1,633.2	1,820.8	1,915.6	2,066.7	664.3	2,731.0	3,414.0	2,066.7	664.3	2,731.0	3,414.0
SPECIAL PROJECT GRANTS			58.6		115.0	115.0	35.0		865.0	865.0	35.0
SERIES PRESENTER GRANTS	102.4	112.5	100.0	50.0	81.8	131.8		50.0	81.8	131.8	
ARTISTS IN EDUCATION	151.7	182.8	197.0	239.4	82.6	322.0		239.4	162.6	402.0	
ARTIST ASSISTANCE	164.6	191.6	248.0	168.8	122.2	291.0		168.8	122.2	291.0	
TOTAL	2,051.9	2,307.7	2,519.2	2,524.9	1,065.9	3,590.8	3,449.0	2,524.9	1,895.9	4,420.8	3,449.0
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			2,271.2	2,356.1	943.7	3,299.8	3,374.0	2,356.1	1,773.7	4,129.8	3,374.0
LOCAL ASSISTANCE	1,887.3	2,116.1	2,271.2	2,356.1	943.7	3,299.8	3,374.0	2,356.1	1,773.7	4,129.8	3,374.0
AIDS TO INDS.	164.6	191.6	248.0	168.8	122.2	291.0	75.0	168.8	122.2	291.0	75.0
TOTAL EXPENDITURES	2,051.9	2,307.7	2,519.2	2,524.9	1,065.9	3,590.8	3,449.0	2,524.9	1,895.9	4,420.8	3,449.0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,149.6	1,354.9	1,468.3	1,463.9	1,065.9	2,529.8	2,388.0	1,463.9	1,895.9	3,359.8	2,388.0
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	653.9	642.4	702.1	725.0		725.0	725.0	725.0		725.0	725.0
FEDERAL	248.4	310.4	348.8	336.0		336.0	336.0	336.0		336.0	336.0
TOTAL FINANCING	2,051.9	2,307.7	2,519.2	2,524.9	1,065.9	3,590.8	3,449.0	2,524.9	1,895.9	4,420.8	3,449.0
POSITIONS BY FUND:											
TOTAL POSITIONS											



ACTIVITY: OPERATING SUPPORT GRANTS  
 Program: PROGRAM GRANTS  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**DESCRIPTION:** This activity works in partnership with The McKnight Foundation to support the operations of large and medium sized arts producing and exhibiting organizations who can successfully demonstrate high standards of excellence in their artistry, management, and outreach efforts. In the last biennium 48 organizations from around the state received state support for activities in the visual, performing, and literary arts. These competing organizations were reviewed by 3 separate volunteer advisory panels who spent countless hours making site visits, reading applications, interviewing executive managements and artistic directors, and making recommendations regarding levels of support for each qualified organization.

In F.Y. 1986 alone, these organizations estimated that 14,351 artists would participate in their activities; 9.7 million individuals would be served through live performances/exhibitions and video and audio broadcasts; and that they would collectively have cash operating budgets of \$61,792,715. On the average, state support constitutes only 1.8% of the operating budgets of these organizations. The remainder of their revenue comes from earned income and contributions from the federal government, the private sector, and individuals. As with any other business, revenues must go to pay salaries and operating expenses and serve as a source of working capital so new programs can be developed and additional services provided. Static or diminishing revenues inhibit an organization's ability to provide its services to its public and generally result in the elimination of programs that are not income producing. When revenue projections are not met, the first programs to be eliminated are those that provide a public service, education, or offer reduced prices to the general public. The state's investment in these organizations contributes to their organizational stability, expanded programming, public service activities, educational opportunities, and perpetuates the high standards of excellence that have been historically attributed to the arts in Minnesota. These grants also help to strengthen an important economic industry in the state.

Through strategic planning efforts the agency has established the following goal statement and a set of objectives that will assist in effectively delivering services through this grant activity.

**GOAL STATEMENT:** To provide operating support to Minnesota's large and medium nonprofit arts institutions.

**OBJECTIVES:**

1. To award no less than \$1,915,600 in direct, unrestricted operating support grants to no fewer than 45 institutions.
2. To maintain a continuing financial partnership with The McKnight Foundation to administer McKnight Excellence grants to applicable arts institutions.

3. To make at least one site visit to each grantee during the year.
4. To hold a series of 3 round table discussions for applicable organizations concerning quality in the arts.

Authority for this activity is found in M.S. 139.10

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ requested	\$3,530,965	\$3,720,965	\$5,301,165	\$5,301,165
# of applicants	53	53	77	77
# of grantees	48	48	69	69
# of artists participating	14,351	14,351	20,651	20,651
# of individuals served	9,776,929	9,776,929	13,426,146	13,426,146
Grantees cash revenue budgets	\$61,792,715	\$65,030,653	\$68,438,259	\$72,024,424
Average % of state support of grantee's cash revenue budgets	1.8%	1.9%	1.8%	1.7%

**GRANTS BY FUND:**

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 1,160.9	\$ 1,242.7	\$ 1,241.7	\$ 1,241.7
Federal	99.9	100.0	100.0	100.0
Private	560.0	572.9	725.0	725.0
Total	\$ 1,820.8	\$ 1,915.6	\$ 2,066.7	\$ 2,066.7

**CHANGE REQUEST:**

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Operating Support Grants	\$664.3	\$664.3	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: OPERATING SUPPORT GRANTS

PROGRAM: GRANTS PROGRAMS

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,633.2	1,820.8	1,915.6	2,066.7	664.3	2,731.0	3,339.0	2,066.7	664.3	2,731.0	3,339.0
AIDS TO INDS.							75.0				75.0
TOTAL EXPENDITURES	1,633.2	1,820.8	1,915.6	2,066.7	664.3	2,731.0	3,414.0	2,066.7	664.3	2,731.0	3,414.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	974.6	1,160.9	1,242.7	1,241.7	664.3	1,906.0	2,353.0	1,241.7	664.3	1,906.0	2,353.0
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	570.7	560.0	572.9	725.0		725.0	725.0	725.0		725.0	725.0
FEDERAL	87.9	99.9	100.0	100.0		100.0	336.0	100.0		100.0	336.0
TOTAL FINANCING	1,633.2	1,820.8	1,915.6	2,066.7	664.3	2,731.0	3,414.0	2,066.7	664.3	2,731.0	3,414.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: OPERATING SUPPORT GRANTS  
 PROGRAM: PROGRAM GRANTS  
 AGENCY: ARTS, BOARD OF

Request Title: OPERATING SUPPORT GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$664.3	N/A	\$664.3	N/A
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE request in order to make available additional unrestricted grants to medium and large budgeted arts organizations for their operations. This increase will allow the agency to respond more adequately to the growing needs of these service providers within the state's arts industry.

DESCRIPTION/BACKGROUND: Currently, the agency helps to support the operations of 48 qualifying organizations throughout the state. Grants are awarded on a 2 year cycle and are based on the recommendations of 3 separate volunteer advisory panels. The operating budgets of grantee organizations collectively totaled \$61,792,715 during F.Y. 1986 and the state contribution to those budgets was approximately 1.8%. Since F.Y. 1980 The McKnight Foundation has contributed \$550,000 annually to this activity. The original partnership with the Foundation ended in F.Y. 1987 but the agency was successful in negotiating a continuation of support through 1991 at an annual level of \$725,000 (31.8% increase).

RATIONALE: Since F.Y. 1980 the state appropriation for this activity has grown by only 10% while the roster of grantee organizations has grown from 14 to 48 during that same period. Today the state's contribution to those operating budgets is about 1.8%. The McKnight Foundation continues to be pleased with the success of this activity and has continued and increased its support accordingly. The Foundation's decisions regarding this activity were based, in part, on the critical need for adequate funding but also with the belief that the state would continue to be an

active partner in this type of support. During the next biennium the agency expects to see 24 new organizations applying for grants from this activity with many of them possessing the high standards of excellence necessary for support. The agency is critically concerned about the effect the proposed federal tax reform will have on individual giving to its grantee organizations and must be prepared to offer assistance wherever possible. Through its strategic planning process the agency has learned it must be prepared to deal with the continually escalating cost of producing art; the increase in demand for grant funds due to the developmental efforts in the regional areas; the effects of Gramm-Rudmann on corporate giving; increased competition for grants, services, and employment in the arts industry; and research and development into new forms of artistic expression and presentation.

<u>ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average % of State Support of Grantee's Cash Revenue Budgets	+ .9%	+ .9%

This change request would be divided between the Arts Boards two Operating Support Groups, with Group One organizations receiving \$510.8 in F.Y. 1988 and F.Y. 1989, and Group Two organizations receiving \$153.5 in F.Y. 1988 and F.Y. 1989.

GOVERNOR'S RECOMMENDATION:

The recommendations for funding of Arts Board programs and activities are summarized at the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding is included in this activity request, the Governor makes no specific recommendation for this item.

ACTIVITY: SPECIAL PROJECT GRANTS  
 Program: PROGRAM GRANTS  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

DESCRIPTION: Consistent with its mission the agency proposes to reintroduce this activity to meet the needs of Minnesota folk artists and to provide an opportunity for the agency to engage in new developmental efforts that will help to further develop the arts industry in the state. During the F.Y. 1987-89 biennium this activity will focus on 3 areas of importance: Folk Arts, American Craft Council National CRAFTFAIR, and Challenge Grant III.

FOLK ARTS: The agency began its folk arts efforts in F.Y. 1985 after determining that a critical need for support existed in this area. During that year the agency was successful in securing a grant from the National Endowment for the Arts (NEA) to support the costs of hiring a folk arts professional to establish an effective program structure. In F.Y. 1987 the agency will receive the third and final grant from the NEA for this purpose with an end date of early 1988.

The primary purpose of this program is to help provide increased visibility to the work of folk artists; serve as a statewide advocate for the folk arts; and provide public access to the folk arts wherever possible. To foster these purposes the agency engaged in a strategic planning process that resulted in the following goal statement and set of objectives.

GOAL STATEMENT: To encourage and promote the public's understanding of Minnesota's folk arts heritage.

OBJECTIVES:

1. To implement an apprenticeship program with funding from the NEA in which at least 5 appropriate master artists and apprentices are matched together. This is a new objective for the F.Y. 1987-89 biennium.
2. To implement a folk arts funding program in which at least 10 folk artists or folk arts organizations receive support for their activities. This is a new objective for F.Y. 1987-89.
3. To complete recording and written documentation for a second (F.Y. 1988) and third (F.Y. 1989) documentary sound recording of Minnesota's traditional music forms. This is a new objective for the F.Y. 1987-89 biennium.
4. To continue to promote the folk arts through agency staff by facilitating 6 appearances in the electronic and written media. This is a new objective for the F.Y. 1987-89 biennium.
5. To arrange 1 (F.Y. 1988) and 2 (F.Y. 1989) folk arts package events to appear at a festival in the state. This is a new objective for the F.Y. 1987-89 biennium.
6. To explore a partnership with another state agency concerning a book of readings about the folk arts in Minnesota. This is a new objective for F.Y. 1987-89.
7. To produce the writing of a chapter of an interagency book or readings on the

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

folk arts in Minnesota. This is a new objective for the F.Y. 1987-89 biennium.  
 8. To present 1, 2 week, workshop for training Minnesota teachers in folk arts documentation techniques, or a program about the folk arts which would tour to at least 5 schools in Minnesota. This is a new objective for the F.Y. 1987-89 biennium.

AMERICAN CRAFT COUNCIL'S NATIONAL CRAFTFAIR:

In F.Y. 1986 the agency began the initial development of the American Craft Council's CRAFTFAIR scheduled for April 8-12, 1987 in the St. Paul Civic Center. The agency has engaged in this activity on the premise that it will become the Midwest's most important retail/wholesale market for high quality contemporary crafts and will provide Minnesota artists and the state with an opportunity to participate in an event that may generate in excess of \$9 million in local economic activity from buyers across the country (as estimated for the 1986 Baltimore, Maryland Craftfair). The primary objectives of this activity are to develop the wholesale marketplace in Minnesota for high quality, handmade objects and to support the careers of Minnesota's professional craft artists.

The American Craft Council is the nation's most significant crafts organization. The Council operates the Museum of American Crafts located in New York City, publishes CRAFTS MAGAZINE, and engages in various developmental activities for the crafts.

All across America, craft artists are working in fiber, clay, metal, wood, leather, glass, and contemporary materials to produce functional, decorative, or whimsical objects for the home or office, personal adornment, or museums. The contemporary crafts movement has developed quickly since the end of World War II, and the current national appetite for handmade objects is traceable, in part, to the decision made decades ago, to produce indoor CRAFTFAIRS of the highest standard. Since then, the CRAFTFAIRS have developed a formal and consistent relationship with 10,000 wholesale crafts buyers, many of whom form a small army of buyers at each CRAFTFAIR.

American Craft Enterprises, Inc., a subsidiary of the American Craft Council, runs the four CRAFTFAIRS across the United States. ACC CRAFTFAIRS are marketing events designed to accomplish the following objectives:

1. To provide professional craftpersons living in the United States exposition of high quality in which to exhibit and sell their work.
2. To provide buyers, who purchase handmade objects for resale purposes, market places which feature quality work and professional attitudes.
3. To encourage professional craftpersons from diverse geographical areas and various craft traditions to come together to stimulate the interchange of ideas and enthusiasm.
4. To offer the general public opportunities to see crafts, and to give all visitors a better understanding of the American craft movement.

(Continuation)

Program: PROGRAM GRANTS

Agency: ARTS, BOARD OF

American Craft Enterprises, Inc. uses a national screening system to identify craft artists for participation in the CRAFTFAIR circuit. Upon selection, artists rent their spaces on the trading floor, and reap the extraordinary benefits of participating in a major wholesale/retail event. Four hundred of the superstars of American contemporary crafts will be in St. Paul in April of 1987 to insure the reliable quality standards necessary to attract wholesale buyers.

<u>ACTIVITY STATISTICS:*</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
# artists competing for space	N/A	1,700	1,700	1,700
# of spaces available	N/A	700	700	700
Wholesale buyers	N/A	4,000	4,200	4,400
Retail buyers	N/A	20,000	22,000	25,500
\$ value of orders placed	N/A	\$3,750,000	\$4,000,000	\$4,050,000
Retail expenditures	N/A	\$1,100,000	\$1,150,000	\$1,200,000
Average sales per exhibitor (wholesale)	N/A	\$ 7,000	\$ 7,500	\$ 8,000
Average sales per exhibitor (retail)	N/A	\$ 2,000	\$ 2,250	\$ 2,500

\*These projections are based on statistics obtained from the Baltimore, Maryland Craftfair in 1986.

CHALLENGE GRANT III:

In F.Y. 1988 the agency anticipates applying to the National Endowment for the Arts Challenge III grant program. For the first time ever, the agency is encouraged to work with Regional Art Councils (RACs) and arts producing organizations to develop a local challenge grant program that will focus on excellence, access, and appreciation as a means of strengthening artistic quality, institutional capacity, and understanding of the arts.

Traditionally, the NEA Challenge Grant Program has served the nation's most pretigious arts institutions by providing matching support geared toward helping them achieve long-term financial stability, improved management and planning, and a stronger, broader and more reliable funding base. Throughout the nine year history of the program, Challenge grantees have far exceeded the required match of \$3 in new or increased, nonfederal dollars for each grant dollar and in total, the

program has generated in excess of \$1 billion in new money nationwide to support the arts.

Under its new guidelines, state arts agencies are encouraged to work with their constituents and legislatures to establish local Challenge Grant programs that will have a dramatic, long-term impact on artistic quality, accessibility, and appreciation of the arts. In response to the NEA's invitation the agency is proposing to create a cooperative program that would focus on the activities of Minnesota's 11 RACs and the state's medium and large sized arts producing, exhibition, and service organizations.

GRANTS BY FUND:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	N/A	N/A	N/A	N/A
Federal	N/A	\$ 58.6	N/A	N/A
TOTAL	N/A	\$ 58.6	N/A	N/A

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Special Projects	\$ 115.0	\$ 865.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SPECIAL PROJECT GRANTS

PROGRAM: GRANTS PROGRAMS

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE			58.6		115.0	115.0	35.0		865.0	865.0	35.0
AIDS TO INDS.											
TOTAL EXPENDITURES			58.6		115.0	115.0	35.0		865.0	865.0	35.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL					115.0	115.0	35.0		865.0	865.0	35.0
DEDICATED APPROPRIATIONS:											
FEDERAL			58.6								
TOTAL FINANCING			58.6		115.0	115.0	35.0		865.0	865.0	35.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SPECIAL PROJECT GRANTS  
 PROGRAM: PROGRAM GRANTS  
 AGENCY: ARTS, BOARD OF

Request Title: SPECIAL PROJECT GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$115.0	N/A	\$865.0	N/A
Governor's Recommendation				
General Fund	\$ 35.0		\$ 35.0	
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE request in order to provide a new source of support for Minnesota's folk arts community; maintain and develop an ongoing commitment to a national craftfair; and participate in the National Endowment for the Arts (NEA) Challenge III grant program.

DESCRIPTION/BACKGROUND:

FOLK ARTS: The agency is in the process of developing a statewide folk arts program with limited financial assistance from the NEA. In its present form, the program serves as a central resource to folk artists throughout the state and provides programming (not funding) opportunities that perpetuate the work of traditional artists in the visual, performing, and literary arts. The agency began this program in 1985 to fulfill a legislative mandate and to provide assistance to one of the state's underserved art forms. Over the past few years the agency has engaged in a Slovenian Button Accordion documentation project; facilitated a pilot project with the 4-H and Future Homemakers organizations; continued the identification and documentation of traditional folk artists from around the state; nominated a Minnesota woodcarver, Leif Melgaard, for the National Heritage Fellowship Award, and as a result, Mr. Melgaard was honored in Washington, D.C. and awarded a NEA grant of \$5,000; developed a variety of 5 minute radio spots about the folk arts that will be aired on public radio stations throughout the state; worked with the Minnesota Historical Society (MHS) to begin a series of documentary recordings of traditional music in Minnesota that will be packaged and marketed throughout the state and region; and provided technical assistance and advice to many of

Minnesota's traditional folk artists.

Through its planning efforts the agency has determined a critical need exists within this community for direct financial support. As a result, the agency is requesting \$160,000 (F.Y. 1988 - \$80.0, F.Y. 1989 - \$80.0) for the biennium to establish a funding program in which at least 10 folk artists or folk arts organizations would receive support for their activities and to implement an Apprenticeship Program that would match at least 5 master artists with apprentices to share traditional skills and preserve our cultural heritage.

ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of artists applying	N/A	N/A	75	85
# of organizations applying	N/A	N/A	10	10
Amount funded	N/A	N/A	80,000	80,000

AMERICAN CRAFT COUNCIL (ACC) NATIONAL CRAFTFAIR: In F.Y. 1986 the agency began exploring the possibility of bringing the ACC National Craftfair to Minnesota. The agency was successful in its negotiations and the first national Midwest Craftfair is scheduled for April 8-12, 1987 at the St. Paul Civic Center with a commitment from the ACC to continue the Craftfair through at least F.Y. 1989. Through negotiations with the American Craft Enterprises (ACE, a subsidiary of ACC), the agency has agreed to raise financial support for local public relations and to publicize the Craftfair to midwestern professional craft artists. In turn, the ACE will be responsible for all other activities associated with this multi-million dollar event. The ACE has also agreed to allow the Minnesota Governor's Residence Council to produce a preview benefit on the night preceding the Craftfair's opening with all proceeds going to restoration or refurbishment of the Residence. The agency has sole discretion over the selection of this and all future benefits, which may or may not continue to be the Governor's Residence. In developing this activity the agency has established partnerships with various local sponsors eager to participate and, at the time of this writing, has raised \$14,000 in private support to help sponsor the event and to provide purchase awards of \$1,000 each.

The agency anticipates continuing its private partnerships in support of this event with supplemental support coming from the state. The agency's biennial request of \$70,000 (F.Y. 1988 - \$35.0, F.Y. 1989 - \$35.0) would be used to support local public relations and publicity efforts and purchase awards for designated craft artists participating in the F.Y. 1988 and F.Y. 1989 Craftfairs.

CHALLENGE III: In F.Y. 1987 the agency was notified of an opportunity to participate in the NEA's Challenge III grant program. The program is new in its design by allowing state arts agencies to apply for funds for the first time and by focusing

CHANGE REQUEST

Agency  Program  Activity

(Continuation)

ACTIVITY: SPECIAL PROJECT GRANTS

PROGRAM: PROGRAM GRANTS

AGENCY: ARTS, BOARD OF

on three areas of interest: excellence, access, and appreciation. This program was created to serve the states and stimulate nonfederal giving by requiring a 3-to-1 match in newly designated support from nonfederal sources. In anticipation of its appropriation request, the agency is planning to create a joint program in partnership with Minnesota's 11 Regional Art Councils (RACs) and the state's medium and large budgeted arts institutions. The agency would request \$250,000 from the NEA to be matched by \$750,000 from the state in F.Y. 1989 and RACs and arts organizations would raise \$1.0 million from other government and private sources. This would result in a \$2 million dollar program designed to support activities that would have a permanent or long lasting effect on artists and audiences from throughout the state. This is a one-time only request to the NEA and the Minnesota Legislature and grants would be distributed equally in F.Y. 1989, F.Y. 1990, and F.Y. 1991. Nonfederal and nonstate matching funds must be received before grants are distributed.

This program is not yet fully developed because the NEA is still in the process of refining the program concept and distributing guideline information. In anticipation of this information the agency has begun a dialogue with RACs and medium and large arts organizations to assess the potential for this program. At the time of this writing, the agency has received unanimous support for this program from these various constituencies. The agency will provide additional details during the legislative hearings.

<u>ACTIVITY STATISTICS REFLECTS</u> <u>CHANGE LEVEL ONLY</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal support	N/A	N/A	N/A	\$ 250,000
State support	N/A	N/A	N/A	\$ 750,000
Nonfederal/state support	N/A	N/A	N/A	\$1,000,000

RATIONALE:

FOLK ARTS: Minnesota holds a prominent place in the fabric of traditional American culture. Its geographic location and divergent populations make its folk arts traditions immensely important to the region and integral to the larger community of American folk arts. There are many traditional folk artists living and working in the state whose skills combine the traditions of the past with the contemporary attitudes of the present to create objects, performances, books, and exhibitions

1987-89 Biennial Budget

that help to preserve the state's cultural heritage. Over the years these artists have not been well served by the state's philanthropic community because their primary location is in rural areas where access to private or corporate funding is either limited or nonexistent. As a result, direct financial support for these activities has not been adequate to serve the many fine quality artists and arts organizations who participate in this area of the arts. Prior to 1985, the agency was not significantly involved in helping the folk arts to develop in the state and has never had a grant activity designated for the folk arts. In 1985, the agency reviewed its legislative mandate to support the folk arts and began by employing a folk arts professional with financial assistance from the NEA. Among other areas, the folk arts professional has identified the importance of establishing a grant program to support the activities of folk artists and folk arts organizations and an Apprenticeship Program to match master artists with apprentices to help preserve the various traditional arts forms in the state. It is anticipated that the Apprenticeship Program will be matched with funding from the NEA. This activity will provide needed support to a relatively large community of folk artists and will help to maintain the rich, diverse ethnic cultures that exist throughout Minnesota.

ACC NATIONAL CRAFTFAIR: The agency is requesting modest support for this activity to help nurture the careers of many Minnesota craft artists and generate an estimated \$9 million in economic activity for the state. The state's investment in this activity is supported by the following rationale:

1. The Craftfair will be an extremely tangible, highly public effort by the Minnesota State Arts Board, the Minnesota Crafts Council, and other sponsors to assist craft artists and markets in Minnesota.
2. The ACC Craftfairs are among the most respected crafts exhibits and sales in the nation.
3. American Craft Enterprises, Inc. is willing to make unusual arrangements for Minnesota's crafts artists, to allow for maximum participation. Training sessions will be sponsored to show Minnesota artists how to market at the Craftfair.
4. The craftfair will bring many wholesalers to the Twin Cities, creating a market which will have a lasting impact on our artists.
5. The Craftfairs have been shown to stimulate crafts galleries in the cities where Craftfairs are located. The public develops a taste for high quality, hand made objects.
6. American Craft Enterprises, Inc. is willing to try Craftfairs in the Twin Cities for three consecutive years (1987 through 1989).
7. Such a Craftfair will contribute to Minnesota's leadership role in the Midwest.
8. Thousands of Minnesotans will be exposed to fine crafts for the first time, at this large of a scale.
9. The Minnesota Governor's Residence, and possibly other causes, will benefit from a preview gala prior to each Craftfair.

After three years, when the trial period is over, the ACE will decide whether or not to continue the midwest Craftfair in Minnesota. The St. Paul based Craftfair



CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

(Continuation)

ACTIVITY: SPECIAL PROJECT GRANTS  
PROGRAM: PROGRAM GRANTS  
AGENCY: ARTS, BOARD OF

in 1987 will be the "first-of-its-kind" event in Minnesota and one which the agency intends to make into a permanent, annual event.

CHALLENGE III: State arts agencies are now eligible to apply to the NEA's Challenge III grant program to assist in developing the areas of excellence, access, and appreciation. This very competitive program is important to Minnesota because it will be the only opportunity for RACs and arts organizations to participate in an activity designed to have a permanent impact on the arts and a potential to generate \$1.0 million in support from private and local governmental sources. This program will provide incentive for RACs and arts organizations to develop activities that will encourage new forms of artistic expression and provide permanent opportunities for participation by underserved populations in the state and the program will be a vehicle for helping the public to interpret and understand the arts from various points of view. This is a one-time opportunity for the state to receive this kind of support from the NEA and leverage its tax dollars by a 3 to 1 match.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the CHANGE request item for the Craftfair of \$70.0 for the biennium. The Governor makes no specific recommendation on the other items within this CHANGE request. The recommendations for funding of Arts Board programs and activities are summarized in the agency-level narrative, the Governor's agency-level CHANGE narrative, and the program-level narrative.

ACTIVITY: SERIES PRESENTER GRANTS  
 Program: PROGRAM GRANTS  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

**DESCRIPTION:** This program works in partnership with the Northwest Area Foundation to support the activities of presenting and touring organizations in the state to provide public access to the finest arts performances or exhibitions available.

A presenter is defined as any nonprofit organization which engages touring artists or exhibitions, pays a fee for these activities, and manages the local presentation. A local presentation includes marketing the event, contracting the artists, providing the facility, and assisting in the technical support for all events. Organizations competing for these grants must sponsor a minimum of 5 separate events and have a total series budget of not less than \$20,000. Applications received in this activity are reviewed by an experienced volunteer advisory panel appointed by the agency to read and judge grant applications on the basis of artistic excellence, quality series management, and accessibility to the public. Funds from this activity are used to subsidize artists' fees, facility and technical costs, travel and lodging, and promotion of the series. A minimum grant award of \$5,000 has been established for this activity.

Organizations applying for touring support are classified as producing organizations. A producing organization is responsible for the creation of the artistic work and the assembly of the artistic elements of a production. Producing organizations may apply for support to subsidize artist fees, facility and technical costs, travel and lodging, and promotion of the tour. This component of the Series Presenter activity is known as Twin Cities Performing Artists on Tour and is cooperatively administered with Arts Midwest, a regional funding organization located in Minneapolis. Touring grants are funded by the Northwest Area Foundation with support that is scheduled to continue through F.Y. 1987.

Series presenter and touring grants complement each other and provide an efficient, effective system of support that makes a broad range of artistic activity available to the citizens of Minnesota.

Through strategic planning efforts the agency has established the following goal statement and a set of objectives that will assist in effectively delivering services through this grant activity.

**GOAL STATEMENT:** To help make the arts geographically accessible to the public through presenting and touring programs.

**OBJECTIVES:**

1. To administer the Series Presenter activity to fund no fewer than 11 organizations that present series programming in the performing, visual, or literary arts.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

2. To partner with Arts Midwest and the Northwest Area Foundation in the administration of a touring program.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ requested	\$ 124,347	\$ 87,200	\$ 110,992	\$ 112,101
# of applicants	17	11	14	14
# of grantees	11	7	9	9
# of artists participating	1,533	1,110	1,260	1,260
# of individuals served	278,754	183,982	229,500	229,500
Total grantee budgets for presenting activities	\$2,085,143	\$1,352,910	\$1,737,000	\$1,755,000

GRANTS BY FUND:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 44.8	\$ 50.0	\$ 50.0	\$ 50.0
Federal	17.7	N/A	N/A	N/A
Private	<u>50.0</u>	<u>50.0</u>	<u>N/A</u>	<u>N/A</u>
TOTAL	\$ 112.5	\$ 100.0	\$ 50.0	\$ 50.0

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Series Presenter Grants	\$ 81.8	\$ 81.8	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SERIES PRESENTER GRANTS

PROGRAM: GRANTS PROGRAMS

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	102.4	112.5	100.0	50.0	81.8	131.8		50.0	81.8	131.8	
AIDS TO INDS.											
TOTAL EXPENDITURES	102.4	112.5	100.0	50.0	81.8	131.8		50.0	81.8	131.8	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	50.0	44.8	50.0	50.0	81.8	131.8		50.0	81.8	131.8	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	52.4	50.0	50.0								
FEDERAL		17.7									
TOTAL FINANCING	102.4	112.5	100.0	50.0	81.8	131.8		50.0	81.8	131.8	
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SERIES PRESENTER GRANTS  
 PROGRAM: PROGRAM GRANTS  
 AGENCY: ARTS, BOARD OF

Request Title: SERIES PRESENTER GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$81.8	N/A	\$81.8	N/A
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE level request in order to respond to the expanding needs of qualified applicants who are either underserved or not served by this activity and to help make the arts more geographically accessible to the citizens of Minnesota.

DESCRIPTION/BACKGROUND: Currently, the agency provides grants to 7 Minnesota organizations with series presenting budgets of \$1,352,910. The activity is designed to support quality presenting and touring organizations who can demonstrate high standards of excellence in their presentation activities. Application materials are reviewed by an experienced volunteer advisory panel who makes recommendations for support from a competitive pool of applicants. Since 1985 the agency has maintained a partnership with the Northwest Area Foundation and Arts Midwest to support the touring component of this activity. In 1986 and 1987 the Foundation provided \$50,000 annually to encourage statewide and regional touring by arts organizations from the Twin Cities area. Arts Midwest assisted in the administration of this program because of its broad network of sponsors that engage touring organizations throughout the Upper Midwest.

RATIONALE: Series presenter and touring grants provide all Minnesotans with an opportunity to experience the finest art available from anywhere in the world at affordable prices. These grants bring art to the public wherever they may live and provide unique opportunities to see and hear new and exciting forms of artistic expression.

As the demand and need for this program continues to grow, the importance of adequate funding is critical. In F.Y. 1986 the agency received a total of \$124,347 in requests and was able to provide only \$55,000 in support. Agency support accounted for only 2.6% of the applicant budgets established for these activities. During the next biennium the agency anticipates more and larger presenting organizations will be eligible and qualified for grant support. One of the largest and most influential applicants who will undoubtedly apply is the Ordway Music Theatre. The Ordway has a significant budget for its presenting activities and, if judged favorably, will require funding commensurate with its budget needs. Of course, there are many other important and influential presenting organizations around the state who will also need support in order to continue to make the arts accessible to their public. Currently, many of these organizations are underserved by the activity or they are not being supported at all because of a lack of adequate funding.

The agency has maintained a 3 year matching partnership with the Northwest Area Foundation in support of this activity. The Foundation has committed a total of \$150,000 through F.Y. 1987 for touring activities throughout the state and region. Although the future of the partnership is uncertain beyond F.Y. 1987 it is the agency's intention to seek matching support from the Foundation for continuation of this program. An increased state appropriation would leverage additional private dollars for the program and assist in further making the arts more accessible to the public.

<u>ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ Requested	\$ 148,968	\$ 150,458
# of Applicants	18	18
# of Grantees	11	11
# of Artists Participating	1,670	1,670
# of Individuals Served	285,982	285,982
Total Grantee Budgets for Presenting Activities	\$ 2,123,000	\$ 2,145,000

GOVERNOR'S RECOMMENDATION:

The recommendations for funding of Arts Board programs and activities are summarized at the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding is included in this activity request, the Governor makes no specific recommendation for this item.

ACTIVITY: ARTISTS IN EDUCATION GRANTS  
 Program: PROGRAM GRANTS  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

DESCRIPTION: This activity is a nationwide partnership effort which is planned, administered and supported through the cooperative efforts of the agency, the National Endowment for the Arts (NEA), local communities and other Minnesota organizations concerned with arts and education.

The Artists in Education activity gives students and teachers the opportunity to work with professional artists in their own educational settings by providing grant support for residencies from 5 days up to one year in length. The program is designed to enhance a school's curriculum through direct experiences with professional artists; encourage the development of professional artists in all disciplines by providing a unique type of employment and audience contact; and demonstrate that an education in the arts is basic to every student's general education.

There are three components to this activity: school support, organizational support, and an active roster of residency artists. School support is granted directly to school applicants who can demonstrate good planning in their residency concept and selection of quality artist(s). Organizational support is granted directly to arts organizations involved in presentation of artists' residencies and who can demonstrate quality programming and high standards of artistic excellence. The roster serves as a resource for schools throughout the state who need help in selecting an appropriate, qualified artist for their residency project. Roster artists are screened by the agency and accepted to the roster on the basis of quality and ability to teach K-12 aged students. Only practicing, professional artists are accepted on the roster.

Through strategic planning efforts the agency has established the following goal statement and set of objectives that will assist in effectively delivering services through this grant activity.

GOAL STATEMENT: To nurture the arts in public educational settings.

OBJECTIVES:

1. To support a minimum of 400 weeks of artists residencies in K-12 schools throughout the state by making grants in 2 categories: School Support grants and Organizational Support grants.
2. To obtain at least \$108,700 in support from the NEA's Arts in Education grant category.
3. To develop a basic arts education plan and seek additional funding through the NEA's Arts in Schools Basic Education (Planning) category. (F.Y. 1988) This is a new objective for the F.Y. 1987-89 biennium.
4. To provide seed money for a minimum of 1 (F.Y. 1988) and 3 (F.Y. 1989) basic arts education projects in exemplary Minnesota K-12 schools. This is a new objective for the F.Y. 1987-89 biennium.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

5. To schedule (in cooperation with Regional Arts Councils) 1 workshop per region to aid artists and educators in artist residency program development and grantwriting.
6. To log technical assistance to a minimum of 40 educators and 20 artists through individual consultations, special workshops and meetings.
7. To launch a public information campaign to highlight AIE program changes through promotion in 3 statewide publications and by attending 4 statewide conferences/workshops.
8. To co-manage with the Minnesota Department of Education and the Minnesota Alliance for Art in Education the Comprehensive Arts Planning Program (CAPP).
9. To file for and obtain a Special Project Grant from the National Endowment for the Arts. This is a new objective for the F.Y. 1987-89 biennium.

Authority for this activity can be found in M.S. 139.10

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ requested	\$305,951	\$273,730	\$341,900	\$384,637
# of applicants	82	179	130	130
# of grantees	50	58	64	64
# of artists participating	130	211	192	192
# of individuals served	77,478	178,910	102,400	102,400
Inkind \$ contributed by grantee	\$ 49,644	\$ 58,900	\$ 66,258	\$ 66,258
Total project cost of grant activities	\$554,690	\$601,184	\$868,030	\$868,030

GRANTS BY FUND:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 65.0	\$ 81.8	\$ 78.4	\$ 78.4
Federal	117.8	115.2	161.0	161.0
TOTAL	\$ 182.8	\$ 197.0	\$ 239.4	\$ 239.4

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Artists in Education	\$ 82.6	\$ 162.6	Activity

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

**BUDGET ACTIVITY: ARTISTS IN EDUCATION**

**PROGRAM: GRANTS PROGRAMS**

**AGENCY: ARTS BOARD**

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS											
LOCAL ASSISTANCE	151.7	182.8	197.0	239.4	82.6	322.0		239.4	162.6	402.0	
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>151.7</b>	<b>182.8</b>	<b>197.0</b>	<b>239.4</b>	<b>82.6</b>	<b>322.0</b>		<b>239.4</b>	<b>162.6</b>	<b>402.0</b>	
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>											
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	50.0	65.0	81.8	78.4	82.6	161.0		78.4	162.6	241.0	
<b>DEDICATED APPROPRIATIONS:</b>											
FEDERAL	101.7	117.8	115.2	161.0		161.0		161.0		161.0	
<b>TOTAL FINANCING</b>	<b>151.7</b>	<b>182.8</b>	<b>197.0</b>	<b>239.4</b>	<b>82.6</b>	<b>322.0</b>		<b>239.4</b>	<b>162.6</b>	<b>402.0</b>	
<b>POSITIONS BY FUND</b>											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: ARTISTS IN EDUCATION GRANTS  
 PROGRAM: PROGRAM GRANTS  
 AGENCY: ARTS, BOARD OF

1986 and F.Y. 1987 there was a 22.7% increase in the amount of support requested for residency projects. Significant demand for this activity has resulted from a fundamental understanding of the importance of a basic arts education and participatory arts experiences; a recognition that practicing, professional artists can provide new perspectives to students and regular classroom teachers; and a commitment to preparing students to maximize the creative potential in their lives.

Schools throughout Minnesota are still recovering from the staffing cutbacks experienced during the recession in the early 1980's. Over the past ten years the number of visual arts teachers in Minnesota schools has declined by 25.9%, theater 63.4%, music 12.5% with total professional staff declining by 11.3%. These statistics underscore the dramatic decline in arts education for children and reflect the need for artists residency programs to continue in the schools.

The Artists in Education activity is an important component in the education delivery system of the state. The activity complements efforts undertaken by the Minnesota Department of Education, the Minnesota Alliance for Arts in Education, the Comprehensive Arts Planning Program, and the Minnesota School and Resource Center for the Arts. In calendar 1986 agency staff met with the leaders of these organizations and others involved in arts education to gauge the validity of the activity and to assess its future. The unanimous response by these leaders was one of support and encouragement for continuation of the program because it filled an important need and helped to develop a more comprehensive approach to statewide arts education.

Beginning in F.Y. 1988 the National Endowment for the Arts will implement a new focus of support for state arts agencies involved in arts education activities. The new guidelines for support continue to recognize the arts as basic to nurturing perceptive and committed audiences and artists of the future and assists in developing intellectual skills and understanding of civilization. The new program provides the agency an opportunity to receive matching support in three categories: Arts in Education Grants, Arts in Schools Basic Education Grants, and Special Projects. Arts in Education grants will continue to support artists' residencies in the schools. Arts in Schools Basic Education Grants are designed to respond to recent studies of education that indicate that education in the arts in elementary and secondary schools should be a more substantive and sequential part of the basic curriculum and that all students should graduate with a basic knowledge of, and skills in, the arts. This grant will assist in planning and program development and implementation. The Special Project grant will support agency activities which advance progress toward the arts becoming a basic part of education.

Each of these activities constitute an important component of a broader arts education delivery system and expand the potential for comprehensive, high quality arts experiences in Minnesota schools. They also represent a unique opportunity to expand the agency's financial partnership with the NEA by bringing more federal dollars into the state.

Request Title: ARTISTS IN EDUCATION GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$82.6	N/A	\$162.6	N/A
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE level request in order to respond to increased demand by providing additional matching grants to support artist residencies in Minnesota schools. The increase will also allow the agency to participate in an NEA matching program that will focus on planning for the development of arts curriculum in the state (F.Y. 1988) and implementing basic arts education projects in exemplary K-12 schools (F.Y. 1988 and F.Y. 1989).

DESCRIPTION/BACKGROUND: Currently, the agency contributes matching funds to 48 schools throughout Minnesota who recognize the importance of providing participatory arts experiences to their students. The program focuses on the need to augment existing arts programs and provide incentive for arts curriculum in those schools where it does not currently exist. The agency's involvement in this program began in 1973 and until 1984 was funded exclusively by the NEA. Throughout the activity's existence the NEA has encouraged matching support from the state and, as a result, has been more favorable toward the agency since state match was introduced into the program. Grant recommendations in this activity are made by 2 volunteer advisory panels who review applications based on quality, merit, and demand or need for the residency program. The agency also assists schools by maintaining a roster of highly qualified artists who are skilled in teaching arts activities to K-12 aged school children. Any school or arts organization applying for support from this activity must demonstrate their commitment to the residency project by providing at least a one-to-one match.

RATIONALE: The demand and need for this program continues to be high. Between F.Y.

## CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity  
 (Continuation)

ACTIVITY: ARTISTS IN EDUCATION GRANTS

PROGRAM: PROGRAM GRANTS

AGENCY: ARTS, BOARD OF

ACTIVITY STATISTICS REFLECT CHANGE LEVEL ONLY

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ Requested	\$ 153,485	\$ 233,824
# of Applicants	166	166
# of Grantees	32	32
# of Artists Participating	133	133
# of Individuals Served	137,310	137,310
Inkind \$ Contributed by Grantee	\$ 40,498	\$ 40,498
Total Project Cost of Grant Activities	\$ 127,033	\$ 127,033

GOVERNOR'S RECOMMENDATION:

The recommendations for funding of Arts Board programs and activities are summarized at the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding is included in this activity request, the Governor makes no specific recommendation for this item.



ACTIVITY: ARTIST ASSISTANCE GRANTS  
 Program: PROGRAM GRANTS  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION:

The Artist Assistance grant activity seeks to recognize, reward, and encourage outstanding individual artists throughout Minnesota. There are 3 opportunities for artists to receive support from this activity. Fellowship grants in the range of \$1,000 to \$10,000 provide support to professional artists for career development, works-in-progress, advanced study, and development of new works. Sudden Opportunity (SOG) grants in the range of \$100 to \$2,000 fund unique opportunities that are measurably significant to an artist's work or career for which support is urgently required to accomplish. During a ten month period between F.Y. 1986 and F.Y. 1987 the SOG program was funded in full by the Dayton Hudson Foundation. Visual artists may also apply to participate in a year long residency program at the P.S. 1 International Art Center in New York City. P.S. 1 is an internationally respected multidisciplinary contemporary arts center just a few minutes from midtown Manhattan. Artists chosen for this residency receive studio space for 1 year at the P.S. 1 facility. The benefits of the program include contact and possible collaboration with other artists in the program, exhibition opportunities in New York City, accessibility to gallery owners, and the arts resources of a major metropolitan area. This activity is supported through a partnership with the Jerome Foundation.

Through strategic planning efforts the agency has established the following goal statement and a set of objectives that will assist in effectively delivering services through this grant activity.

GOAL STATEMENT:

To support the professional development and artistic growth of Minnesota's individual artists.

OBJECTIVES:

1. To administer an Individual Artist grant program which will provide no less than \$168,800 in fellowship grants to individual artists.
2. To log a minimum of 100 technical assistance contacts with individual artists.
3. To evaluate the effectiveness of applicable agency programs by conducting 1 interview with each funded artist.
4. To administer an emergency support system of grants to individual artists on a monthly basis (Sudden Opportunity Grants) and to introduce state dollars into the program. This is a new objective for the F.Y. 1987-89 biennium.
5. To administer the P.S. 1 residency program and place 2 artists annually in career advancement opportunities in New York City on a temporary basis.

Authority for this activity can be found in M.S. 139.10.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ requested	\$3,484,700	\$4,019,047	\$4,122,900	\$4,122,900
% of grant dollars requested and funded	4.2%	4.2%	4.2%	4.2%
# of applicants	568	658	675	675
# of grantees	33	44	49	49
# of artists participating	139	161	176	176
# of individuals served	3,733,115	4,524,988	4,525,988	4,525,988
Total cost of grant activities	\$ 399,400	\$ 469,264	\$ 600,480	\$ 600,480

GRANTS BY FUND:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 84.2	\$ 93.8	\$ 93.8	\$ 93.8
Federal	75.0	75.0	75.0	75.0
Private	<u>32.4</u>	<u>79.2</u>	<u>N/A</u>	<u>N/A</u>
TOTAL	\$ 191.6	\$ 248.0	\$ 168.8	\$ 168.8

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Artist Assistance	\$ 122.2	\$ 122.2	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ARTIST ASSISTANCE

PROGRAM: GRANTS PROGRAMS

AGENCY: ARTS BOARD

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.	164.6	191.6	248.0	168.8	122.2	291.0		168.8	122.2	291.0	
TOTAL EXPENDITURES	164.6	191.6	248.0	168.8	122.2	291.0		168.8	122.2	291.0	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	75.0	84.2	93.8	93.8	122.2	216.0		93.8	122.2	216.0	
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	30.8	32.4	79.2								
FEDERAL	58.8	75.0	75.0	75.0		75.0		75.0		75.0	
TOTAL FINANCING	164.6	191.6	248.0	168.8	122.2	291.0		168.8	122.2	291.0	
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ARTIST ASSISTANCE GRANTS  
 PROGRAM: PROGRAM GRANTS  
 AGENCY: ARTS, BOARD OF

Request Title: ARTIST ASSISTANCE GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$122.2	N/A	\$122.2	N/A
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE request in order to provide additional fellowship grants to high quality individual artists in all disciplines; to introduce state dollars into the Sudden Opportunity Grant (SOG) program; and to continue its partnership with the Jerome Foundation in support of the P.S. 1 residency project.

DESCRIPTION/BACKGROUND: According to 1980 census data, Minnesota is home to almost 20,000 professional artists whose primary income is derived from the presentation of their work. This statistic accounts for almost 1% of Minnesota's civilian labor force and represents a 44% increase in the artist population during the last decade. This activity provides fellowship support to a limited number of artists in all disciplines who can demonstrate high standards of excellence in their work. The activity also provides emergency support to artists who have the opportunity to take advantage of short-term activities that will impact their careers, and visual artists who qualify may participate in the P.S. 1 residency project. Grants are awarded annually in the visual, performing, and literary arts from recommendations provided by 9 separate voluntary advisory panels. Grant applications are reviewed on the basis of quality, merit, and financial feasibility.

RATIONALE: As a group, professional artists are underemployed individuals with an annual median income of just under \$10,000 (1980 census data). The severity of the problem is underscored by the fact that professional dancers earn a low of \$5,400. This does not mean, however, that state grants are used to subsidize living expenses. On the contrary, final reports submitted by grantees consistently rein-

force the fact that state support is used for expenditures directly related to the production of performance of art which places into perspective the important role the state plays in the actual creation of works of art. Individual artists can be considered the foundation from which all art flourishes. Like a feeder system, individual artists can be considered the primary element of research and development where risks are taken and success is many times born out of disappointment.

There are many reasons why artists stay in Minnesota to live and work. Of primary importance, however, is the availability of exhibition or presentation opportunities and the level of financial support possible. Historically, the state has recognized the importance of these factors and has participated in the public-private system of support for both arts organizations and individual artists. Within this activity the state has partnered with the Dayton Hudson Foundation and the Jerome Foundation to develop programs that meet the varied needs of artists. This cooperative approach has helped to maintain a system of support consistent with the kinds of needs artists have. Unfortunately, the level of state support has not kept pace with the growth of this community and as a result many of the high quality artists in the state are not currently being supported.

In summary, artists need state grants to directly support their work and the state, having placed a high value on artists, needs to provide resources adequate to meet the demands of a growing constituency. This request reflects the level at which those needs can be met.

<u>ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ Requested	\$ 1,019,957	\$ 1,019,957
# of Applicants	341	341
# of Grantees	19	19
# of Artists Participating	36	36
# of Individuals Served	1,356,495	1,356,495
Total Project Cost of Grant Activities	\$ 131,216	\$ 131,216

GOVERNOR'S RECOMMENDATION:

The recommendations for funding of Arts Board programs and activities are summarized at the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding is included in this activity request, the Governor makes no specific recommendation for this item.

PROGRAM: REGIONAL ARTS COUNCILS FISCAL AGENT  
 Agency: ARTS, BOARD OF

1987-89 Biennial Budget

PROGRAM PURPOSE: To promote, stimulate, and support arts activities at the local/regional level. This is accomplished through 11 Regional Arts Councils (RACs) which provide funds for grants and support services to sustain and encourage a diverse range of local arts activities, according to the individual needs of each of the 13 development regions in the state.

OBJECTIVES: The objectives of the RACs are:

1. To increase the support and quality of local art production and regional touring activities initiated at the community level throughout the state.
2. To provide on-site professional services to individuals and organizations in developing local arts activities.
3. To generate increased private and public funding for arts at the regional and community level.
4. To initiate and continue special programs that respond to the needs of the local arts communities.

Providing professional support services is an important activity of RACs because of the developmental nature of the regional program. By providing information and referral, technical assistance, direct programming, and special activities, RACs work to refine, expand and upgrade the skills and capacities of arts organizations, artists, and arts sponsors at the local/regional level. RACs may initiate special programs which assist the planning and development of local arts programs, address the unique needs of their region's arts community or serve their communities' arts audiences.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
# of grant applications received	404	456	684	684
# of grant applications funded	262	296	444	444
\$ amount requested by arts organization grantees	\$905,135	\$1,022,802	\$1,534,203	\$1,534,203
\$ amount able to fund	\$464,024	\$ 524,307	\$ 524,307	\$ 524,307
# of arts organizations reached through services	2,553	2,884	4,326	4,326

NOTE: The above figures include state allocated funds only. The RACs also regranted \$157,958 during F.Y. 1986 from The McKnight Foundation.

OPERATIONS: RACs make grants available to over 2553 nonprofit arts producing and sponsoring organizations in the local areas of Minnesota. Beyond these arts organizations served directly through grants programs, the RACs serve over 9,776 nonprofit organizations and individuals through services such as: producing publications, conducting workshops, providing information and referral, providing one-to-one consulting and technical assistance and developing special programs for the development of more and better art in Minnesota.

RACs do the following:

1. Review and fund grant applications from local arts producing nonprofit organizations for plays, concerts, exhibits, workshops, and other arts projects.
2. Review and fund grant applications from local art-sponsoring nonprofit organizations for performances, residencies, and exhibits of touring groups and individuals.
3. Provide services for groups and individuals that will develop the arts in local communities. These services include one-to-one technical assistance about grants writing, fund raising, organizing as a nonprofit, and providing information. The RACs also provide workshops, and act as a central information clearinghouse for groups and individuals.
4. Develop local support from corporations, individuals, and local government through such vehicles as memberships and revenue sharing. They also act as the granting agencies for statewide foundation support from sources such as The McKnight Foundation.
5. Plan, develop, and carry out special programs that are responsive to local arts needs in such diverse areas as united fund drives, regional exhibition programs and competitions, and skills building workshops and conferences for community and professional art organizations.

BUDGET ISSUES: The following changes have occurred or will occur during this biennium:

1. Since F.Y. 1981, the RACs have experienced a 263% increase in the number of arts organizations with which they work, however, they are serving these organizations with only a 9% increase in legislative appropriations. During these same five years, the consumer price index has increased 17%. This dramatic growth in funding responsibility has not been accompanied by a sufficient increase in funding.

	<u>F.Y. 1981</u>	<u>F.Y. 1984</u>	<u>F.Y. 1986</u>
# of arts organizations served	970	1,257	2,553
\$ amount of legislative funding	\$716,500	\$688,800	\$797,300

2. In response to the high demand for assistance and reduced or stationary levels of funding, RACs have had to place artificial limits on the amounts granted for arts projects. In order to fund the number of worthy requests approved, the

(Continuation)

Agency: ARTS, BOARD OF

RACs are unable to fund them at an adequate level. During the F.Y. 1986-87 biennium, the RACs were able to fund only 51% of the need.

3. Because of the positive climate for the arts in Minnesota, there has been an explosion in arts activity which has caused a corresponding demand for higher quality in both production and sponsorship activities. An increased insistence on more stringent managerial accountability on the part of arts groups has created a greater need for technical assistance, referrals, and workshops from RAC staff members.
4. State funding has worked as a catalyst to stimulate private investment in the arts in the past. However, private funders have shifted their priorities to such areas as human services. Consequently, funding from private sources is unpredictable and less available than it was during the past biennium, with the exception of The McKnight Foundation, which has pledged to support the RACs in the amount of \$1,148,000 from F.Y. 1987 through F.Y. 1990.
5. With increased funding, RACs in addition to more closely meeting the existing demand for programs and services, could begin to provide assistance to underserved geographic areas, audiences, arts groups, and art forms.

EXPLANATION OF BUDGET REQUEST: The change items for this program of \$501.7 in F.Y. 1988 and \$501.7 in F.Y. 1989 are for increases in Sponsorship and Production grants, for increased services to local/regional arts organizations, and for assistance to currently underserved geographic areas, audiences, arts groups, and art forms.

GRANTS BY FUND:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$ 797.3	\$ 889.1	\$ 889.1	\$ 889.1

CHANGE REQUEST:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Regional Arts Councils	\$ 501.7	\$501.7	Activity

GOVERNOR'S RECOMMENDATION: The Governor recommends that the Regional Arts Councils and Program Grants be consolidated into one grants program as described in the Governor's recommendation for Program Grants. The Governor recommends a general increase for the agency of \$930.0 for the biennium, part of which may be allocated by the board to the Regional Arts Councils. For purposes of reflecting the proposed program structure, the Regional Arts Councils Program shows no funding because its SAME-Level support is included in the total recommended for Program Grants.

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: REGION GRNTS-PROG-SERV

PROGRAM: REGION ARTS FISC AGENT

AGENCY: ARTS BOARD

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS											
LOCAL ASSISTANCE	839.4	797.3	889.1	889.1	501.7	1,390.8		889.1	501.7	1,390.8	
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>839.4</b>	<b>797.3</b>	<b>889.1</b>	<b>889.1</b>	<b>501.7</b>	<b>1,390.8</b>		<b>889.1</b>	<b>501.7</b>	<b>1,390.8</b>	
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>											
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	787.1	797.3	889.1	889.1	501.7	1,390.8		889.1	501.7	1,390.8	
<b>DEDICATED APPROPRIATIONS:</b>											
GIFTS AND DEPOSITS	52.3										
<b>TOTAL FINANCING</b>	<b>839.4</b>	<b>797.3</b>	<b>889.1</b>	<b>889.1</b>	<b>501.7</b>	<b>1,390.8</b>		<b>889.1</b>	<b>501.7</b>	<b>1,390.8</b>	
<b>POSITIONS BY FUND</b>											
<b>TOTAL POSITIONS</b>											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: REGIONAL GRANTS, PROGRAMS, AND SERVICES  
 PROGRAM: REGIONAL ARTS COUNCILS FISCAL AGENT  
 AGENCY: ARTS, BOARD OF

Request Title: REGIONAL GRANTS, PROGRAMS, AND SERVICES				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$501.7	N/A	\$501.7	N/A
Governor's Recommendation				
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The CHANGE level increase is requested in order to more adequately serve the increased local demand for arts activities. Increased support will allow an innovative and unique program of decentralized decision making and local planning to continue and will bring about opportunities for significant participation in the arts, as well as public and private support of the arts to occur at the local level.

In relation to their objectives, with increased support, Regional Arts Councils (RACs) will:

1. Increase the number, size, and type of project grants to local organizations to produce arts events and sponsor touring artist residencies. Currently, 262 projects are funded; the new level of funding will allow projects to be supported at higher levels of support.
2. Provide more services of higher quality to local audiences, artists, and arts organizations.
3. Increase local private and public support for the arts directly to RAC's and indirectly through matching requirements for grants. Currently, RAC grantees are matching on a 3 to 1 ratio, although requirements are only for a 1 to 1 match.
4. Be able to develop arts programs in underserved geographic areas and to underserved audiences, arts groups, and art forms; encourage artistic risk taking by established arts organizations, and support increased touring arts activities throughout greater Minnesota.

DESCRIPTION/BACKGROUND: RAC's are a successful vehicle for distributing resources on a statewide basis with local review and decision making. That this program is working can be documented by the increase in the number of arts organizations, individuals and audiences served by RAC's with their limited resources. Unfortunately, the RAC's have always had to operate with a modest amount of support and have not been able to adequately meet the needs of their many constituents. Since the budget cutbacks in 1982, 1983, and 1986, RACs have artificially suppressed demand for support by adopting policies to restrict eligibility requirements and to limit the number, size, and types of activities considered. While prudent measures in difficult times, this has limited the scope of local arts organizations' activities.

RATIONALE: The need for financial support and professional services at the local/regional level is far greater than RACs have been able to provide. In allocating resources to needs identified in regular needs assessments and biennial plans, the volunteer Councils are unable to address a large number of much-needed services identified by local communities. With a modest level of state support in the past, RACs have been successful in generating increased levels of arts activities. This means an enhanced environment for living and working in Minnesota, thus contributing to a healthier economy.

Since 1981, RACs have taken on additional programs to meet local needs during times of reduced funding or with minimum levels of increased support. These programs included: supporting touring activities statewide through sponsor assistance; with the help of McKnight Foundation grants, strengthening professional arts organizations and RACs; and supporting special programs to meet community needs. With increased support, art activities will reach more audiences, have broader community support and will validate the work of local artists. Increased support will encourage and generate higher quality work by established arts organizations and provide needed support to help stabilize new or underserved arts organizations.

The state support for the arts granted by RACs serves as seed money to generate 3 times as much support by local organizations in matching funds. Additionally, the grant programs offered by RACs are often the only source of public funding available to encourage local arts activities. It is also the only public forum in which local people determine what arts activities should occur and be supported with their tax dollars. This requested support will mean that a significant level of local arts needs can be served and the renaissance of arts activity nurtured by RACs will grow and benefit the entire state.

<u>ACTIVITY STATISTICS REFLECTS CHANGE LEVEL ONLY</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
\$ amount able to fund	\$ 262,213	\$ 262,213

GOVERNOR'S RECOMMENDATION: The recommendations for funding of Arts Board programs and activities are summarized at the agency-level narrative, the Governor's agency-level CHANGE recommendation, and the program-level narrative. Although funding is included in this activity request, the Governor makes no specific recommendation for this item.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

**AGENCY PURPOSE:**

The Minnesota Humane Society operates under Minnesota Statutes, Chapter 343. The Society is also incorporated as a non-profit organization. Its duties under Chapter 343 are to enforce animal cruelty and neglect laws, organize district and county societies, train investigators, and educate the public about the protection of animals.

**FUNDING:**

The Minnesota Legislature appropriated \$43,800 in the 1984-1985 biennium and \$48,000 in 1986-1987 to assist the Minnesota Humane Society in its activities. State appropriations represented about 12 percent of the Society's financial support for the 1984-1985 biennium. Contributions, bequests, memberships, federal grants, and other income provided the majority of support to the Society.

**SUSPENSION OF OPERATIONS:**

The Minnesota Humane Society Board temporarily suspended the Society's operations on April 3, 1986 due to financial insolvency. Under Minnesota Statutes 16B.38, the Department of Administration undertook all necessary administrative functions of the Society until it is reconstituted.

The Department of Administration received a \$50,000 loan from the Legislative Advisory Commission to liquidate the Society's debts. The department has closed the Society's offices and has begun disposition of the Society's assets in order to pay back the loan.

**FUTURE OPTIONS:**

The Governor has asked the Department of Administration to recommend legislation in 1987 which restructures the Society so that it can attract more private funding. Three options are:

1. Reestablish the Society as a state agency with greater oversight by the Legislature and executive branch to bring more accountability and better financial management.
2. Transfer all of the Society's statutory duties to a non-profit organization supported entirely by private funds.
3. Divide the Society's statutory duties among several agencies and organizations:

Transfer the Society's duties for public education and for organizing local humane societies to a non-profit organization supported by private funds.

Transfer the Society's responsibility for enforcing animal cruelty and neglect laws to local law enforcement officials.

Transfer the Society's duties for training animal humane investigators to another state agency such as the Department of Public Safety or the Peace Officers Standards and Training Board. The training program should be supported through fees.

**EXPLANATION OF BUDGET REQUEST:**

We recommend Option 3 because it enhances the possibility of private sector funding, keeps responsibility for law enforcement with public agencies, and transfers education and advocacy responsibilities to a private organization. Humane societies in most other states are private non-profit organizations, focusing on education and advocacy and supported entirely by private funds. No further funding for the Humane Society is requested.

**GOVERNOR'S RECOMMENDATION:**

No funding is requested. The Department of Administration should develop appropriate legislation to implement its recommendations.



BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HUMANE SOCIETY

PROGRAM: HUMANE SOCIETY

AGENCY: HUMANE SOCIETY

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			50.0								
LOCAL ASSISTANCE		48.0									
AIDS TO INDS.											
TOTAL EXPENDITURES		48.0	50.0								
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV			48.9								
SUPPLIES & MATERIALS			1.1								
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			50.0								
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		48.0	50.0								
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		48.0	50.0								
POSITIONS BY FUND											
TOTAL POSITIONS											

AGENCY PURPOSE:

The Minnesota State Horticultural Society, established in 1866, is a semi-state educational agency dedicated to the advancement of horticulture in Minnesota. The Society promotes horticulture for the improvement and development of home, community, and state for the enhancement of the quality of life in Minnesota. The Society promotes and undertakes horticultural programs which benefit both rural and urban communities. Membership in the Society is open to any interested person.

OBJECTIVES:

To achieve its overall purpose, the Society performs the following services:  
 1) Publishes the Minnesota Horticulturist, the oldest continuously published magazine in the state; 2) sponsors educational workshops, exhibits, and garden information services; 3) promotes community and statewide horticultural projects, emphasizing civic beautification and quality of the environment; 4) organizes volunteer horticultural organizations throughout the state; and 5) maintains an extensive horticultural library, open to members and nonmembers alike.

OPERATION AND CLIENTELE:

All members of the Society receive the Minnesota Horticulturist. The Horticulturist serves as the only regularly published magazine especially for northern horticulture and as an educational tool in providing horticultural information. The Society maintains an extensive horticultural library and, throughout the year, sponsors numerous workshops, seminars, tours and other programs.

The Society serves as the state organization for some 250 garden club and horticultural organizations throughout the state. These local organizations promote the goals and objectives of the Society in their communities. Some 200 public community gardens are maintained by these organizations.

The Society sponsors numerous horticultural educational displays and shows throughout Minnesota, including community schools, the Minnesota State Fair, county fairs, and the Minneapolis Aquatennial. The Society serves as a certifying organization for horticultural judges in Minnesota.

The Society has worked with several rural communities with horticultural and landscape beautification projects for public and commercial areas, providing plant material, consultant services and assistance to resident volunteers in the environmental development of their communities.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

Some 14,000 individuals are members of the Society, which include 5,000 garden club members, libraries, schools, and educational organizations. The Society also maintains 11 district horticultural organizations and nearly 250 community garden club organizations.

EXPLANATION OF BUDGET REQUEST:

The state legislative appropriation request represents approximately 30% of the Society's income and will be used for general operating expenses. The remaining 70% will come from paid memberships (about 50%) and from donations, tours, magazine sales and advertising, and other miscellaneous sources of income.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding for this agency.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HORTICULTURE

PROGRAM: HORTICULTURE

AGENCY: MN STATE HORTIC SOC

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	67.9	67.9	67.9	67.9	25.0	92.9	67.9	67.9	25.0	92.9	67.9
AIDS TO INDS.											
TOTAL EXPENDITURES	67.9	67.9	67.9	67.9	25.0	92.9	67.9	67.9	25.0	92.9	67.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	67.9	67.9	67.9	67.9	25.0	92.9	67.9	67.9	25.0	92.9	67.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	67.9	67.9	67.9	67.9	25.0	92.9	67.9	67.9	25.0	92.9	67.9
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity

ACTIVITY: MINNESOTA STATE HORTICULTURAL SOCIETY  
 PROGRAM: MINNESOTA STATE HORTICULTURAL SOCIETY  
 AGENCY: MINNESOTA STATE HORTICULTURAL SOCIETY

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: VOLUNTEER COORDINATION PROGRAM				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 25.0	-0-	\$ 25.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds for the hiring of a volunteer coordinator to better utilize the vast number of available volunteers to serve the objectives and goals of the Society.

DESCRIPTION/BACKGROUND:

Currently a staff of 4 maintains the operation and services of the Society. The Society, with its vast representation throughout the state, has the potential to mobilize its members to undertake an array of community projects and programs. With the current limited staff, the Society has not been able to utilize this resource even close to its potential.

RATIONALE:

The Society is essentially an organization of volunteers. Without their help, its programs could not be accomplished. In addition, there are many more enthusiastic members who are willing to undertake a variety of garden education and beautification programs in their communities if they can receive the necessary leadership and guidance. Many of these potential volunteers are highly skilled, civic minded senior citizens who have a lifetime of experience and knowledge to share with the younger generation. The funds needed for a volunteer coordinator would allow the Society to use this resource to deliver a wealth of service to the state at a cost of a very few dollars.

AGENCY PURPOSE:

The primary purpose of the Academy is to promote an appreciation for science, science students and teachers, and to provide an organizational base for people united by a common interest in creating a climate for better understanding of the pure and applied natural, life and social sciences. This provides a means for advancing science education, promoting scientific research, supplementing the science curriculum, and also provides an avenue for expression by secondary students interested in science.

The Academy's missions are becoming more important than ever with the need to emphasize development of the country's technological requirement for more mathematicians and scientists. While the basic goals of the Academy remain fairly consistent from one year to the next, it is clear there is a need for a more concentrated effort next year to expand both programs and publications. Dedication to the advancement of research, education and understanding of science as well as appreciation for science is the theme which is embodied in the program elements. These provide for:

1. Achievement recognition programs for the state's secondary school students in science and mathematics through planning and conducting the state-wide science fairs, symposia, Visiting Scientists Program and organizing science clubs, all for secondary students.
2. Promotion of scientific research and exchange of information.
3. Conducting of meetings and workshops for industrial and academic science oriented people.
4. Publishing and distributing information on research projects and science activities as a means of technology sharing.

OPERATION AND CLIENTELE:

The Academy consists of 1 office staffed by 1 full-time secretary with the overall supervision being provided by a professional director who has been on an essentially volunteer status. The growing importance of the Academy functions means the need for greater effort to organize and assist volunteers across the state in establishing and organizing the science fairs, workshops, symposia, publication efforts and other science related activities. Contacts between the scientific community, private and parochial educational systems, and the general public are facilitated through the various programs and publications. Special emphasis is placed on developing and promoting science oriented relationships in both the public and private sector between the young and prospective scientists and the researchers, practitioners and educators. The activity of the Academy ranges from the significant local level participation to a national association with the 48 member Association of Academies of Science, the American Association for the Advancement of Science, and the International Science Fairs of America.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

Volunteers involved in the various programs each year number in the range of 1,500 - 1,800 people. They assist in programs that provide service for some 3,000 adult and 17,000 student participants. The Academy office staff and volunteers annually process over 20,000 pieces of correspondence directed to science teachers, members, and others. It also supervised, prepared for and/or distributed 12 issues of a number of various publications to over 7,000 individuals and 300 libraries worldwide.

EXPLANATION OF BUDGET REQUEST:

The endeavors outlined above were possible through support for the annual budget from memberships, gifts and grants, private sector contributions, and services. With the increased activity and a desire to improve science advocacy through interaction, the Academy has come to recognize it needs a full-time staff person. The increase in state appropriation will help them meet that goal. Approximately one third of the budget amount is derived from state support. The request for the 1987-1989 biennium is in the amount of \$85,000, which is an increase of \$43,900 over the current biennium.

GOVERNOR'S RECOMMENDATION:

The Governor recommends SAME level funding for this agency.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ACADEMY OF SCIENCE

PROGRAM: ACADEMY OF SCIENCE

AGENCY: ACADEMY OF SCIENCE

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	.6	.6	.6	.6		.6	.6	.6		.6	.6
LOCAL ASSISTANCE	19.9	19.9	20.0	20.0	21.9	41.9	20.0	20.0	21.9	41.9	20.0
AIDS TO INDS.											
TOTAL EXPENDITURES	20.5	20.5	20.6	20.6	21.9	42.5	20.6	20.6	21.9	42.5	20.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS	.6	.6	.6	.6		.6	.6	.6		.6	.6
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	.6	.6	.6	.6		.6	.6	.6		.6	.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	20.5	20.5	20.6	20.6	21.9	42.5	20.6	20.6	21.9	42.5	20.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	20.5	20.5	20.6	20.6	21.9	42.5	20.6	20.6	21.9	42.5	20.6
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: ACADEMY OF SCIENCE  
 PROGRAM: ACADEMY OF SCIENCE  
 AGENCY: ACADEMY OF SCIENCE

RATIONALE: (contd)

time staff person in the professional capacity. With these considerations, the request for the 1987-89 biennium is for \$85.0.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: MINNESOTA ACADEMY OF SCIENCE	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Agency Request				
General Fund	\$ 21.9	-0-	\$ 21.9	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to be able to provide full time professional expertise to the staff. The objective is not only to improve the quality of service but expand the current program and reach additional clientele.

DESCRIPTION/BACKGROUND:

There has been no increase in state funding over the past 8 to 10 years, and the agency has been able to survive only because the 1 professional staff member was able to decline potential salary raises and also serve at a reduced salary level. Also, prior to 1977 the agency was the recipient of free office space in the North Star Research and Development Institute. When the North Star Research and Development Institute relocated, the Academy was forced to obtain rental space. This added expenditure, plus the inflationary trend during the intervening years, more than absorbed the money saved by the reduced salary.

RATIONALE:

The Academy funding level has been essentially constant at the \$20.0 per annum level for the past 8 years. Inflationary pressure over this time period, without the corresponding increase in funding level, has resulted in deficit years. The desire and need to expand program service and extend service to additional clientele has been impossible with the restrictive funding that has been experienced. To be able to expand service to meet the desired goals, it is recognized that there is the need for a full

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**AGENCY DESCRIPTION:** The Science Museum of Minnesota (SMM) serves the State of Minnesota as an interdisciplinary museum, blending the traditional natural history museum with the more recent technology/science center model. In its natural history function, it boasts a collection of over 1.5 million documented and catalogued science specimens from paleontology, biology, ethnology, archaeology, geology, and geography. These objects are curated by a professional staff of 12 scientists aided by 40 trained volunteers. The collection is a resource, not only for the state and region, but for the international scientific community, drawing scholars from all over the world. Major collections from the University of Minnesota and other state colleges have been transferred to the Science Museum, making it a remarkable repository of scientific objects and data. In its technology/science center character, the museum has developed a hall of technology that helps visitors explore how technology applies scientific principles and conclusions, and how it has extended human capabilities in areas of communication, sensing, problem solving and physical power. The Science Museum unfolds its research and collections into a program of exhibits that occupy over 45,000 square feet of space in the museum complex. It has pioneered the use of interactive techniques--demonstrations, live theatre and "hands-on" exhibits--in exhibit design and execution. Lastly, the museum maintains one of the finest education programs in the country, providing classes, field trips and lectures for adults, families and children. Crowning the museum's interdisciplinary efforts is the William L. McKnight-3M Omni Theater, a technologically advanced museum theatre which provides audiences with authentic film experiences in the earth and space sciences. It is one of 25 such museum theaters in the world.

**OPERATION AND CLIENTELE:** The Science Museum is a private, nonprofit institution governed by a board of trustees and administered by a professional staff of 255 paid individuals and 280 volunteers. The museum carries on research through its scientific staff. It develops its own exhibits through teams of exhibits and graphics professionals working with content specialities. Many of the Omnitheater films shown at the museum are produced by film companies working in conjunction with the Science Museum as co-producer. An education department designs programs for students, with consultation from educators in various fields. Through the museum president, the staff of the museum is responsible to a governing board of trustees who meet regularly with senior staff to determine policy and assess adherence to the museum's mission. The museum's clientele is made up of many publics: the general public of the upper midwest region; public and private school children from every county in the state, and also students from neighboring states; the scholarly community regionally and nationally as well as internationally; a loyal membership; other cultural institutions in the metropolitan area with whom it often joins to provide community-wide cultural experiences.

**AGENCY OBJECTIVES:** The Science Museum of Minnesota is organized to collect, study, and preserve objects of scientific significance for future generations, and to interpret the objects, discoveries, and insights of science for the general public through exhibits and education programs. It does this through communicating to the public a clear notion of how science affects daily lives, and a sense of accessibility to scientific "secrets;" through being a high-profile, well-attended tourist attraction that contributes economic impact to the regional economy; through providing

**AGENCY OBJECTIVES:** (Contd.) support and extension facilities to the education system of the state; through playing a leading role in creative design and presentation of science exhibits; through being a community center for the discussion of science issues, and through working with Minnesota institutions to show the connection between science, technology, and industry; and through the dedication of its scientists to the work of research and curation of objects of vital importance both to the state and to the scientific community.

**EFFECTIVENESS MEASURES:** In addition to statistics on audience attendance and school group participation, the Science Museum makes use of surveys to determine the popularity and effectiveness of its programs. Surveys have been commissioned with the Minnesota Center for Social Research at the University of Minnesota (phone survey of Metro area adults), the Minneapolis Star and Tribune Marketing Department (phone survey of metro area adults), and written surveys conducted in-house by museum personnel involving both museum visitors and members. The Science Museum is also required regularly to undergo evaluation for accreditation in the American Association of Museums. The museum conducts regular program evaluations with participants, asking their evaluation of the program and its value. Repeat visitation by members and school groups even within the same year is used as a measure of effectiveness. Exhibits and films produced by the Science Museum are often traveled to other institutions around the world; the reception accorded to these products is a fair measure of their impact. The museum continues to win the recognition of the scientific community for its scholarly research and collection activity; museum scientists are called upon with great regularity to consult with other scientific institutions.

**ACTIVITY STATISTICS (SAME LEVEL FUNDING):**

STATISTICS	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# Museum Visitors	714,000	800,000	820,000	840,000
# School Groups/Visitors	91,269	91,000	91,000	91,000
% MN School Enrollment	13%	13%	13%	13%
# Membership	25,000	28,000	29,000	30,000

**ACCOMPLISHMENTS:**

- 1) 1,414,024 visitors attended the Science Museum in the past biennium.
- 2) 187,053 children in school groups visited the museum in the past biennium.
- 3) 61,726 persons took part in continuing education programs in the past biennium.



AGENCY: THE SCIENCE MUSEUM OF MINNESOTA  
(Continuation)

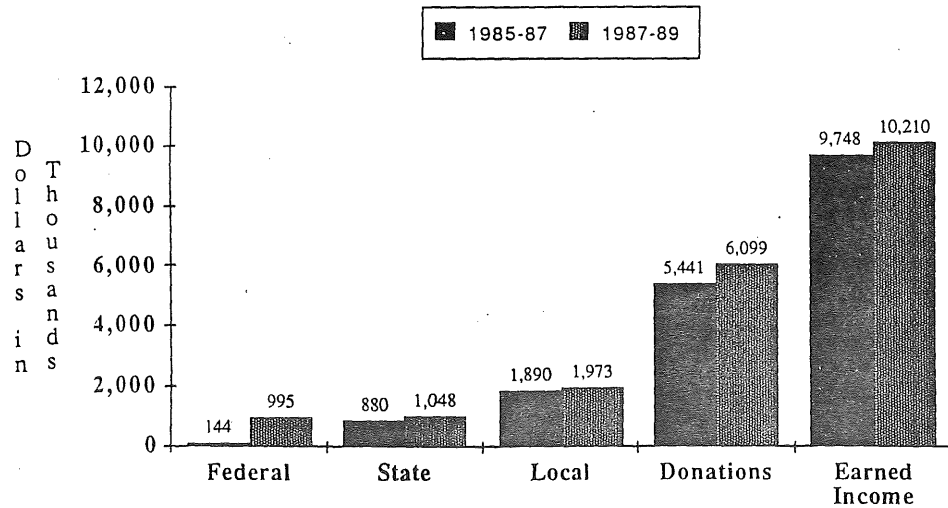
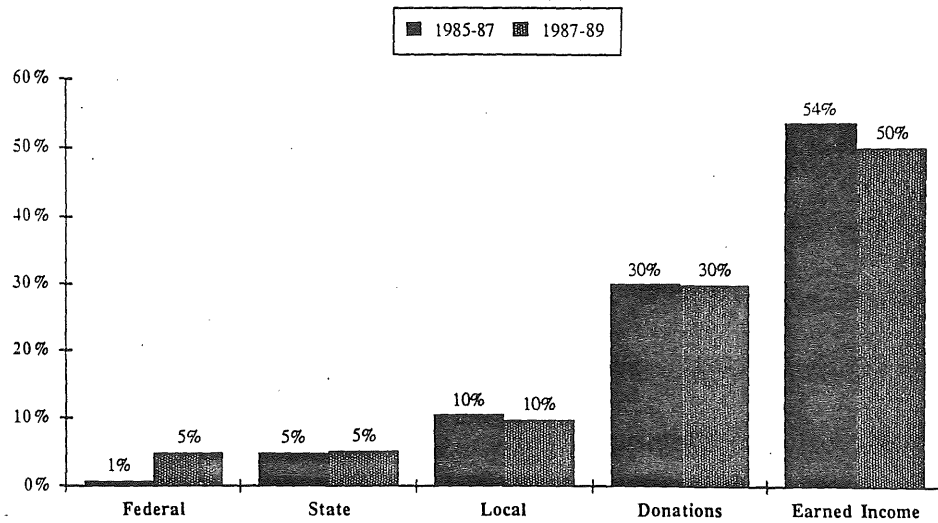
1987-89 Biennial Budget

- 4) A membership of nearly 28,000 households, representing 126,000 men, women and children, the largest membership of any single science museum in the United States, outside of the Smithsonian Institute.
- 5) Preparation took place for a \$750,000 Omnitheater film (less than half the cost of the standard industry film budget, and funded partially by the state) on the topic of SEASONS and filmed largely in Minnesota.
- 6) Five science museum-originated exhibits toured institutions in Oakland, Denver, Yellowstone Park, Boise, Boston, New York City, Washington, DC, and Los Angeles. One of them, "Wolves and Humans," surpassed 1.4 million visitors during a stay at New York's prestigious American Museum of Natural History. Conversely, the Science Museum is part of a science museum consortium which provides Minnesotans with timely and lively science exhibits developed by major institutions across the country.
- 7) A continuing private-public partnership yielded \$18 million in annual income for the biennium; 54% of it earned, 16% from public support, and 30% from private contributions. In return, the Science Museum generated an economic impact of an estimated \$69 million in the regional community through direct, indirect, and audience spending.
- 8) New exhibits have been developed on Minnesota: Hmong textiles, showing the culture of our newest immigrants; new sections on "Iron Mining" and "Meeting the People" have been added to the Our Minnesota Exhibit, which is emerging as a powerful teaching tool about the state and its people for both residents and visitors; the museum's "Wolves and Humans" exhibit will become the centerpiece for the new International Wolf Center in the economically struggling Ely area; a director of physical sciences and technology is being hired to continue development of the Hall of Technology and to work with Minnesota corporations in showing how applied science has made Minnesota the "Brainpower State."
- 9) Surveys were conducted which show almost 100% name recognition of the museum among metropolitan adults; increased visitation by Minnesota residents who live outside the Minneapolis-St. Paul area; return visitation rates of 3-5 times per year, not only by members but by many non-members; foreign visitors in large numbers.
- 10) Science Museum curators hold adjunct appointments at 5 different academic institutions in the state. Over the past few years, the Science Museum has made loans of collections material to more than 50 different cultural centers and educational institutions throughout Minnesota. Scholars from over 30 institutions utilized the Science Museum's fossil collections in the past biennium.

BUDGET ISSUES: The Science Museum joins the Minnesota Historical Society and the Minnesota Zoo in providing the state with essential services in the preservation and collection of natural history and cultural history objects. The museum's budget request from the state is the lowest by far of the three institutions, even though its effectiveness rivals that of the other two. It fulfills its charter through a unique public-private partnership which draws on diverse sources of support and relies heavily on earned income in meeting its budget. Earned income is generated from admission to the museum, membership fees, Explorer Store sales, and continuing education fees. Support from the City of Saint Paul has been for capital improvements to the museum's building. Ramsey County has been generous in providing for basic maintenance and energy costs. The Science Museum requests the state to increase its commitment to partial funding of the staff salaries at this institution because of its growing statewide importance and popularity, and because of the increased services proposed for schools in the entire state in response to requests for such services from legislators and educators alike. The museum's enlarged role in the international community of museums is playing a role in widening awareness of such treasures of the state as its desirableness as a place to live, and the unique characteristics of its land, people, and resources. An appropriation to this cultural institution is an investment in Minnesota's future--a legacy for our children and a witness to the state's increased status in the world cultural community.

HOW STATE FUNDING IS USED: State funding is used to provide partial support for SMM's core staff in the areas of scientific research and collections, exhibits and design, and educational interpretive programs. The core program staff includes 57 full-time positions consisting of scientific curators and researchers, exhibit designers and craftsman, and educational program interpreters as well as 280 volunteers.

THE SCIENCE MUSEUM OF MINNESOTA  
SOURCES OF REVENUE  
(% INDICATES PORTION OF TOTAL SMM SUPPORT)



Total SMM Budget	\$ 18,020.8	\$ 20,324.6
Appropriation/Request State of MN	842.1	1,048.1
State % of Total	4.7%	5.2%

- 1) SAME level support: partial support of the core elements of the SMM including scientific, education, and exhibits departments. Departments collect, prepare, interpret scientific specimens as well as plan and design exhibits, which result in a comprehensive program presented to school children and the general public.
- 2) CHANGE requests: to maintain the same level of support from the State by providing an inflationary increase and to request the State of Minnesota to become a 16% partner in a program that will expand existing services to the school children of Minnesota. The development of a new school services program will not only bring Minnesota students from rural areas to the museum but will also bring the museum's programs throughout the state.

Index	Agency Request 1987-89 Biennium	Governor's Recommendation 1987-89 Biennium	Page
Reconciliation of F.Y. 1987 to SAME level	\$ 865.2	\$ 865.2	
CHANGE level Requests			
Inflationary Increase	52.6	52.6	5
School Services	130.3	130.3	6
AGENCY TOTAL	\$1,048.1	\$1,048.1	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SCIENCE MUSEUM OF MINN

PROGRAM: SCIENCE MUSEUM OF MINN

AGENCY: SCIENCE MUSEUM OF MN

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	310.0	409.5	470.1	432.6	88.3	520.9	520.9	432.6	94.6	527.2	527.2
AIDS TO INDS.											
TOTAL EXPENDITURES	310.0	409.5	470.1	432.6	88.3	520.9	520.9	432.6	94.6	527.2	527.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	290.5	409.5	432.6	432.6	88.3	520.9	520.9	432.6	94.6	527.2	527.2
GENERAL FUND - LCMR	19.5										
MN RESOURCES			37.5								
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	310.0	409.5	470.1	432.6	88.3	520.9	520.9	432.6	94.6	527.2	527.2
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency  Program  Activity

1987-89 Biennial Budget

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA  
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA  
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

RATIONALE:

The Science Museum receives its state appropriation as a grant and is, therefore, not eligible for salary supplement dollars to pay for salary increases which will be approved in F.Y. 1988 and F.Y. 1989. The museum needs this increase in state support in order to keep intact the core program at the same level of service as is currently being provided.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the Museum's request to achieve the 1987-89 objectives.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 17.3	-0-	\$ 35.3	-0-
Governor's Recommendation				
General Fund	\$ 17.3	-0-	\$ 35.3	-0-

Request requires statutory change:  Yes  No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Science Museum of Minnesota (SMM) is requesting an increase in state support to cover inflation of 4% per year. The objective is to allow the museum to keep intact its core scientific, education and exhibit programs at the current level. The state currently provides support for these core museum programs and the inflationary increase is requested for salary increases for our core staff for the next biennium.

DESCRIPTION/BACKGROUND:

State funding is used to provide partial support for SMMs core staff in the areas of scientific research and collections, exhibits and design, and educational interpretive programs. The programs developed by these departments bring the broadest services to the citizens of Minnesota, to school children throughout the state and to the state government. The core program staff includes 57 full-time positions consisting of scientific curators and researchers, exhibit designers and craftsmen, and educational program interpreters as well as 280 volunteers.

CHANGE REQUEST

1987-89 Biennial Budget

Agency  Program  Activity

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA  
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA  
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

Request Title: SCHOOL SERVICES PROGRAM				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$71.0	-0-	\$59.3	-0-
Governor's Recommendation				
General Fund	\$71.0	-0-	\$59.3	-0-
Request requires statutory change:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The Science Museum of Minnesota (SMM) proposes to increase its services to schools throughout the state, to improve the qualitative educational value of school visits to the museum, to assist in the professional development of teachers, and to become a more effective advocate for the statewide improvement of science education.

DESCRIPTION/BACKGROUND: Because museum collections, exhibits, staff, and programs provide highly valuable and unique sources of enrichment to support formal science education activities, the museum is requesting funding to develop a comprehensive school services program to accomplish the following:

1. Deliver a range of outreach programs to schools throughout Minnesota. A traveling science van (SMM on Wheels) will transport museum personnel and materials to schools in order to conduct week-long science residencies, science theater, "student science days", visiting scientist programs and other enrichment activities.
2. Assist in the continuing professional development of teachers. Unique inservice programs including field trips and study tours, science symposia, workshops, elementary and secondary science teacher newsletters, and teaching opportunities at the museum will be made available to teachers.
3. Increase museum visitation by schools from all over the state and improve the educational value of such visits. Pre and post-visit information, exhibit hall demonstrations and tours, theater pieces, mini-classes, and other opportunities will be designed for visiting school groups.

4. Stimulate and encourage an interest in science on the part of students and teachers and become an effective partner with other organizations in shaping and improving science education in Minnesota.

The statewide school services proposal outlines a 3½ year developmental phase that will initiate a long-term, largely self-supporting program. During the next biennium, the developmental period of the project will cost \$800,000. It is estimated that 35% of the funding will come from program fees, 49% from private contributions, and the remaining 16% is being requested from the state of Minnesota. By the end of the 3½ year start-up phase, program fees are estimated to generate 80% of the costs required to run this statewide program.

IMPACT OF THE SCIENCE MUSEUM OF MINNESOTA'S SCHOOL SERVICES PROJECT 1987-1990

1. In F.Y. 1985-86 the museum served 91,269 students through school visitation and outreach programs. This represents about 13% of the total student population in Minnesota. By the end of the project in 1989-90 the museum will be serving about 168,000 students on an annual basis or about 23% of the total student population in Minnesota.
2. Outreach programs to the schools in 1985-86 served 45 schools primarily in northern Minnesota. In 1987-88, the first full year of the project, approximately 125 schools throughout the state will have received outreach programs. By 1989-90 the number of schools receiving museum outreach programs will have grown to over 350 schools.
3. Professional development programs for teachers served 225 teachers in 1985-86. In 1987-88 over 1,000 teachers will have participated in such museum developed programs throughout the state. By 1989-90 about 2,300 teachers will be participating in museum sponsored programs.
4. Over 89,000 students visited the museum in 1985-86 which represents 13% of Minnesota's school population. By 1989-90 121,000 students or 16% of the school population, will be visiting the museum on an annual basis. With increased museum staffing and instructional resources available, visiting school groups will have a significantly better educational experience.

RATIONALE: Science education in this state and elsewhere in the United States has been frequently cited as inadequate. Short-term hit and miss programs are not doing the job. Minnesota's schools would benefit from the many opportunities that a vigorous and well-conceived museum-based science enrichment program would provide. With its extensive collections, exhibits, staff expertise and statewide and national connections, the museum represents a unique Minnesota resource which can be used to enrich school science programs.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the Museum's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency    Program    Activity  
(Continuation)

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA  
PROGRAM: SCIENCE MUSEUM OF MINNESOTA  
AGENCY: SCIENCE MUSEUM OF MINNESOTA

REQUEST TITLE: SCHOOL SERVICES PROGRAM

IMPACT OF THE STATEWIDE SCHOOL SERVICES PROGRAM AT THE SCIENCE MUSEUM OF MINNESOTA

	<u>1986/87</u>	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>
<b>INCREASED SCHOOL VISITS TO SCIENCE MUSEUM</b>					
Number of students / % increase over previous year:	90,000 / 0%	95,000 / 5%	105,000 / 10%	115,000 / 10%	121,000 / 5%
% of visiting school groups within 100 mile radius of SMM:	88%	86%	83%	80%	80%
% of visiting school groups more than 100 distant from SMM:	12%	14%	17%	20%	20%
% of total MN school enrollment visiting Museum:	13%	14%	15%	16%	17%
<b>MUSEUM OUTREACH PROGRAMS TAKEN TO MN SCHOOLS</b>					
Museum Van ("SMM On Wheels") Number of students / Number of schools reached:	N/A	10,500 / 35	22,500 / 75	37,500 / 125	52,500 / 175
Student Science Days Number of students / Number of schools reached:	1,750 / 45*	2,500 / 80	3,750 / 120	6,250 / 200	6,250 / 200
One-week Science Residencies Number of students / Number of schools reached:	900 / 3	3,000 / 10	6,000 / 20	9,000 / 30	12,000 / 40
<b>PROFESSIONAL DEVELOPMENT PROGRAMS FOR TEACHERS</b>					
Number of Symposia / Number of teachers served:	1 / 100	4 / 500	4 / 600	4 / 800	4 / 900
Number of Workshops / Number of teachers served:	N / A	20 / 400	25 / 625	30 / 750	40 / 1,000
Number of Inservice contracts with districts / Number of teachers served:	N / A	3 / 120	10 / 400	20 / 800	30 / 1,050
<b>TOTAL NUMBER OF STUDENTS SERVED BY OUTREACH PROGRAMS OR BY VISITS TO THE MUSEUM / PERCENTAGE OF TOTAL MN SCHOOL POPULATION:</b>					
	92,450 / 13%	111,500 / 16%	137,250 / 20%	167,750 / 25%	191,750 / 27%
<b>TOTAL SCHOOL SERVICES BUDGET</b>					
	N/A	\$369,930	\$429,882	\$531,793	\$589,695
User fees earned / % of total budget:	N/A	\$86,125 / 23%	\$192,750 / 45%	\$355,375 / 67%	\$479,875 / 81%

\*Programs conducted by the Museum's Opportunities in Science Project funded by the C.K. Blandin Foundation 1982-86.

AGENCY PURPOSE: The Minnesota Safety Council (MSC) is a public education organization providing formal education and training, consultation and public information to affect behavior modification to prevent accidents and reduce deaths and injuries from accidents in Minnesota.

OPERATION AND CLIENTELE: MSC works with a strong staff and volunteers with heavy involvement from private and public sectors. Accidents are Minnesota's leading cause of death from age 1 to 44 years. Minnesota Department of Health and national studies show more years of life lost from accidents than heart disease, cancer and strokes. Costs of accidents are on the rise, with a negative economic impact. MSC helps control costs through accident prevention.

MSC serves all Minnesotans. It trains through employers, labor unions, trade associations, civic and community groups. It works with state agencies (i.e., Labor & Industry, OSHA, Pollution Control, Health, Public Safety, Public Welfare). MSC receives national recognition for training licensed drivers through the Defensive Driving Course (DDC). It teaches behavior modification courses for traffic violators. MSDC provides a free alcohol/driving program to high schools, conducts public education activities to increase use of auto child safety restraints and adult safety restraints. MSC has safety courses to enable senior citizens to remain in independent living situations, courses in first aid, cardio-pulmonary resuscitation, occupational safety and health, public and recreational, and agricultural safety. It provides special services to schools and civic organizations, and serves as trainer and consultant to state and local government units.

OBJECTIVES:

- 1) Maintain Minnesota accident death rate per 100,000 population below national average.
- 2) Provide behavior modification training for licensed drivers (violators and non-violators) through the DDC course, Driver Improvement and DWI clinics.
- 3) Develop and conduct training to assist private sector (emphasis on small business and service industries) and government units to meet safety and health needs, and to comply with occupational safety and health laws.
- 4) Increase usage of adult and child automobile safety restraints.
- 5) Expand availability of child safety restraints to low-income families.
- 6) Work with volunteers to develop and support county volunteer safety organizations to provide public education activities at grass-roots level.
- 7) Develop and conduct public education campaigns on driving skills, falls prevention, use of auto safety restraints and electrical safety.
- 8) Conduct safety and health conferences as updates on major issues and introduce new concepts of safety and health to business, industry, government, labor, enforcement and the general public.
- 9) Conduct safety awards programs to recognize achievements by business, industry, government, youth organizations, school safety patrols and communities.
- 10) Work with departments of state and local government to strengthen their safety and health activities, including programs for employees and the general public.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) MN Accident death rate (per 100,000 population) (Estimate: 1984 death rate was 35.4; nat'l. comp. - 38.3)	35.8	35.8	35.8	35.8
2) Licensed drivers trained	12,459	13,700	15,070	16,577
3) Occupational training courses	92	101	111	121
4) No. of employees trained	2,760	3,036	3,340	3,675
4) No. of people reached through occupant restraint public education	107,575	112,000	118,000	123,000
5) No. of free-loan child safety restraints distributed to low-income families	445	525	580	640
6) No. of local volunteer safety organizations	28	38	43	48
7) No. reached through public education (millions)	2.5	same	same	same
8) No. of conference attendees	1,500	1,600	1,700	1,800
9) No. of award program entries	1,120	1,200	1,300	1,400

OPTIONAL TOPICS: During the next biennium, MSC will research principal causes of falls to senior citizens (leading cause of accidental death and injury to those over 65, the most rapidly growing segment of Minnesota population). Based on results, MSC will develop and implement falls prevention education using existing delivery systems. MSC will also research the cost of off-the-job accidents to employers, including state and local government, and will develop record-keeping systems and programs on off-the-job accident prevention. Further, it is developing services for Minnesota service industries; demographics show this is the largest growing employment group through the 1990s. It will continue the Minnesota Occupant Restraint Program to increase use of safety belts and will expand the Free-Loan Child Restraint Program available to low-income families. It will continue to assist communities around the state to begin loaner programs.

EXPLANATION OF BUDGET REQUEST: Request is SAME-level funding. MSC matches each state dollar with \$3.50 in contributions from the private sector. Current funding sources: corporate contributions-15%; training-35%; state grants-4%; special project grants-20%; other earned income-26%. State appropriation is critical for program development and to accept federal and other grants for special projects. MSC sets low training and services fees to provide additional funds for free public service activities. State appropriation also allows MSC to provide services at no charge to schools, state and local government.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MINN SAFETY COUNCIL

PROGRAM: MINN SAFETY COUNCIL

AGENCY: SAFETY COUNCIL

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	50.7	50.7	50.7	50.7		50.7	50.7	50.7		50.7	50.7
AIDS TO INDS.											
TOTAL EXPENDITURES	50.7	50.7	50.7	50.7		50.7	50.7	50.7		50.7	50.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	50.7	50.7	50.7	50.7		50.7	50.7	50.7		50.7	50.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	50.7	50.7	50.7	50.7		50.7	50.7	50.7		50.7	50.7
POSITIONS BY FUND											
TOTAL POSITIONS											



AGENCY: DISABLED AMERICAN VETERANS

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

AGENCY DESCRIPTION:

The Disabled American Veterans (DAV) is a service organization that provides counseling and assistance to veterans, their widows and dependents so that they may obtain the benefits to which they are entitled by law.

OPERATION AND CLIENTELE:

The DAV maintains offices in the State Veterans Service Building and at the Federal Building, Fort Snelling. Counseling and assistance are provided through 3 National Service Officers (NSO) and the Adjutant/Service Officer. The NSOs also represent claimants before the Compensation and Pensions Board of the VA as well as before an Administrative Law Judge of the Social Security Administration.

Clientele: The DAV primarily assists its own members, but it also assists all other veterans, their widows and their dependents.

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Veterans, Widows and Dependents Assisted	3,908	3,726	3,862	3,907	4,007
Value of benefits received by Veterans, Widows and Dependents	\$17,300.1	\$16,960.1	\$17,452.7	\$17,976.8	\$18,516.1

EXPLANATION OF BUDGET REQUEST:

The Disabled American Veterans is requesting an appropriation of \$25.0 in F.Y. 1988 and \$25.0 in F.Y. 1989. This amount is requested to allow continuation of the current levels of services and programs.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: VETERANS OF FOREIGN WARS (VFW)

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

AGENCY PURPOSE:

The Veterans of Foreign Wars (VFW) Claims and Service offices serve as attorneys-in-fact for veterans, their dependents, widows and orphans in securing funds and services to which they are entitled. They also seek to increase awareness among the more than 500,000 veterans in Minnesota of the services available through the VFW Claims and Service offices at Fort Snelling and Fargo.

OPERATION AND CLIENTELE:

The office at Fort Snelling Veterans Administration Center employs 3 accredited claims representatives and 2 secretaries. The office in Fargo, serving 9 northwestern counties in Minnesota, employs a claims representative and a secretary. The VFW also provides hospital representatives at the V.A. medical centers in Minneapolis, St. Cloud and Fargo. These offices assist veterans and dependents in preparation of the required documentation and information necessary for securing benefits. They also provide representation in appeal procedures when claims are initially denied by federal agencies. VFW also provides personnel for appeals at the V.A. central office in Washington, D.C. Clientele is any veteran, dependent or orphan. Membership in the Veterans of Foreign Wars or Ladies Auxiliary is not required in order to be represented by VFW offices.

ACTIVITY STATISTICS:

The VFW provides power of attorney services to 86,934 veterans and dependents. The value of benefits received by veterans and dependents through VFW representation has been:

F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
\$18,500.0	\$18,560.6	\$19,000.0	\$19,500.0	\$20,000.0

EXPLANATION OF BUDGET REQUEST:

The state appropriation of \$30.0 will be used to supplement a portion of the budget for salaries of \$105.0 for the fiscal year. The salaries paid to VFW employees are not comparable to employees of the state or federal agencies who do the same type of work.

The Veterans of Foreign Wars requests the SAME level of funding for the 1979-1989 biennium.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DISABLED AMERCN VETS

PROGRAM: DISABLED AMER VETS

AGENCY: DISABLED AMER VETS

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	20.1	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
AIDS TO INDS.											
TOTAL EXPENDITURES	20.1	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	20.1	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	20.1	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
POSITIONS BY FUND											
TOTAL POSITIONS											

**BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET**

BUDGET ACTIVITY: VETS OF FOREIGN WARS

PROGRAM: VETS OF FOREIGN WARS

AGENCY: VETERANS OF FORGN WAR.

\* \* \* DOLLARS IN THOUSANDS (137,522 = 137.5) \* \* \*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
<b>EXPENDITURES BY CATEGORY:</b>											
STATE OPERATIONS											
LOCAL ASSISTANCE	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
AIDS TO INDS.											
<b>TOTAL EXPENDITURES</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>		<b>30.0</b>	<b>30.0</b>	<b>30.0</b>		<b>30.0</b>	<b>30.0</b>
<b>STATE OPERATIONS - DETAIL:</b>											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
<b>TOTAL STATE OPERATIONS</b>											
<b>SOURCES OF FINANCING</b>											
<b>DIRECT APPROPRIATIONS:</b>											
GENERAL	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
DEDICATED APPROPRIATIONS:											
<b>TOTAL FINANCING</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>		<b>30.0</b>	<b>30.0</b>	<b>30.0</b>		<b>30.0</b>	<b>30.0</b>
<b>POSITIONS BY FUND</b>											
<b>TOTAL POSITIONS</b>											

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: VETS OF FOREIGN WARS

PROGRAM: VETS OF FOREIGN WARS

AGENCY: VETERANS OF FORGN WAR

\*\*\* DOLLARS IN THOUSANDS (137,522 = 137.5) \*\*\*

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
AIDS TO INDS.											
TOTAL EXPENDITURES	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	30.0	30.0	30.0	30.0		30.0	30.0	30.0		30.0	30.0
POSITIONS BY FUND											
TOTAL POSITIONS											